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

# FORM 10-K

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

**For the Fiscal Year Ended December 31, 2023**

**OR**

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

**For the transition period from to**

**Commission File Number** 001-33831

**EAGLE BULK SHIPPING INC.**
(Exact name of Registrant as specified in its charter)

| | |
|---|---|
| **Republic of the Marshall Islands** | **98-0453513** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **300 First Stamford Place, 5th Floor** | |
| **Stamford, Connecticut** | **06902** |
| **(Address of principal executive offices)** | (Zip Code) |

Registrant’s telephone number, including area code: (203) 276–8100

Securities 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, par value $0.01 per share | EGLE | New York Stock Exchange |
| Preferred Stock Purchase Rights | N/A | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | | | |
|---|---|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ | Non-Accelerated filer | ☐ |
| Smaller reporting company | ☐ | Emerging growth company | ☐ | | |

If an emerging growth company, 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 provide pursuant to Section 13(a) of the Exchange Act. ☐

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 whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant’s common stock held by non-affiliates of the registrant on June 30, 2023, the last business day of the registrant’s most recently completed second quarter, was approximately $295,800,871 based on the closing price of $48.04 per share. (For this purpose, all outstanding shares of common stock have been considered held by non-affiliates, other than the shares beneficially owned by directors, officers and certain shareholders of the registrant holding above 10% of the outstanding shares of common stock; without conceding that any of the excluded parties are "affiliates" of the registrant for purposes of the federal securities laws.)

As of March 1, 2024, 11,072,851 shares of the registrant’s common stock were outstanding.

**TABLE OF CONTENTS**

References in this Annual Report on Form 10-K (this "Form 10-K" or "Annual Report") to "we," "us," "our," "Eagle Bulk," "Eagle," the "Company" and similar terms all refer to Eagle Bulk Shipping Inc. and its subsidiaries, unless otherwise stated or the context otherwise requires.

A glossary of shipping terms (the "Glossary") that should be used as a reference when reading this Annual Report can be found immediately prior to Item 1A. Capitalized terms that are used in this Annual Report are either defined when they are first used or in the Glossary.

All dollar amounts are stated in United States ("U.S.") dollars unless otherwise noted. Certain numerical information in this report is presented on a rounded basis using actual amounts. Minor differences in totals or percentages may exist due to rounding.

**Forward-Looking Statements and Risk Factor Summary**

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbor provided for under these sections. These statements may include words such as "believe," "estimate," "project," "intend," "expect," "plan," "anticipate" and similar expressions in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements reflect management's current expectations and observations with respect to future events and financial performance.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. The principal factors that affect our financial position, results of operations and cash flows include market freight rates, which fluctuate based on various economic and market conditions, periods of charter hire, vessel operating expenses and voyage costs, which are incurred primarily in U.S. dollars, depreciation expenses, which are a function of the purchase price of our vessels and our vessels' estimated useful lives and scrap values, general and administrative expenses, and financing costs related to our indebtedness. The accuracy of the Company's assumptions, expectations, beliefs and projections depends on events or conditions that change over time and are thus susceptible to change based on actual experience, new developments and known and unknown risks. The Company gives no assurance that the forward-looking statements will prove to be correct and does not undertake any duty to update them. Our business is subject to a number of risks that could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. These risks are discussed more fully under Item 1A. Risk Factors and include, but are not limited to the following:

- deterioration of the global economic environment;
- volatility of freight rates driven by changes in demand for seaborne transportation of drybulk commodities and in supply of drybulk shipping capacity;
- the impact of measures implemented by governments in response to a pandemic;
- an increase in trade protectionism;
- changes in the economic and political environment in China;
- seasonal fluctuations of the drybulk shipping market;
- over-supply of drybulk carrier capacity driven by levels of newbuilding orders, scrapping rates or fleet utilization;
- impairment charges as a result of declines in freight rates and vessel values;
- a decrease in the market values of our vessels;
- an increase in fuel costs or bunker prices;
- an increase in operating costs driven by inflation;
- costs of compliance with safety and other vessel requirements imposed by classification societies and laws and regulations;
- costs of compliance with laws and regulations, including environmental laws and regulations, as well as any penalties imposed as a result of non-compliance with such laws and regulations;
- costs of operating in warlike and high-risk geographic areas;
- costs of non-compliance with economic sanctions and trade embargo laws and regulations;
- impact of inspection procedures and tighter import and export controls;
- business interruptions from events or circumstances associated with operating ocean-going vessels, including changes in the conditions of our vessels;
- requisitions of our vessels by governments during a period of war;

- costs and reputational harm due to cyber-attacks or other security breaches;
- changes in the global financial markets and their impact on our ability to obtain additional financing;
- risks of default under our loan agreements;
- losses from the use of derivative instruments;
- counterparty credit risk on financial institutions that hold our cash and cash equivalents;
- a decrease in spot freight rates and its impact on our profitability;
- costs associated with the acquisition, takeover, sale and operation of secondhand vessels;
- failure of our charterers or other counterparties to meet their obligations under charter agreements or other contracts;
- failure to employ our vessels profitably in the highly-competitive international drybulk shipping industry;
- the impact of the conflicts between Russia and Ukraine on our business;
- failure to attract and retain key management personnel;
- increasing costs due to the aging of our fleet;
- costs of non-compliance with the U.S. Foreign Corrupt Practices Act (the "FCPA");
- the impact of technological innovations on our revenues and the value of our vessels;
- any legal proceedings which we may be involved in from time to time; and other factors listed from time to time in our filings with the Securities and Exchange Commission (the "SEC");
- arrests of our vessels by maritime claimants;
- if we are required to pay tax on U.S. source income or subject to additional taxes as a result of challenges by tax authorities or changes in applicable law;
- if we are treated as a "passive foreign investment company";
- an inability of our subsidiaries to declare or pay dividends;
- the impact of the corporate laws of the Marshall Islands on our common stock, ability to pay dividends, the responsibilities of our directors and rights of shareholders;
- the fluctuation of the price of our common stock;
- the inactivity of the public market for our common stock;
- certain shareholders owning large portions of our outstanding common stock, which may limit other stockholders' ability to influence our actions;
- future sales or availability of sale of shares by the Company as well as the effect of the sale of borrowed shares in the open market could cause the market price of our common stock to decline;
- our shareholders are limited in their ability to elect or remove directors and to take action outside of Annual or Special Meetings;
- our shareholders are subject to advance notice requirements for shareholder proposals and director nominations;
- the provisions of our Rights Agreement could discourage, delay or prevent the acquisition of the Company that an individual shareholder may deem to be advantageous;
- our organizational documents contain super majority provisions;
- our organizational documents provide that disputes between us and our shareholders shall be subject to the jurisdiction of the U.S. federal courts located in the Southern District of New York;
- the pendency or termination of the Proposed Merger (as defined below);
- transaction fees and costs in connection with the Proposed Merger;
- potential loss of management personnel and other key employees as a result of uncertainties associated with the Proposed Merger; and
- shareholder class actions or derivative actions arising from the Proposed Merger.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. The Company's future results may be impacted by adverse economic conditions, such as inflation, deflation, or lack of liquidity in the capital markets, that may negatively affect it or parties with whom it does business. Should one or more of the foregoing risks or uncertainties materialize in a way that negatively impacts the Company, or should the Company's underlying assumptions prove incorrect, the Company's actual results may vary materially from those anticipated in its forward-looking statements, and its business, financial condition and results of operations could be materially and adversely affected.

Other unknown or unpredictable factors also could harm our results. We disclaim any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PART I

ITEM 1. BUSINESS

**Overview and Recent Developments**

The Company is a U.S.-based, fully integrated shipowner-operator, providing global transportation solutions to a diverse group of customers including miners, producers, traders and end users. Headquartered in Stamford, Connecticut, with offices in Singapore and Copenhagen, the Company focuses exclusively on the versatile midsize drybulk vessel segment and owns one of the largest fleets of Supramax/Ultramax vessels in the world. The Company performs all management services in-house (strategic, commercial, operational, technical, and administrative) and employs an active management approach to fleet trading with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis. Typical cargoes we transport include both major bulk cargoes, such as iron ore, coal and grain and minor bulk cargoes such as fertilizer, steel products, petcoke and cement.

As of December 31, 2023, we owned and operated a modern fleet of 52 Supramax/Ultramax vessels, with an aggregate carrying capacity of 3.16 million deadweight ton ("dwt") and an average age of 10 years.

In addition to its owned fleet, the Company charters-in third party vessels on both a short-term and long-term basis. As of December 31, 2023, the Company had three Ultramax vessels on a long-term charter-in basis, each with a remaining minimum lease term of less than one year.

*Vessel acquisitions and sales*

During the year ended December 31, 2023, the Company completed the following acquisition and sale transactions:

| Vessel | Type | Scrubber-Fitted | Dwt (in thousands) | Year Built | Delivery Date | Total Consideration ($ in millions) |
|---|---|---|---|---|---|---|
| ***Vessel Acquisitions*** | | | | | | |
| Gibraltar Eagle | Ultramax | | 63.6 | 2015 | February 2023 | $24.3 |
| Vancouver Eagle | Ultramax | P | 63.7 | 2020 | May 2023 | $30.1 |
| Halifax Eagle | Ultramax | P | 63.7 | 2020 | May 2023 | $30.1 |
| ***Vessel Sales*** | | | | | | |
| Jaeger | Supramax | | 52.5 | 2004 | March 2023 | $9.0 |
| Montauk Eagle | Supramax | | 58.0 | 2011 | May 2023 | (1) |
| Newport Eagle | Supramax | | 58.0 | 2011 | May 2023 | (1) |
| Sankaty Eagle | Supramax | | 58.0 | 2011 | July 2023 | (1) |

(1) The vessels Montauk Eagle, Newport Eagle and Sankaty Eagle were sold for total consideration of $49.8 million.

*Proposed Merger*

On December 11, 2023, the Company, Star Bulk Carriers Corp. ("Star Bulk"), and Star Infinity Corp., a wholly-owned subsidiary of Star Bulk ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, subject to approval of the Company's shareholders and the satisfaction or (to the extent permitted by law) waiver of other specified closing conditions, Merger Sub will be merged with and into the Company (the "Proposed Merger"), with the Company surviving the merger and becoming a wholly-owned subsidiary of Star Bulk.

If the Proposed Merger is completed, each share of the Company's common stock (other than shares held by the Company, Star Bulk, Merger Sub or any of their respective direct or indirect wholly-owned subsidiaries) will be converted into the right to receive 2.6211 validly issued, fully paid and non-assessable shares of common stock of Star Bulk (and, if applicable, cash in lieu of fractional shares) (the "Merger Consideration"), less any applicable withholding taxes. Based on the number of shares of Star Bulk common stock and the Company's common stock outstanding and reserved for issuance as of the date the Merger Agreement was executed, immediately following the consummation of the Proposed Merger, pre-merger Star Bulk shareholders will own approximately 71% and former shareholders of the Company will own approximately 29% of Star Bulk common stock on a fully diluted basis.

The Proposed Merger is expected to close in the first half of 2024, subject to the satisfaction or waiver of certain conditions, including: (i) the authorization of the Merger Agreement by the affirmative vote of the holders of a majority of all outstanding shares of common stock of the Company entitled to vote thereon; (ii) the authorization of the issuance of shares of the Company's common stock issuable upon the potential future conversion of Convertible Bond Debt (as defined below) in excess of the conversion share cap set forth in the Indenture (as defined below) by the affirmative vote of a majority of the votes cast by holders of common stock of the Company entitled to vote thereon; (iii) the effectiveness, which occurred on February 12, 2024, of a registration statement on Form F-4 in connection with the issuance of Star Bulk common stock as merger consideration, which includes a prospectus and a proxy statement relating to the special shareholder meeting to approve the Proposed Merger and absence of any stop order suspending the effectiveness of the Form F-4; (iv) the absence of any temporary restraining order, preliminary or permanent injunction or other judgment or law entered, enacted, promulgated, enforced or issued by any court or other governmental entity of competent jurisdiction preventing, making illegal or prohibiting the Proposed Merger or the transactions contemplated by the Merger Agreement; (v) the expiration or termination of all applicable waiting periods relating to the Proposed Merger under the Hart-Scott-Rodino Antitrust Improvements Act and the receipt of certain approvals from applicable governmental entities; and (vi) the approval of the listing on the Nasdaq Global Select Market of shares of Star Bulk common stock to be issued in the Proposed Merger as merger consideration, subject to official notice of issuance. The obligation of each of the Company and Star Bulk to consummate the Proposed Merger is also conditioned on, among other things, the accuracy of the representations and warranties made by the other party as of the closing date (subject to certain "materiality" and "material adverse effect" qualifiers) and material compliance by the other party with pre-closing covenants.

**Mission + Vision + Values**

*MISSION*

Providing optimized global transportation of drybulk commodities; delivering superior results for our customers and stakeholders.

*VISION*

To be the leading integrated shipowner-operator through consistent outperformance and sustainable growth.

*VALUES*

- **PASSION** for excellence drives us
- **EMPOWERMENT** of our people leads to better results
- **INTEGRITY** defines our culture
- **RESPONSIBILITY** to safety underpins every decision
- **FORWARD THINKING** takes us to a more successful tomorrow

**Business Strategy**

- Focus on the most versatile drybulk vessel segment

  We focus on owning and operating vessels within the midsize Supramax/Ultramax segment. We consider this vessel segment to be the most versatile amongst the various drybulk asset classes due to the optimal size and specifications of Supramax/Ultramax ships, which allows us to carry the most diversified cargo mix when compared to other sizes of drybulk carriers. With a size ranging from 50,000 to 65,000 dwt and a length of approximately 200 meters, Supramax/Ultramax vessels are able to accommodate large cargo quantities and call on the majority of ports around the globe. In addition, these vessels are equipped with onboard cranes and grabs, giving them the ability to load and discharge cargoes without the need for shore-based port equipment/infrastructure. We believe the versatility and flexibility of Supramax/Ultramax vessels provide for improved risk-adjusted returns throughout the cycles.

- Employ an active management strategy for fleet trading

  We employ an active management strategy for fleet employment with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis. Through the execution of various commercial strategies employed across our global trading desks in the United States, Europe and Asia, the Company has been able to achieve optimal TCE (as defined herein) results and outperform the relevant market index on a consistent basis.

- Execute on fleet renewal and growth

  Since 2016, and through the date of this Annual Report, we have executed on a comprehensive fleet renewal program totaling 59 vessel transactions. We have acquired 33 modern vessels and sold 26 of our oldest and least-efficient vessels. We believe these transactions have vastly improved our fleet makeup, enabling us to generate incremental revenue on a per ship basis; we have been able to maintain our fleet age profile at an optimized level, increase our cargo-carrying capacity per ship and improve our fleet emissions profile (as measured by fuel consumption per dwt).

- Perform technical management in-house

  We perform all technical management services relating to vessel maintenance, vessel repairs and crewing.

- Implement a prudent approach to balance sheet management

  We believe the long-term success of the Company is contingent on maintaining a prudent approach to balance sheet management, including working capital optimization, diversifying capital sources, lowering cost of capital, limiting interest rate exposure and optimizing the debt profile.

- Emphasize Environmental, Social and Governance (“ESG”) factors

  We publish and update initiatives regarding ESG on our company website. Initiatives we have undertaken include:

*Environmental*

- Executing on a comprehensive fleet renewal program, acquiring modern efficient vessels and selling older, less efficient ones, which has resulted in an improved fleet makeup and reduced greenhouse gas (“GHG”) emissions on a ton-mile basis.
- Targeting net-zero GHG emissions by 2050.
- Creating a performance department and implementing performance optimization software, which has resulted in improved vessel performance and reduced fuel consumption.
- Applying high-specification hull coatings and installing various energy saving devices to improve vessel performance and reduce fuel consumption.
- Reducing sulfur emissions by approximately 85% by following strategies to comply with the IMO’s fuel sulfur content regulations, which went into effect in January 2020.
- Investigating existing and emerging technologies to reduce GHG emissions including the completion of two test voyages on 100% sustainable biofuel.
- Embedding a Sustainability-linked feature to our Global Ultraco Debt Facility (as defined herein), which allows the Company to benefit from improved margin pricing on its borrowings, subject to meeting certain performance indicators relating to Fleet Energy Efficiency Operational Indicator (EEOI) Performance and Green Spending.
- Joining the Getting to Zero Coalition, a global alliance of more than 200 companies committed to the decarbonization of deep-sea shipping in line with the IMO GHG emissions reduction strategy and, ultimately, the alignment of shipping emissions with the United Nations Framework Convention on Climate Change Paris Agreement.
- Becoming a signatory to the Sea Cargo Charter, a global framework for aligning chartering activities with responsible environmental behavior in order to promote international shipping’s decarbonization. The Sea Cargo Charter is consistent with the IMO’s latest ambition to reach net-zero GHG emissions from international shipping by approximately 2050.

- Joining the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping as Mission Ambassador, which is a not-for-profit, independent research and development center. It works across the shipping sector with industry, academia and authorities to create an overview of viable decarbonization pathways, facilitate the development and implementation of new energy technologies, build confidence in new concepts and their supply chains and accelerate the energy transition by defining and maturing viable strategic pathways.

*Social*

- Abiding by equal opportunity employer guidelines and promoting diversity in the workforce.
- Recognizing and complying with the Maritime Labor Convention, which was adopted by the International Labor Organization (“ILO”). All of our crew labor contracts are International Transport Workers’ Federation compliant agreements.
- Becoming a signatory to The Neptune Declaration, a global “call to action” initiative to help end the unprecedented crew change crisis affecting the maritime industry as a result of the outbreak of COVID-19 and its impact to worldwide travel.
- Implementing a robust safety management system.
- Implementing a Marine Benefits medical insurance program for our crew and their family members.
- Volunteering with, and donating to, various local charities and causes.
- Providing paid internship opportunities to university students.

*Governance*

- Setting up a best-in-class corporate governance structure.
- Combating corruption through strict internal procedures and training, as well as taking part in collective action through our membership in the Maritime Anti-Corruption Network.
- Adopting a comprehensive code of ethics program within the organization that provides ongoing training and robust controls.
- Focusing on highly transparent reporting of sustainability, operating, and financial performance.

**Our Fleet**

The 52 vessels in our owned fleet as of December 31, 2023 were as follows:

| # | Vessel | Scrubber-Fitted | Dwt (in thousands) | Year Built |
|---|---|---|---|---|
| 1 | Antwerp Eagle | P | 63.5 | 2015 |
| 2 | Bittern | P | 57.8 | 2009 |
| 3 | Canary | P | 57.8 | 2009 |
| 4 | Cape Town Eagle | P | 63.7 | 2015 |
| 5 | Copenhagen Eagle | P | 63.5 | 2015 |
| 6 | Crane | P | 57.8 | 2010 |
| 7 | Crested Eagle | P | 56.0 | 2009 |
| 8 | Crowned Eagle | P | 55.9 | 2008 |
| 9 | Dublin Eagle | P | 63.6 | 2015 |
| 10 | Egret Bulker | P | 57.8 | 2010 |
| 11 | Fairfield Eagle | P | 63.3 | 2013 |
| 12 | Gannet Bulker | P | 57.8 | 2010 |
| 13 | Gibraltar Eagle | | 63.6 | 2015 |
| 14 | Golden Eagle | P | 56.0 | 2010 |
| 15 | Grebe Bulker | P | 57.8 | 2010 |

| | | | | |
|---|---|---|---|---|
| 16 | Greenwich Eagle | P | 63.3 | 2013 |
| 17 | Groton Eagle | P | 63.3 | 2013 |
| 18 | Halifax Eagle | P | 63.7 | 2020 |
| 19 | Hamburg Eagle | P | 63.3 | 2014 |
| 20 | Helsinki Eagle | P | 63.6 | 2015 |
| 21 | Hong Kong Eagle | P | 63.5 | 2016 |
| 22 | Ibis Bulker | P | 57.8 | 2010 |
| 23 | Imperial Eagle | P | 56.0 | 2010 |
| 24 | Jay | P | 57.8 | 2010 |
| 25 | Kingfisher | P | 57.8 | 2010 |
| 26 | Madison Eagle | P | 63.3 | 2013 |
| 27 | Martin | P | 57.8 | 2010 |
| 28 | Mystic Eagle | P | 63.3 | 2013 |
| 29 | New London Eagle | P | 63.1 | 2015 |
| 30 | Nighthawk | P | 57.8 | 2011 |
| 31 | Oriole | P | 57.8 | 2011 |
| 32 | Oslo Eagle | P | 63.7 | 2015 |
| 33 | Owl | P | 57.8 | 2011 |
| 34 | Petrel Bulker | P | 57.8 | 2011 |
| 35 | Puffin Bulker | P | 57.8 | 2011 |
| 36 | Roadrunner Bulker | P | 57.8 | 2011 |
| 37 | Rotterdam Eagle | P | 63.6 | 2017 |
| 38 | Rowayton Eagle | P | 63.3 | 2013 |
| 39 | Sandpiper Bulker | P | 57.8 | 2011 |
| 40 | Santos Eagle | P | 63.5 | 2015 |
| 41 | Shanghai Eagle | P | 63.4 | 2016 |
| 42 | Singapore Eagle | P | 63.4 | 2017 |
| 43 | Southport Eagle | P | 63.3 | 2013 |
| 44 | Stamford Eagle | | 61.5 | 2016 |
| 45 | Stellar Eagle | P | 56.0 | 2009 |
| 46 | Stockholm Eagle | P | 63.3 | 2016 |
| 47 | Stonington Eagle | P | 63.3 | 2012 |
| 48 | Sydney Eagle | P | 63.5 | 2015 |
| 49 | Tokyo Eagle | P | 61.2 | 2015 |
| 50 | Valencia Eagle | P | 63.6 | 2015 |
| 51 | Vancouver Eagle | P | 63.7 | 2020 |
| 52 | Westport Eagle | P | 63.3 | 2015 |

**Commercial Strategies**

The following is a brief description of the commercial strategies we use to employ our vessels:

1) Time Charter-Out
Time charter-out describes a contract for the use of a ship for an agreed period of time, at an agreed hire rate per day. Commercial control of the vessel becomes the responsibility of the time charterer who performs the voyage(s). The time charterer is responsible to pay the agreed hire and also purchase the fuel and pay port expenses. Time charters can range from as short as one voyage (approximately 20-40 days) to multiple years.

2) Voyage Chartering
Voyage chartering involves the employment of a vessel between designated ports for the duration of the voyage only. Freight is earned on the volume of cargo carried. In contrast to the Time charter-out method, in a voyage charter, we maintain control of the commercial operation and are responsible for managing the voyage, including vessel scheduling and routing, as well as any related costs, such as fuel, port expenses and other expenses. Having the ability to control and manage the voyage, we are able to generate increased margin through operational efficiencies, business intelligence and scale. Additionally, contracting to carry cargoes on voyage terms often gives us the ability to utilize a wide range of vessels to perform the contract (as long as the vessel meets the contractual parameters), thereby giving significant operational flexibility to the fleet. Such vessels include not only ships we own, but also third-party ships, which can be chartered-in on an opportunistic basis (the inverse of a Time charter-out strategy).

3) Vessel + Cargo Arbitrage
With this strategy, we contract to carry a cargo on voyage terms (as described above under the caption "Voyage Chartering") with a specific ship earmarked to cover the commitment. As the date of cargo loading approaches, the market may have moved in such a way whereby we elect to substitute a different vessel to perform the voyage, while assigning a different piece of business to the original earmarked ship. Taken as a whole, this strategy can generate increased revenues, on a risk-managed basis, as compared to the original cargo-vessel pairing.

4) Time Charter-In
This strategy involves us leasing a vessel from a third-party shipowner at a set U.S. dollar per day rate. As referenced above, vessels can be time-chartered in order to cover existing cargo commitments, resulting in a Vessel + Cargo arbitrage. These ships may be chartered-in for periods longer than required for the initial cargo or arbitrage, and can also be chartered-in opportunistically in order to benefit from rate dislocations and to obtain risk-managed exposure to the market overall.

5) Hedging (FFAs)
Forward Freight Agreements ("FFAs") are cleared financial instruments, which we can use to hedge market freight rate exposure by locking in a fixed rate against the eventual forward market. FFAs are an important tool to manage market risk associated with chartering-in of third-party vessels. FFAs can also be used to lock in revenue streams on owned vessels or against forward cargo commitments the Company may enter into.

6) Asymmetric Optionality
This is a blended strategy approach whereby we utilize time charters, cargo commitments and FFAs together to hedge away market exposure while maintaining upside optionality to positive market volatility. As a simplified example, a ship may be time chartered-in for one year with a further optional year. In such a scenario, and dependent on market conditions, we could sell an FFA for the firm 1-year period commitment, essentially eliminating exposure to the market, while maintaining full upside on rate developments for the optional year.

Additional information regarding the types of charters that we typically enter into is as follows:

| | Charter Type | |
|---|---|---|
| **Charter Characteristics** | **Voyage Charter** | **Time Charter** |
| Typical contract length | Single voyage | One or multiple voyages |
| Freight/hire rate basis | Per metric ton of cargo loaded | Per day |
| Voyage expenses [1] | We pay | Customer pays |
| Vessel operating expenses for owned vessels [2] | We pay | We pay |
| Charter hire expense for vessels chartered-in | We pay | We pay |
| Off-hire [3] | Customer does not pay | Customer does not pay |

[1] Voyage expenses include fuel, port charges, canal tolls and brokerage commissions. Brokerage commissions are paid by us under each type of charter.

[2] Vessel operating expenses include crewing, repairs and maintenance, insurance, stores, lubes and communication expenses.

(3) 'Off-hire' refers to the time a vessel is unavailable to perform the service either due to scheduled or unscheduled repairs. Under a voyage charter, as the freight rate is based on tonnage of cargo and not based on a length of voyage, off-hire reduces the Company's ability to earn TCE.

The Company employs its fleet opportunistically in an effort to maximize earnings. The Company enters into charters and is continuously developing contractual relationships directly with cargo interests. These relationships and the related cargo contracts have the dual benefit of providing greater operational efficiencies and act as a balance to the Company's naturally long position to the market. Notwithstanding the focus on short-term chartering, the Company consistently monitors the drybulk shipping market and, based on market conditions, will consider entering into long-term time charters if and when appropriate.

The following table presents the relative portions of each of the years ended December 31, 2023, 2022, and 2021 that our fleet (both owned and chartered-in) was employed on time charters, voyage charters and was spent in a shipyard undergoing statutory drydock, BWTS installation or other necessary repairs:

| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
|---|---|---|---|
| Time Charter | 64% | 55% | 53% |
| Voyage Charter | 34% | 42% | 44% |
| Shipyard | 2% | 2% | 3% |

In connection with the charters of each of our vessels, unaffiliated third-party ship brokers earn commissions, with the total amount ranging from 1.25% to 5.00% of the total daily charter hire rate of each charter, with the commission rate depending on the number of brokers involved with arranging the relevant charter.

**Our Customers**

Our customers include some of the world's leading agricultural, mining, manufacturing and trading companies, as well as smaller, privately owned companies. Our assessment of customers' financial condition and reliability is an important factor in negotiating employment for our vessels. We evaluate the counterparty risk of potential customers based on our management's experience in the shipping industry combined with the additional input of an independent credit risk consultant. In 2023, 2022 and 2021, no customer accounted for more than 10% of our revenue.

**Operations**

We carry out the commercial, technical and strategic management of our fleet through our wholly-owned subsidiary, Eagle Bulk Management LLC, a Marshall Islands limited liability company which maintains its principal executive offices in Stamford, Connecticut. We also maintain offices in Copenhagen (Denmark) and Singapore.

The two central aspects to the operation of our fleet include:

- Commercial operations, which involve chartering and operating a vessel; and
- Technical operations, which involve maintaining, crewing and repairing a vessel.

Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment which is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk vessels.

**Commercial Management**

We perform the commercial management of our fleet, including obtaining employment for our vessels and maintaining relationships with the charterers of our vessels. We have three offices across the globe located in the U.S., Europe and Asia, which allows for 24-hour market coverage. We believe that due to our management team's experience in operating drybulk vessels, we have access to a broad range of charterers and can employ our fleet efficiently in diverse market conditions allowing us to achieve high utilization rates.

Being an active owner-operator means effectively seeking to operate our own vessels when possible, as compared with time chartering them to other operators, all with a view toward achieving higher-than-market net charter hire income. In doing so, we believe we can take advantage of rapidly changing market conditions and obtain better operational efficiencies from our fleet.

**Technical Management**

We have established in-house technical management capabilities, through which we provide technical management services to all vessels in our fleet. Technical management includes managing day-to-day operation of the vessel and machinery; performing general maintenance; ensuring regulatory and classification society compliance; supervising the general efficiency of the vessel; arranging the hire of qualified officers and crew; planning, arranging and supervising drydocking and repairs; purchasing supplies, spare parts, lubes and new equipment; and appointing supervisors and technical consultants.

**General and Administrative Management**

Our business operations include administrative support from Strategic (vessel acquisition and sale), Legal (compliance and insurance), Finance (accounting and treasury), Information Technology and Administrative (executive and human resources) personnel.

**Human Capital Management**

As of December 31, 2023, we have an aggregate of 105 shore-based personnel employed in our three office locations. We are an Equal Opportunity Employer in our hiring and promoting practices, benefits and wages.

We take a systemic approach to hiring, training and developing our employees based on our code of ethics. This includes creating individual goals based on company priorities and providing employees periodic feedback in order to assess individual performance. We have developed internal promoting practices based on objective annual performance evaluations, encouraging employees to develop within their chosen career path and providing necessary professional trainings as needed. We also employ a succession planning process that identifies suitable candidates, and their development needs, for key positions in the company.

*Seafarers*

In addition to our shore-based personnel, we employ approximately 1,025 officers and crew members on our owned fleet. We hire our crew through third-party crew managers and currently source seafarers from a number of countries, including Bulgaria, Egypt, Georgia, India, the Philippines, Poland, Romania, Russia and Ukraine. The conflict between Russia and Ukraine, and current and future sanctions imposed as a result of it, may adversely affect our ability to hire and/or pay for our crew. In response to this risk, we have: (i) substantially decreased the number of Russian crew members on board our vessels; (ii) established relationships with crew managers outside of Ukraine, including in Asia; (iii) increased crew sourcing from the Philippines in order to diversify crew nationality exposure; and (iv) may further expand our relationships with crew managers outside of Ukraine.

Third-party crew managers are responsible for the recruitment of crew members with training, licenses and experience appropriate for our vessels. On board, our crews perform most operational and maintenance work and assist in supervising work during cargo operations and at drydock facilities. We often man our vessels with more crew members than are required by the vessel's Flag State safe manning requirement in order to allow for the performance of routine maintenance duties. All of our crew members are subject to and are paid commensurate with international collective bargaining agreements and, therefore, we do not anticipate any labor disruptions. The international collective bargaining agreements, to which we are a party, are typically renewed for a two-year term.

*Human rights, health and safety*

For our crew members on our ships, we maintain security measures to ensure well-being and safety on our ships. We developed and implemented a safety management system in compliance with the International Safety Management Code and the International Ship and Port Facility Security Code. All necessary certificates required by the IMO were obtained by our in-house technical managers. We comply with the Maritime Labor Convention adopted by the ILO in 2006 (the "MLC 2006"). The MLC 2006 outlines the minimum requirements for seafarers to work, conditions of employment, facilities while on board and health and welfare protection. The MLC 2006 obliges all ships above 500 gross tons in international trade to have a Maritime Labor Certificate and a Declaration of Maritime Labor Compliance. All our vessels and crew are compliant with the MLC 2006 and we intend to maintain them accordingly.

In addition, a strategic priority of ours is to maintain the health and safety of our seafarers and to relieve our seafarers as close to their contractual due dates as possible. We have successfully managed crew changeovers in response to crew member health and safety-related matters. In order to achieve this result, we had to divert some of our ships and/or incur additional off-hire costs in addition to higher crew change expenses. During the year ended December 31, 2023, we incurred approximately 22 days of additional off-hire related to crew changes. These costs notwithstanding, we believe it is our obligation to our seafarers to ensure their overall health and safety.

**Permits, Authorizations and Regulations**

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 expect to be 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 increase the cost of us doing business.

Our vessels operate worldwide in compliance with trading limits imposed by governmental economic sanctions regimes and insurance terms and do not operate in or conduct business with countries or territories that are subject to United States, European Union ("EU"), United Kingdom or United Nations ("UN") comprehensive country-wide or territory-wide sanctions.

*Environmental and Other Regulations*

Government regulation impacts the operation of our vessels. 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 transit or operate relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including required 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 (including national Coast Guards, harbor masters and port state control authorities), classification societies, flag state administrations (country of vessel registry), as well as our charterers and terminal operators. Certain of these entities require us to obtain permits, licenses and certificates for the operation of our vessels. Failure to maintain the necessary permits or approvals could result in substantial costs in fines and penalties or result in the temporary suspension of the operation of one or more of our vessels.

We believe that the heightening levels of environmental and quality concerns among regulators, charterers and the insurance industry is leading to greater inspection and safety requirements on all vessels, which may accelerate the recycling of older vessels throughout the shipping industry. Increasingly stringent environmental regulations have created a demand for vessels that conform to the most up-to-date environmental standards, whether through retrofitting or new design. We strive to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and adherence to applicable international regulations. We believe that the operation of our vessels is in 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 are subject to change and may impose 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.

*International Maritime Organization (IMO)*

The IMO, the United Nations body for maritime safety and the prevention of pollution by ships, 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 ("MARPOL"). MARPOL has been in effect since October 2, 1983 and has been adopted by over 150 nations, including many of the jurisdictions in which our vessels operate. MARPOL sets forth pollution-prevention requirements applicable to different types of vessels and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk, in liquid or packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997.

In 2013, the Marine Environmental Protection Committee ("MEPC") was adopted by resolution amendments to MARPOL Annex I Conditional Assessment Scheme ("CAS"). The amendments, which became effective on October 1, 2014, pertain to the inspections of bulkcarriers and tankers and require compliance with the 2011 Enhanced Survey Programme Code, which enhances the programs of inspections. We made the necessary financial expenditures to comply with these amendments.

*Air Emissions*

Annex VI to MARPOL, which was designed to address air pollution from vessels and which became effective on May 19, 2005, sets limits on sulfur oxide and nitrogen oxide emissions from ships and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also regulates shipboard incineration and the emission of volatile organic compounds from tankers. In addition, Annex VI includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls of sulfur emissions known as Emission Control Areas ("ECAs"), as explained below.

MEPC adopted amendments to Annex VI on October 10, 2008, 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. As of January 1, 2020, sulfur content could not exceed 0.50% unless an approved exhaust gas cleaning system ("scrubber") is in use. Additionally, in October 2018, MEPC amended Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships on or after March 1, 2020, with the exception of vessels fitted with scrubbers which can carry fuel of higher sulfur content.

We implemented a comprehensive approach to comply with IMO sulfur regulations by fitting scrubbers on the majority of our fleet. As of December 31, 2023, 50 of our 52 owned vessels were fitted with scrubbers, making us the largest owner of scrubber fitted Supramax/Ultramax vessels in the world. The balance of our fleet complies with the MARPOL Annex VI sulfur limit through consumption of compliant fuels.

Sulfur content standards are stricter within certain ECAs. As of January 1, 2015, ships operating within an ECA may not use fuel with sulfur content in excess of 0.1% unless they are equipped with scrubbers capable of reducing emissions below 0.1%. Annex VI establishes procedures for designating new ECAs. Currently, the Baltic Sea, the North Sea, certain coastal areas of North America and United States Caribbean area have been designated as ECAs. An ECA covering the Mediterranean Sea will come into effect on May 1, 2025. Ocean-going vessels in these areas will be subject to stringent emissions controls, which may cause us to incur additional costs to procure compliant fuel and/or install scrubbers. If additional ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine engines or port operations by vessels are adopted by the states where our vessels operate, compliance with these regulations could entail additional expenses relating to operation of scrubbers, purchase of compliant fuel or otherwise increase the costs of our operations.

Annex VI also establishes progressive reductions in nitrogen oxide emissions from marine diesel engines installed on ships, with a "Tier II" emission limit for engines installed on a ship constructed on or after January 1, 2011, and a more stringent "Tier III" emission limit for engines installed on a ship constructed on or after January 1, 2016 operating in ECAs.

We believe we are in compliance with all current requirements of Annex VI, but we may incur additional costs to comply with more stringent 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*

SOLAS and the International Convention on Load Lines (the "LL Convention") impose a variety of standards that regulate the design and operational features of ships. The IMO periodically revises SOLAS and LL Convention standards. In addition, the Convention of Limitation of Liability for Maritime Claims establishes limits of liability for loss of life or personal injury claim and property claims against shipowners.

The operation of our ships is also affected by Chapter IX of SOLAS, which sets forth the IMO's International Management Code for the Safe Operation of Ships and Pollution Prevention (the "ISM Code"). The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive Safety Management System ("SMS") that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for emergency response. We rely upon the SMS that we have developed for compliance with the ISM Code. The failure of a shipowner 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. As of the date of this filing, all of the vessels in our owned fleet are ISM code-certified.

The ISM Code requires that vessel operators obtain a safety management certificate ("SMC") for each vessel they operate. This certificate evidences compliance by a vessel's operators with the ISM Code requirements for a SMS. No vessel can obtain a SMC under the ISM Code unless its manager has been awarded a document of compliance ("DoC") issued by the vessel's flag state or by an approved organization on behalf of the flag state. Our in-house technical managers have obtained DoC for all offices and safety management certificates for all of our vessels for which the certificates are required by the IMO, which certificates are renewed as needed.

*Pollution Control and Liability Requirements*

The IMO has implemented international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention") is designed to protect the marine environment from the introduction of non-native (alien) species as a result of the carrying of ships' ballast water from one place to another. The BWM Convention was adopted in 2004 and became effective on September 8, 2017. The BWM Convention is applicable to new and existing vessels that are designed to carry ballast water. It defines a discharge standard consisting of maximum allowable levels of critical invasive species. This standard is met by installing BWTS that render the invasive species non-viable. In addition, each vessel is required to have on board a valid International Ballast Water Management Certificate, a Ballast Water Management Plan and a Ballast Water Record Book.

Under relevant U.S. federal laws, U.S. Coast Guard ("USCG") approved BWTS are required to be installed in all vessels at the first out of water drydocking after January 1, 2016 if these vessels are to discharge ballast water inside 12 nautical miles of the coast of the United States. An Alternative Management System ("AMS") may be installed in lieu of a USCG approved BWTS. An AMS is valid for five years from the date of required compliance with ballast water discharge standards, by which time it must be replaced by an approved system unless the AMS itself achieves approval.

As of December 31, 2023, each of our owned vessels have BWTS installed.

The IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on shipowners 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 Convention on Limitation of Liability for Maritime Claims of 1976, as amended). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ships' bunkers typically is determined by national or other domestic laws in the jurisdiction where the events or damages occur. Our ships carry bunker pollution insurance in excess of the statutory requirements.

In March 2006, the IMO amended Annex I to MARPOL, including a regulation relating to oil fuel tank protection, which became effective August 1, 2007. The regulation applies to various ships delivered on or after August 1, 2010. The requirements it contains address issues such as fuel tanks, protected location accidental oil fuel outflow performance standards, a tank capacity limit and certain other maintenance, inspection and engineering standards.

IMO regulations also require owners and operators of certain vessels to adopt Ship Oil Pollution Emergency Plans. Periodic training and drills for response personnel and for vessels and their crews are required.

In March 2021, the U.S. government began investigating an allegation that one of the Company's vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The investigation of this alleged violation of environmental laws is ongoing, but at this time we do not believe that this matter will have a material impact on the Company, our financial condition or results of operations. We have posted a surety bond as security for any potential fines, penalties or associated costs that may be incurred, and the Company is cooperating fully with the U.S. government in its investigation of this matter.

*Anti-Fouling Requirements*

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-Fouling Systems on Ships (the "Anti-Fouling Convention"). The Anti-Fouling Convention 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 are 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.

In June 2021, MEPC 76 adopted amendments to the Anti-Fouling Convention to prohibit anti-fouling systems containing cybutryne.

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

*Compliance Enforcement*

The flag state, as defined by the UN Convention on the Law of the Sea, is responsible for implementing and enforcing a broad range of international maritime regulations with respect to all ships granted the right to fly its flag. The "Shipping Industry Guidelines on Flag State Performance" evaluates and reports on flag states based on factors such as sufficiency of infrastructure, ratification, implementation, and enforcement of principal international maritime treaties, supervision of statutory ship surveys, casualty investigations, and participation at IMO and ILO meetings. Our vessels are flagged in the Marshall Islands. Marshall Islands-flagged vessels have historically received a good assessment in the shipping industry. We recognize the importance of a credible flag state and do not intend to use flag states with poor performance indicators.

Non-compliance with the ISM Code or other IMO regulations may subject the shipowner or bareboat charterer to increased liability, lead to decreases in available insurance coverage for affected vessels or result in the denial of access to, or detention in some ports. As of the date of this report, each of our vessels is ISM Code certified and it is our intent to maintain ISM code certification. However, there can be no assurance that such certificates will be maintained in the future.

The IMO continues to 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 may have on our operations.

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

The 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 with the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.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 or 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 (i.e., no showing of "fault" is required) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, unless the spill results solely from the act or omission of a third party, an act of God or an act of war. OPA defines these other damages broadly to include:

- Injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- Injury to, or economic losses resulting from, the destruction of real and personal property;
- 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;

- Loss of subsistence use of natural resources that are injured, destroyed, or lost;
- Lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- Net cost of providing 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 March 23, 2023, the USCG adjusted the limits of OPA liability for non-tank vessels (e.g. drybulk) to the greater of $1,300 per gross ton or $1,076,000 (subject to periodic adjustment for inflation). These limits of liability may not apply if an incident was caused by the violation of an applicable United States 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 may not apply if the responsible party fails or refuses to (i) report the incident where the responsibility 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 damage for, injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing 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 or residue 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 gross 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 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 have complied with the regulations by providing a certificate of financial responsibility from third party entities that are acceptable to the USCG.

We currently maintain pollution liability coverage insurance in the amount of $1.0 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverages, it could have an adverse effect on our business and results of operation.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. Also, 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; some states have enacted legislation providing for unlimited liability for oil spills. In some cases, states which have enacted such legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call. We believe that we are in compliance with all applicable existing state requirements. In addition, we intend to comply with all future applicable state regulations in the ports where our vessels call.

*Other Environmental Initiatives*

The United States Clean Water Act (the "CWA") prohibits the discharge of oil, hazardous substances and ballast water in United States 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. Furthermore, 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 United States federal law. In 2015, the Environmental Protection Agency ("EPA") and the Army Corps of Engineers ("Corps") expanded the definition of "waters of the United States" ("WOTUS"), thereby expanding federal authority under the CWA. However, in April 2020, the EPA and the Corps published a final rule replacing the 2015 rules, and significantly reducing the waters subject to federal regulation under the CWA. On August 30, 2021, a federal court struck down the replacement rule and, on December 7, 2021, the EPA and the Corps published a proposed rule that would put back into place the pre-2015 definition of "waters of the United States," updated to reflect Supreme Court decisions, while the agencies continue to consult with stakeholders on future regulatory actions. As a result of such recent developments, substantial uncertainty exists regarding the scope of waters protected under the CWA.

The EPA and the USCG have enacted rules relating to ballast water discharge, which requires the installation of equipment on vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures. 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) and current USCG ballast water management regulations adopted under the U.S. National Invasive Species Act ("NISA"). VIDA establishes a new framework for the regulation of vessel incidental discharges under the CWA, requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the USCG 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 USCG 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. On October 26, 2020, the EPA published a proposed rule establishing national standards for discharges of ballast water under VIDA. Within two years after the EPA publishes its final standards, the USCG must develop corresponding implementation, compliance, and enforcement regulations regarding ballast water.

In addition, certain states have enacted additional discharge standards beyond the requirements of the VIDA. These state specific standards introduce more stringent requirements, such as those further restricting ballast water discharges and preventing the introduction of invasive species. The VIDA and state-specific regulations and any similar restrictions enacted in the future may increase the costs of operating in the relevant waters.

The U.S. Clean Air Act (the "CAA") requires the EPA to promulgate standards applicable to certain air pollutants, including volatile organic compounds. The CAA also requires states to draft State Implementation Plans ("SIPs") designed to attain national health-based air quality standards in each state. State-specific SIPs may include regulations concerning emissions resulting from vessel loading and unloading operations, including the installation of vapor control equipment.

Our operations occasionally generate and require the transportation, treatment and disposal of both hazardous and non-hazardous solid wastes that are subject to the requirements of the U.S. Resource Conservation and Recovery Act ("RCRA,") or comparable state, local or foreign requirements. The RCRA imposes significant record keeping and reporting requirements on transporters of hazardous waste. In addition, from time to time we arrange for the disposal of hazardous waste or hazardous substances at off-site disposal facilities. If such materials are improperly disposed of by third parties, we may still be held liable for cleanup costs under applicable laws.

In October 2009, the EU 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. Member States were required to enact laws or regulations to comply with the directive by the end of 2010. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or the safety of the ship is in danger.

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. Regulations 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.

*Greenhouse Gas Regulation*

Currently, GHG emissions 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. Although the U.S. withdrew from the Paris Agreement effective November 4, 2020, the U.S. rejoined the Paris Agreement on February 19, 2021, following a January 20, 2021, executive order by U.S. President Biden.

Although the international agreements discussed above do not currently provide for GHG emissions limits or reporting for international shipping, the IMO and EU have imposed reporting requirements and the IMO has proposed emissions requirements. As of January 1, 2019, owners and operators of ships above 5,000 gross tonnage are required to have a documented plan in place to monitor $CO_2$ emissions to comply with the IMO's data collection system ("IMO DCS") requirement. The Company updated its existing Ship Energy Efficiency Management Plans ("SEEMP") in 2018 documenting the methodologies we decided to use for collecting and reporting the required data to flag state. Our updated SEEMPs have been verified by a recognized independent organization and we are collecting all relevant data in our onboard data collection system since the start of 2019. Starting January 1, 2020, a recognized independent organization will review and certify the annual emissions data submitted by each vessel and issue each vessel a Statement of Compliance. The independent organization will then submit the data annually to the IMO Ship Fuel Oil Consumption Database. The IMO will utilize this data to produce an annual report to the MEPC, summarizing the data collected.

The Company also established and received approval for its EU Monitoring, Reporting, Verification ("MRV") monitoring plans from an independent verifier in 2017. The reporting requirements of the EU MRV are similar to those under IMO DCS but only apply to ships calling at European Economic Area (EU, Norway and Iceland) ports. Data collection takes place on a per voyage basis and started January 1, 2018. The reported $CO_2$ emissions, together with additional data, are independently verified before being sent to a central database managed by the European Maritime Safety Agency ("EMSA"). The aggregated ship emission and efficiency data is published annually by the European Commission starting June 30, 2019. Also, in July 2021, the European Commission adopted a series of legislative proposals referred to as "Fit for 55" setting out how it intends to achieve climate neutrality in the EU by 2050, including extending its emissions trading system to the maritime sector and introducing the FuelEU Maritime initiative.

In 2022, the European Parliament, the Council of the European Union and the European Commission reached an agreement on including maritime transport in the EU Emissions Trading System ("EU ETS"), beginning in 2024. The EU ETS covers $CO_2$ emissions from cargo and passenger ships above 5,000 gross tonnage. Obligations for $CO_2$ emission allowances will phase in from 40% for 2024 to 70% for 2025 and ultimately to 100% of verified emissions in 2026 onward. EU ETS compliance obligations must be settled annually via the administering authority assigned by the European Commission to each shipping company. Shipping companies must surrender their first EU ETS emission allowances by September 30, 2025 for emissions reported in 2024. The Company does not expect the EU ETS to have a material impact on its operations.

The FuelEU Maritime regulation will apply beginning January 1, 2025 and is a long-term framework to reduce maritime emissions by increasing the use of sustainable alternative fuels. The legislation ensures that the greenhouse gas intensity of the fuels used by the shipping sector will gradually reduce over time, by 2% in 2025 to as much as 80% by 2050. Failure to reduce the greenhouse gas intensity of fuels used onboard will result in financial penalties. Revenues from these penalties will be used for projects in support of the maritime sector's decarbonization. Among its many provisions, FuelEU Maritime introduces a voluntary pooling mechanism, under which ships will be allowed to pool their compliance balance with one more other ships, with the pool, as a whole, having to meet the required greenhouse gas intensity limits on average. The Company is evaluating the potential impact that the FuelEU Maritime regulation will have on the Company and its operations.

During MEPC 76 in June 2021, the IMO approved amendments to Annex VI to cut the carbon intensity of existing ships. The amendments will require ships to combine a technical and an operational approach to reduce their carbon intensity, in line with the ambition of the Initial IMO GHG Strategy, which aims to reduce carbon intensity of international shipping by 40% by 2030, compared to 2008. The amendments include: (i) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index ("EEXI") and (ii) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator ("CII"). These amendments entered into force on November 1, 2022, with the requirements for EEXI and CII certification coming into effect from January 1, 2023. The Company has evaluated the impact of EEXI requirements and determined that the majority of our fleet will be minimally impacted with some of our oldest ships requiring the application of an engine power limitation that may reduce operational top speed. The Company is working with Class and Flag to complete the EEXI certification of all vessels by the applicable statutory deadline which is the first periodical survey date for each ship within 2023. As of December 31, 2023, this work is substantially complete, except for certain vessels whose periodical survey dates will close in early 2024. EEXI requirements will likely cause the oldest ships in the global drybulk fleet to slow down significantly which will reduce drybulk supply and could positively impact rates. The Company updated its existing SEEMP in 2022 documenting the methodologies we decided to use for complying with CII requirements. Our updated SEEMPs have been verified by a recognized independent organization and we collect all relevant data in our onboard data collection system. The Company sees limited impact through 2025 by which time the IMO will begin a review of the CII requirements. The most immediate impact of CII requirements coming into effect will likely be the need for increased collaboration between the Company and charterers to actively manage CII scoring against minimum requirements.

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. Revenue generation and strategic growth opportunities may also be adversely affected. 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 more intense weather events such as those which may present a risk of damage or loss to our vessels.

*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 Maritime Transportation Security Act of 2002 ("MTSA"). To implement certain portions of the MTSA, in July 2003, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. The regulations also impose requirements on certain ports and facilities, some of which are regulated by the EPA. We have implemented measures to comply with the requirements when calling at U.S. ports.

Similarly, in December 2002, amendments to SOLAS created Chapter V, which deals specifically with maritime security and imposes various detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facilities Security Code ("ISPS Code"). The ISPS Code is designed to enhance the security of ports and ships against terrorism. Amendments to SOLAS Chapter VII, made mandatory in 2004, apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code. 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. Among the various requirements are:

- 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.

Ships operating without a valid certificate may be detained at port until it obtains an ISSC, or it may be expelled from port, or refused entry at port.

Furthermore, additional security measures could be required in the future which could have a significant financial impact on us. The USCG regulations, intended to be aligned 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 SOLAS security requirements and the ISPS Code. All of our owned vessels have a valid ISSC and it is our intent to maintain such certificates. We have implemented each of the relevant security measures addressed by the MTSA, SOLAS and the ISPS Code.

*Financial Regulations*

Our business operations in countries outside the United States are subject to a number of laws and regulations, including restrictions imposed by the FCPA, as well as economic sanctions and trade embargoes administered by Office of Foreign Assets Control ("OFAC"). The FCPA prohibits bribery of foreign officials and requires us to keep books and records that accurately and fairly reflect our transactions. OFAC administers and enforces economic sanctions and trade embargoes based on U.S. foreign policy and national security goals against targeted foreign states, organizations and individuals.

In November 2015, the Company filed a voluntary self-disclosure report with OFAC regarding certain apparent violations of U.S. sanctions regulations in the provision of shipping services for third party charterers with respect to the transportation of cargo to or from Myanmar (formerly Burma). The Company had a different senior management team at the time of the apparent violations which occurred between 2011 and 2014. The Company's current senior management and board of directors self-reported the apparent violation and cooperated fully with OFAC's investigation and has since implemented robust remedial measures and significantly enhanced its compliance safeguards.

On January 23, 2020, Eagle Shipping International (USA) LLC ("ESI"), a subsidiary of the Company, entered into a settlement agreement with OFAC in which ESI agreed to make a one-time payment to the U.S. Department of the Treasury in the amount of $1.125 million and undertake certain compliance commitments in exchange for OFAC agreeing to release and forever discharge the Company and its subsidiaries, including ESI, without any finding of fault, from any and all civil liability in connection with the apparent violations. The settlement does not constitute an admission of fault or wrongdoing by the Company or any of its subsidiaries.

*Inspection by Classification Societies*

Every ocean-going vessel must be inspected and certified by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

For maintenance of the class certification, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

- *Annual Surveys*. For ocean-going ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable for special equipment classed, within three months before or after each anniversary date of the date of commencement of the class period indicated in the certificate.

- *Intermediate Surveys*. Intermediate surveys typically are required two and one-half years after the vessel is commissioned, and thereafter, at five year intervals. The first three intermediate surveys may be conducted while the vessel remains in the water, and thereafter, the vessel must be dry-docked for each Intermediate Survey.
- *Class Renewal Surveys*. Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery, including the electrical plant and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey approximately every five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

All areas subject to survey as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

Most vessels are also drydocked every 30 to 60 months for inspection of the underwater parts and for repairs related to inspections. If any defects are found, the classification surveyor will issue a "recommendation" which must be rectified by the shipowner within prescribed time limits.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society which is a member of the International Association of Classification Societies (the "IACS"). In December 2013, the IACS adopted new harmonized Common Structure Rules, which apply to bulkcarriers constructed on or after July 1, 2015. All our vessels must be certified as being "in class" prior to their delivery under our standard purchase contracts and memorandum of agreement. If the vessel is not class certified on the date of closing, we have no obligation to take delivery of the vessel. All of our owned vessels have been classed by IACS members and we intend to have any vessel that we may acquire in the future classed by an IACS member.

***Risk of Loss and Liability Insurance***

*General*

The operation of any drybulk vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of a marine casualty, including oil spills (e.g., fuel oil), other environmental mishaps and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes liability upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the U.S. market.

While we maintain hull and machinery insurance, loss of hire insurance, war risks insurance, protection and indemnity cover and freight, demurrage and defense cover for our owned 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 current 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, machinery and war risks insurances, which cover the risk of damage or actual or constructive total loss for all of our vessels. Our vessels are each covered up to at least their fair market value with a deductible of $100,000 per vessel per incident.

*Protection and Indemnity Insurance Coverage*

Protection and Indemnity Insurance is a form of mutual indemnity insurance provided by protection and indemnity associations ("P&I Associations"), which insure our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses resulting from the injury, illness or death of crew, passengers and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution and other related costs, including wreck removal. Subject to the "capping" discussed below except for pollution is unlimited.

Our current Protection and Indemnity Insurance coverage for pollution is $1.0 billion per vessel per incident. The 13 P&I Associations that comprise the International Group of P&I Association insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. 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 the Company's claim records as well as the claim records of all other members of the individual associations and members of the pool of P&I Associations comprising the International Group.

***Competition***

We compete with a large number of international drybulk owners. The international shipping industry is highly competitive and fragmented with no single owner accounting for more than 2.4%(1) of the on-the-water drybulk fleet, measured by vessel count, as of December 31, 2023. In addition, as of December 31, 2023, there are approximately 13,500 drybulk vessels(1) over 10,000 dwt which total approximately 1,003 million dwt(1). We compete with other owners of drybulk vessels, primarily in the midsize segment and (to a lesser extent) the Handysize and Panamax segments. Many of our competitors are privately-held companies.

Competition in the shipping industry varies according to the nature of the contractual relationship as well as the specific commodity being shipped. Our business will fluctuate as a result of changes in the supply and demand for drybulk commodities and also the main patterns of trade in these commodities. Competition in virtually all bulk trades is intense and based primarily on supply of ships and demand for our ocean transportation services. 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. Increasingly, major customers are demonstrating a preference for modern vessels based on concerns about the environmental and operational risks associated with older vessels. Consequently, we believe owners of large modern fleets have gained a competitive advantage over owners of older fleets.

(1)Source: Clarksons (February 2024)

***Seasonality***

Demand for vessel capacity has historically exhibited seasonal variations and, as a result, fluctuations in freight rates. This seasonality may result in quarter-to-quarter volatility in our operating results for our vessels trading in the spot market. The midsize drybulk market, as measured by the BSI, is typically strongest in the third quarter (due to both increased North American grain shipments and higher coal purchases for heating fuel ahead of the winter months in the Northern Hemisphere). There is also seasonal volatility in the relative strength of the Atlantic basin as compared to the Pacific basin. From 2016 through 2023, the long-term average market premium in the Atlantic basin was approximately 33%(1). This premium is generally highest in the months of December through February, primarily attributable to a general market slowdown in the Pacific basin in the weeks leading up to the Lunar New Year and due to an elevated number of newbuild vessels that are typically delivered in January, relative to other months.

(1)Source: Clarksons (February 2024)

***Value of Assets and Cash Requirements***

The replacement costs of comparable new vessels may be above or below the book value of our fleet. The market value of our fleet may be below book value when market conditions are weak and exceed book value when markets are strong. In common with other shipowners, we may consider asset redeployment which, at times, may include the sale of vessels at less than their book value.

### *Exchange Controls*

Under Marshall Islands 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 common stock.

### *Tax Considerations*

The following is a discussion of the material Marshall Islands and United States federal income tax considerations relevant to owning common stock by a United States Holder or a Non-United States Holder, (each as defined herein). This discussion does not purport to deal with the tax consequences of owning the common stock to all categories of investors, some of which (such as financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, insurance companies, persons holding our common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that have elected the mark-to-market method of accounting for their securities, persons liable for an alternative minimum tax, persons who are investors in pass-through entities, dealers in securities or currencies, 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," persons subject to the "base erosion and anti-avoidance" tax, persons who own, directly or constructively, 10% or more of our common stock and investors whose functional currency is not the United States dollar) may be subject to special rules. This discussion deals only with holders who own common stock as a capital asset. Shareholders are encouraged to consult their own tax advisors concerning the overall tax consequences arising in their own particular situation under United States federal, state, local or foreign law of the ownership of our common stock.

*Marshall Islands Tax Considerations*

In the opinion of Seward & Kissel LLP, the following are the material Marshall Islands tax consequences of our activities to us and shareholders of our common stock. We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are 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 Tax Considerations*

In the opinion of Seward & Kissel LLP, our United States tax counsel, the following are the material United States federal income tax consequences to us of our activities and to United States Holders and to Non-United States Holders of our common stock. The following discussion of United States federal income tax matters is based on the Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, administrative pronouncements and existing and proposed regulations issued by the United States Department of the Treasury, all of which are subject to change, possibly with retroactive effect. In addition, the discussion below is based, in part, on the description of our business as described in Item 1. Business in this Annual Report and assumes that we conduct our business as described in that section.

We have made, or will make, special United States federal income tax elections in respect of each of our ship owning or operating subsidiaries that is potentially subject to tax as a result of deriving income attributable to the transportation of cargoes to or from the United States. The effect of the special U.S. tax elections is to ignore or disregard the subsidiaries for which elections have been made as separate taxable entities and to treat them as part of their parent, the "Company." Therefore, for purposes of the following discussion, the Company, and not the subsidiaries subject to this special election, will be treated as the owner and operator of the vessels and as receiving the income therefrom.

### *United States Federal Income Taxation of Our Company*

*Taxation of Operating Income: In General*

The Company currently earns, and anticipates that it will continue to earn, substantially all its income from the hiring or leasing of vessels for use on a time or voyage charter basis or from the performance of services directly related to those uses, all of which we refer to as "shipping income."

Unless exempt from United States federal income taxation under the rules of Section 883 of the Code ("Section 883"), as discussed below, a foreign corporation such as Eagle will be subject to United States federal income taxation on its "shipping income" that is treated as derived from sources within the United States, to which we refer as "United States source shipping income." For tax purposes, "United States source shipping income" includes 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

Shipping income attributable to transportation exclusively between non-United States 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 any United States federal income tax.

Shipping income attributable to transportation exclusively between United States ports is considered to be 100% derived from United States sources. However, the Company is not permitted by United States law to engage in the transportation of cargoes that produces 100% United States source income.

Unless exempt from tax under Section 883, the Company's gross United States source shipping income would be subject to a 4% tax imposed without allowance for deductions as described below.

*Exemption of Operating Income from United States Federal Income Taxation*

Under Section 883 and the regulations thereunder, a foreign corporation will be exempt from United States federal income taxation on its United States source shipping income if:

- it is organized in a qualified foreign country, which is one that grants an "equivalent exemption" from tax to corporations organized in the United States in respect of each category of shipping income for which exemption is being claimed under Section 883 and to which we refer as the "Country of Organization Test"; and
- one of the following tests is met:
    - more than 50% of the value of its shares is beneficially owned, directly or indirectly, by qualified shareholders, which as defined includes individuals who are "residents" of a qualified foreign country, to which we refer as the "50% Ownership Test";
    - subject to an exception for closely-held corporations, its shares are "primarily and regularly traded on an established securities market" in a qualified foreign country or in the United States, to which we refer as the "Publicly-Traded Test"; or
    - it is a "controlled foreign corporation" and satisfies an ownership test, to which, collectively, we refer to as the "CFC Test."

The Republic of the Marshall Islands, the jurisdiction where the Company is incorporated, has been officially recognized by the United States Internal Revenue Service (the "IRS") as a qualified foreign country that grants the requisite "equivalent exemption" from tax in respect of each category of shipping income the Company earns and currently expects to earn in the future. Therefore, the Company will be exempt from United States federal income taxation with respect to its United States source shipping income if it satisfies any one of the 50% Ownership Test, the Publicly-Traded Test, or the CFC Test.

For our 2023 taxable year, we believe that we satisfied the Publicly-Traded Test, as discussed in more detail below. The Company does not currently anticipate a circumstance under which it would be able to satisfy the 50% Ownership Test or the CFC Test.

***Publicly-Traded Test***

The regulations under Section 883 provide, in pertinent part, that shares of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of shares that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. For the 2023 taxable year, the Company's common stock, which is its sole class of issued and outstanding shares, was "primarily traded" on the New York Stock Exchange (the "NYSE").

Under the regulations, the Company’s common stock will be considered to be “regularly traded” on an established securities market if one or more classes of its shares representing more than 50% of its outstanding shares, by both total combined voting power of all classes of shares entitled to vote and total value, are listed on such market, to which we refer as the “listing threshold.” Since our common stock, which is our sole class of issued and outstanding shares, was listed on the NYSE, we believe that we satisfy the listing threshold.

It is further required that with respect to each class of shares relied upon to meet the listing threshold, (i) such class of shares is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or one-sixth of the days in a short taxable year; and (ii) the aggregate number of shares of such class of shares traded on such market during the taxable year is at least 10% of the average number of shares of such class of shares outstanding during such year or as appropriately adjusted in the case of a short taxable year. We believe the Company will satisfy the trading frequency and trading volume tests. Even if this were not the case, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied if, as is the case with the Company’s common stock, such class of shares is traded on an established market in the United States and such shares are regularly quoted by dealers making a market in such shares.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of shares will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified share attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the vote and value of such class of outstanding shares, to which we refer as the “5 Percent Override Rule.”

For purposes of being able to determine the persons who actually or constructively own 5% or more of the vote and value of the Company’s common stock (“5% Shareholders”), the regulations permit the Company to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the SEC, as owning 5% or more of the Company’s common stock. The regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

In the event the 5 Percent Override Rule is triggered, the regulations provide that the 5 Percent Override Rule will nevertheless not apply if the Company can establish that within the group of 5% Shareholders, there are sufficient qualified shareholders for purposes of Section 883 to preclude non-qualified shareholders in such group from owning 50% or more of the Company's common stock for more than half the number of days during the taxable year, which we refer to as the “5 Percent Override Exception.”

Based on the ownership and trading of our stock in 2023, we believe that we satisfied the publicly traded test and qualified for the Section 883 exemption in 2023. Even if we do qualify for the Section 883 exemption in 2023, there can be no assurance that changes and shifts in the ownership of our stock by 5% shareholders will not preclude us from qualifying for the Section 883 exemption in future taxable years.

***Taxation in Absence of Section 883 Exemption***

If the benefits of Section 883 are unavailable, the Company’s United States source shipping income would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, to the extent that such income is not considered to be “effectively connected” with the conduct of a United States trade or business, as described below. Since under the sourcing rules described above, no more than 50% of the Company’s shipping income would be treated as being United States source shipping income, the maximum effective rate of United States federal income tax on our shipping income would never exceed 2% under the 4% gross basis tax regime. Based on the current operation of our vessels, if we were subject to 4% gross basis tax, our United States federal income tax liability would be approximately $2.5 million and $4.6 million for the years ended December 31, 2023 and 2022, respectively. However, we can give no assurance that the operation of our vessels, which are under the control of third party charterers, will not change such that our United States federal income tax liability would be substantially higher.

To the extent the Company’s United States source shipping income is considered to be “effectively connected” with the conduct of a United States trade or business, as described below, any such “effectively connected” United States source shipping income, net of applicable deductions, would be subject to United States federal income tax, currently imposed at a rate of 21%. In addition, the Company may be subject to the 30% “branch profits” tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of the Company's United States trade or business.

The Company's United States source shipping income would be considered "effectively connected" with the conduct of a United States trade or business only if:

- the Company has, or is considered to have, a fixed place of business in the United States involved in the earning of United States source shipping income; and
- substantially all of the Company's United States source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

***United States Taxation of Gain on Sale of Vessels***

Assuming that any decision on a vessel sale is made from and attributable to the United States office of the Company, as we believe likely to be the case as the Company is currently structured, then any gain derived from the sale of any such vessel will be treated as derived from United States sources and subject to United States federal income tax as "effectively connected" income (determined under rules different from those discussed above) under the above described net income tax regime. If the Company were to qualify for exemption from tax under Section 883 in respect of the shipping income derived from the international operation of its vessels, then gain from the sale of any such vessel should likewise be exempt from tax under Section 883.

***United States Federal Income Taxation of United States Holders***

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

***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 United States Holder will generally constitute dividends to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of such earnings and profits will be treated first as a nontaxable return of capital to the extent of the United States 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 United States corporation, United States Holders that are corporations will not be entitled to claim a dividend received deduction with respect to any distributions they receive from us. Dividends paid with respect to the Company's common stock will generally be treated as "passive category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

Dividends paid on the Company's common stock to a United States Holder who is an individual, trust or estate (a "United States Non-Corporate Holder") will generally be treated as "qualified dividend income" that is taxable to such United States Non-Corporate Holder at preferential 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 Company's common stock is traded); (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 we do not believe we have been, are or will be); (3) the United States 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 United States Non-Corporate Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property.

There is no assurance that any dividends paid on the Company's common stock will be eligible for these preferential rates in the hands of a United States Non-Corporate Holder, although we believe that they will be so eligible. Any dividends out of earnings, and profits the Company pays, which are not eligible for these preferential rates will be taxed as ordinary income to a United States Non-Corporate Holder.

Special rules may apply to any "extraordinary dividend," generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted basis in a common share paid by the Company. If the Company pays an "extraordinary dividend" on its common stock that is treated as "qualified dividend income," then any loss derived by a United States Non-Corporate Holder from the sale or exchange of such common stock will be treated as a long-term capital loss to the extent of such dividend.

***Sale, Exchange or Other Disposition of Common Stock***

Assuming the Company does not constitute a passive foreign investment company for any taxable year, a United States 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 United States Holder from such sale, exchange or other disposition and the United States Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the United States Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as United States source income or loss, as applicable, for United States foreign tax credit purposes. Long-term capital gains of United States Non-Corporate Holders are currently eligible for reduced rates of taxation. A United States Holder's ability to deduct capital losses is subject to certain limitations.

***Passive Foreign Investment Company Status and Significant Tax Consequences***

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

- at least 75% of our 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 our assets during such taxable year produce, or are held for the production of, passive income.

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 was 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, we do not believe that the Company has been or is, nor do we expect the Company to become, a passive foreign investment company with respect to any taxable year. Although there is no legal authority directly on point, our belief is based principally on the position that, for purposes of determining whether the Company is a passive foreign investment company, the gross income it derives from its time chartering and voyage chartering activities should constitute services income, rather than rental income. Accordingly, such income should not constitute passive income, and the assets that the Company owns and operates in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether the Company is a passive foreign investment company.

We believe there is substantial legal authority supporting our position consisting of case law and 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. In addition, we have obtained an opinion from our counsel, Seward & Kissel LLP, that, based upon the Company's operations as described herein, its income from time charters and voyage charters should not be treated as passive income for purposes of determining whether it is a passive foreign investment company. However, in the absence of any legal authority specifically relating to the statutory provisions governing passive foreign investment companies, the United States Internal Revenue Service, or the IRS or a court could disagree with our position. In addition, although the Company intends to conduct its affairs in a manner to avoid being classified as a passive foreign investment company with respect to any taxable year, we cannot assure you 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 passive foreign investment company for any taxable year, a United States Holder would be subject to different taxation rules depending on whether the United States Holder makes an election to treat the Company as a "Qualified Electing Fund," which election we refer to as a "QEF election." As an alternative to making a QEF election, a United States Holder should be able to make a "mark-to-market" election with respect to the Company's common stock, as discussed below. In addition, if we were to be treated as a passive foreign investment company, a United States holder would be required to file an annual report with the IRS for that year with respect to such holder's common stock.

***Taxation of United States Holders Making a Timely QEF Election***

If a United States Holder makes a timely QEF election, which United States Holder we refer to as an "Electing Holder," the Electing Holder must report for United States federal income tax purposes its pro rata share of the Company's ordinary earnings and net capital gain, if any, for each taxable year of the Company for which it is a passive foreign investment company that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from the Company by the Electing Holder. No portion of any such inclusions of ordinary earnings will be treated as "qualified dividend income." Net capital gain inclusions of United States Non-Corporate Holders would be eligible for preferential capital gains tax rates. The Electing Holder's adjusted tax basis in the common stock will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits 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 not, however, be entitled to a deduction for its pro rata share of any losses that the Company incurs with respect to any year. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of the Company's common stock. A United States Holder would make a timely QEF election for shares of the Company by filing one copy of IRS Form 8621 with his United States federal income tax return for the first year in which he held such shares when the Company was a passive foreign investment company. If the Company were to be treated as a passive foreign investment company for any taxable year, the Company would provide each United States Holder with all necessary information in order to make the QEF election described above.

***Taxation of United States Holders Making a "Mark-to-Market" Election***

Alternatively, if the Company were to be treated as a passive foreign investment company for any taxable year and, as we anticipate, its shares are treated as "marketable stock", a United States Holder would be allowed to make a "mark-to-market" election with respect to the Company's common stock, provided the United States Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury regulations. If that election is made, the United States 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 United States Holder would also be permitted an ordinary loss in respect of the excess, if any, of the United States 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 United States 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 Company's common stock would be treated as ordinary income and any loss realized on the sale, exchange or other disposition of the Company's 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 United States Holder. No income inclusions under this election will be treated as "qualified dividend income."

***Taxation of United States Holders Not Making a Timely QEF or Mark-to-Market Election***

Finally, if the Company were to be treated as a passive foreign investment company for any taxable year, a United States Holder who does not make either a QEF election or a "mark-to-market" election for that year, whom we refer to as a "Non-Electing Holder" would be subject to special 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 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 Company's 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 year prior to the first taxable year in which the Company was a passive foreign investment company, would be taxed as ordinary income and would not be "qualified dividend 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 deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These special rules would not apply to a qualified pension, profit sharing or other retirement trust or other tax-exempt organization that did not borrow money or otherwise utilize leverage in connection with its acquisition of the Company's common stock. If the Company is a passive foreign investment company and a Non-Electing Holder who is an individual dies while owning the Company's common stock, such holder's successor generally would not receive a step-up in tax basis with respect to such shares.

***United States Federal Income Taxation of "Non-United States Holders"***

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

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 tax advisor.

***Dividends on Common Stock***

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

***Sale, Exchange or Other Disposition of Common Stock***

Non-United States Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of the Company's common stock, unless:

- The gain is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States (and, if the Non-United States holder is entitled to the benefits of an income tax treaty with respect to that gain, that gain is attributable to a permanent establishment maintained by the Non-United States holder in the United States); or
- The Non-United States 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-United States Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common stock, including dividends and the gain from the sale, exchange or other disposition of the shares, that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of United States Holders. In addition, if you are a corporate Non-United States Holder, your earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty.

***Backup Withholding and Information Reporting***

In general, dividend payments, or other taxable distributions, made within the United States to you will be subject to information reporting requirements if you are a non-corporate United States Holder. Such payments or distributions may also be subject to backup withholding tax if you are a non-corporate United States Holder and you:

- Fail to provide an accurate taxpayer identification number;
- Are notified by the IRS that you have failed to report all interest or dividends required to be shown on your federal income tax returns; or
- In certain circumstances, fail to comply with applicable certification requirements.

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

If you are a Non-United States Holder and you sell your common stock to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless you certify that you are a non-United States person, under penalties of perjury, or you otherwise establish an exemption. If you sell your common stock through a non-United States office of a non-United States broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made to you outside the United States, if you sell your common stock through a non-United States office of a broker that is a United States person or has some other contacts with the United States. Such information reporting requirements will not apply, however, if the broker has documentary evidence in its records that you are a non-United States person and certain other conditions are met, or you otherwise establish an exemption.

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

Individuals who are United States Holders (and to the extent specified in applicable Treasury regulations, certain United States entities and Non-United States Holders) 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 shares, unless the shares are held through an account maintained with a United States 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 an individual United States Holder (and to the extent specified in applicable Treasury regulations, a United States entity and Non-United States Holders) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of United States federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. United States Holders (including United States entities) and Non-United States Holders are encouraged to consult their own tax advisors regarding their reporting obligations under this legislation.

**Glossary of Shipping Terms**
The following are definitions of shipping terms used in this Form 10-K.

**Annual Survey**—The inspection of a vessel by a classification society, on behalf of a flag state, that takes place every year.

**Ballast Water Treatment System (“BWTS”)**—A system used to prevent the spread of harmful aquatic organisms from one region to another by minimizing the uptake and/or discharge of sediments and organisms in the water that ships use as ballast to maintain stability. These systems are required on all ships, according to a timetable of implementation, in accordance with the BWM Convention discussed in the Pollution Control and Liability Requirements section above.

**Baltic Exchange**—Based in London, the Baltic Exchange is a market for the trading and settlement of physical and derivative contracts. The exchange also publishes daily freight market prices and maritime shipping cost indices, including Baltic Dry Index and segment indices for Capesize, Panamax, Supramax and Handysize bulkcarriers.

**Baltic Supramax Index (“BSI”)**—The BSI is an index published by the Baltic Exchange which tracks the gross time charter spot value for a Supramax vessel. Initiated in 2005, the BSI was originally based on a 52,000 dwt ship of standard design and 6 trade routes across the world. As a result of a trend toward larger ship sizes and changes to trade patterns, this version of the index was discontinued as of January 31, 2019. The updated BSI is now based on a 58,000 dwt, non-scrubber fitted Supramax and 10 trade routes across the world.

**Bareboat Charter**—Also known as “demise charter.” Contract or hire of a ship under which the shipowner is usually paid a fixed amount of charter hire rate for a certain period of time during which the charterer is responsible for the operating costs and voyage costs of the vessel as well as arranging for crewing. Such owner is known as the bareboat charterer or the demise charterer.

**Basic Charter-Free Market Value**—Approximate value of a vessel that is in good condition and safely afloat on the basis of a sale for prompt charter-free delivery for cash on normal commercial terms as between a willing buyer and seller as at a point in time.

**Bulk Vessels/Carriers**—Vessels which are specially designed and built to carry large volumes of cargo in bulk cargo form.

**Bunkers**—Fuel oil used to power a vessel's engines. The name is derived from the bins used to store coal onboard when ships were powered by coal. There are three main fuel types currently used on commercial cargo ships. First, High Sulfur Fuel Oil ("HSFO") is a residual fuel with maximum sulfur content of 3.5%. This was the primary fuel used by commercial shipping prior to implementation of the IMO2020 sulfur regulation and continues to be used by scrubber-fitted ships. Second, Very Low Sulfur Fuel Oil ("VLSFO") is a fuel with maximum sulfur content of 0.5% and is the primary fuel used by non-scrubber fitted ships starting January 1, 2020. Third, Marine Gas Oil ("MGO") is a distillate product similar to diesel fuel and has a maximum sulfur content of 0.1%. This fuel type is primarily used in ECA zones.

**Capesize**—A drybulk carrier in excess of 100,000 dwt.

**Carbon Intensity Indicator ("CII")**—A measure of how efficiently a vessel transports cargo, expressed in grams of $CO_2$ emitted per cargo-carrying capacity and nautical mile.

**Charter**—The hire of a vessel for a specified period of time or to carry a cargo for a fixed fee from a loading port to a discharging port. The contract for a charter is called a charter party.

**Charterer**—The individual or company hiring a vessel.

**Charter Hire Rate**—A sum of money paid to the vessel owner by a charterer under a time charter party for the use of a vessel.

**Classification Society**—An independent organization which certifies that a vessel has been built and maintained in accordance with the rules of such organization and complies with the applicable rules and regulations of the country of such vessel and the international conventions of which that country is a member.

**Deadweight Ton ("dwt")**—A unit of a vessel's capacity for cargo, fuel oil, stores and crew, measured in metric tons of 1,000 kilograms. A vessel's dwt or total deadweight is the maximum total weight the vessel can carry when loaded to a particular load line.

**Demurrage**—Additional revenue paid to the shipowner on its Voyage Charters for delays experienced in loading and/or unloading cargo that are not deemed to be the responsibility of the shipowner, calculated in accordance with specific charter terms.

**Despatch**—The amount payable by the shipowner if the vessel completes loading or discharging before the allowed loading/unloading time has expired, calculated in accordance with specific charter terms.

**Drybulk**—Non-liquid cargoes of commodities shipped in an unpackaged state.

**Drydocking**—The removal of a vessel from the water for inspection and/or repair of submerged parts.

**Emission Control Area ("ECA")**—Designated sea areas in which stricter airborne emissions controls are in place. The IMO has designated ECA zones that cover the Baltic Sea, North Sea, and most of the coastline of U.S., Canada and U.S. Caribbean territory. Ships operating within these zones have a maximum sulfur emissions limit of 0.1%. Beginning in 2025, the Mediterranean Sea will become an ECA.

**EU Emissions Trading System**—The European Union's carbon emission cap and trade scheme which requires companies to purchase emission allowances to cover certain of their GHG emissions.

**Freight Rate**—A sum of money paid to the vessel owner under a voyage charter or contract of affreightment based on the unit measurement of cargo loaded.

**Gross Ton**—Unit of 100 cubic feet or 2.831 cubic meters used in arriving at the calculation of gross tonnage.

**Handysize**—A drybulk carrier having a carrying capacity of up to approximately 40,000 dwt.

**Hire Rate**—A sum of money paid to the vessel owner by a charterer under a time charter party for the use of a vessel.

**Hull**—The shell or body of a vessel.

**International Maritime Organization ("IMO")**—A UN agency that issues international trade standards for shipping.

**Intermediate Survey**—The inspection of a vessel by a classification society surveyor which takes place between two and three years before and after each Special Survey for such vessel pursuant to the rules of international conventions and classification societies.

**ISM Code**—The International Management Code for the Safe Operation of Ships and for Pollution Prevention, as adopted by the IMO.

**Metric Ton**—A ton, unit of measurement equal to 1,000 kilograms.

**Light Weight Ton ("lwt")**—The actual weight of the ship with no fuel, passengers, cargo, water or stores on board.

**Newbuilding**—A newly constructed vessel.

**OPA**—The United States Oil Pollution Act of 1990 (as amended).

**Orderbook**—A reference to currently placed orders for the construction of vessels (e.g., the Panamax orderbook).

**Panamax**—A drybulk carrier of approximately 65,000 to 100,000 dwt of maximum length, depth and draft capable of passing fully loaded through the Panama Canal. Ships of this size may occasionally be equipped with onboard cargo handling equipment, but typically do not and must rely on shore-based equipment to load and unload.

**Protection and Indemnity Insurance**—Insurance obtained through a mutual association formed by shipowners to provide liability insurance protection from large financial loss to one member through contributions towards that loss by all members.

**Scrapping**—The disposal of old or damaged vessel tonnage by way of sale as scrap metal.

**Scrubber or Exhaust Gas Cleaning System**—This equipment is used to remove $SO_x$ from ship's exhaust gas.

**Short-Term Time Charter**—A time charter which lasts less than approximately 12 months.

**SOLAS**—The International Convention for the Safety of Life at Sea 1974, as amended, adopted under the auspices of the IMO.

**Special Survey**—The inspection of a vessel by a classification society surveyor which takes place a minimum of every four years and a maximum of every five years.

**Spot Market**—The market for immediate chartering of a vessel usually for single voyages.

**Supramax**—A drybulk carrier ranging in size from approximately 50,000 to 60,000 dwt.

**Technical Management**—The management of the operation of a vessel, including physically maintaining the vessel and all of its machinery, maintaining necessary certifications and supplying necessary stores, spares and lubricating oils. Responsibilities also generally include selecting, engaging and training crew and arranging necessary insurance coverage.

**Time Charter**—Contract for hire of a ship. A charter under which the shipowner is paid charter hire rate on a per day basis for a certain period of time, the shipowner being responsible for providing the crew and paying operating costs while the charterer is responsible for paying the voyage costs. Any delays at port or during the voyages are the responsibility of the charterer, save for certain specific exceptions such as loss of time arising from vessel breakdown and routine maintenance.

**Ultramax**—A drybulk carrier ranging in size from approximately 60,000 to 65,000 dwt.

**Voyage Charter**—Contract for hire of a vessel under which a shipowner is paid freight on the basis of moving cargo from a loading port to a discharge port. The shipowner is responsible for paying both operating costs and voyage costs. The charterer is typically responsible for any delay at the loading or discharging ports.

**Voyage Expenses**—Includes fuel, port charges, canal tolls, brokerage commissions and cargo handling operations. These expenses are subtracted from shipping revenues to calculate Time Charter Equivalent revenues for Voyage Charters.

**Vessel Operating Expenses**—Includes crewing, repairs and maintenance, insurance, stores, lubes, communication expenses.

***Available Information***

The Company makes available free of charge through its internet website, ir.eagleships.com, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports including related exhibits and supplemental schedules, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. Our SEC filings are also available to the public at the SEC's web site at http://www.sec.gov.

We maintain our principal executive offices at 300 First Stamford Place 5th Floor, Stamford, Connecticut. Our telephone number at that address is (203) 276-8100. Our website address is www.eagleships.com.

Information contained on our website does not constitute part of this Annual Report and is not incorporated by reference to this Annual Report.

**ITEM 1A. RISK FACTORS**

The Company's business (including our reputation as a safe and reliable operator), results of operations and earnings, financial condition (including our liquidity and our ability to meet our current and long-term financial obligations), cash flows (including our ability to pay dividends) and stock price can be affected by a number of factors, whether known or unknown, including those described below. When any one or more of these risks occur from time to time, the Company's business, results of operations, earnings, financial condition and cash flows could be materially and adversely affected and the Company's stock price could decline.

**Macroeconomic and Industry Specific Risk Factors**

***Deterioration of the global economic environment could have a material adverse effect on our operating results, financial condition, cash flows and stock price.***

Demand for seaborne transportation of drybulk commodities is highly correlated to the global macroeconomic landscape. According to the International Monetary Fund ("IMF"), global GDP growth is estimated at +3.1% in 2023, down from +3.5% in 2022. For 2024, the IMF is projecting GDP growth of +3.1% as it viewed economic pressure stemming from the COVID-19 pandemic, Russia's invasion of Ukraine and high rates of inflation to have peaked during 2022. Potential downside risks to their projections include disruptions to global trade caused by attacks on commercial vessels in the Red Sea, deepening property sector issues in China, the withdrawal of fiscal support by central banks as well as elevated debt levels.

If global economic conditions deteriorate, our results of operations, financial condition, cash flows and stock price could be materially and adversely impacted in one or more of the following ways:

- A decrease in drybulk shipping demand could reduce freight rates, which could materially and adversely affect our results of operations and cash flows. Employing our fleet below breakeven levels for a prolonged period of time could adversely affect our ability to meet certain financial obligations, including the payment of interest and principal on our debt, causing potential financial covenant breaches under our existing debt agreements.
- Charterers could fail to meet their obligations under existing time charter or voyage charter agreements, which could materially and adversely affect our financial position, results of operations and cash flows.
- A decrease in drybulk shipping demand could reduce the market value of drybulk carriers, which could materially and adversely affect our financial condition and results of operations, our ability to maintain compliance with certain covenants under our current debt agreements and our ability to obtain additional financing, including the refinancing of our existing long-term debt.

There can be no assurance as to the sustainability of future global economic growth.

***Freight rates for drybulk carriers are volatile and could decrease significantly, which could have a material adverse effect on our operating results, financial condition, cash flows and stock price.***

The drybulk shipping industry is cyclical with high volatility in freight rates, which have a direct impact on the Company’s profitability and cash flows. The degree of freight rate volatility among different types of drybulk carriers has varied widely. The BSI, a daily average of charter rates for key drybulk routes published by the Baltic Exchange, which tracks the gross time charter spot value for a Supramax vessel, is based on a 58,000 dwt, non-scrubber fitted Supramax and 10 trade routes across the world, and has been published, under its current definition, since July 31, 2015. From July 31, 2016 (i.e., one year after the inception of the current BSI index) through December 31, 2023, the trailing twelve-month average of the BSI has ranged from $5,617[(1)] to $29,955[(1)] and averaged $13,340[(1)] over the entire period. For the year ended December 31, 2023, the BSI averaged $11,240[(1)].

Fluctuations in freight rates are primarily attributable to changes in the demand for seaborne transportation of drybulk commodities and the supply of vessel capacity. The factors that affect the balance of these supply and demand factors are outside of our control and are inherently unpredictable.

Factors that may influence the demand for seaborne transportation of drybulk commodities include:

- supply of and demand for energy resources, commodities, consumer and industrial products;
- changes in the exploration or production volume of energy resources, commodities, consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, consumer and industrial products;
- the globalization of production and manufacturing;
- global and regional economic and political conditions, including armed conflicts and terrorist activities, embargoes and strikes;
- natural disasters and weather;
- disruptions and developments in international trade, including trade disputes, the imposition of tariffs on various commodities or finished goods, or export controls;
- disruptions from conflict/war and any related sanctions or restrictions imposed on certain regions or/and countries;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other legal regulatory developments;
- currency exchange rates.

Factors that may influence the supply of drybulk shipping capacity include:

- the number of newbuilding orders and the timing of deliveries (including slippage in deliveries);
- the scrapping rate of vessels;
- the number of vessels that are out of service (e.g., laid-up, drydocked, awaiting repairs or otherwise not available for hire);
- the impact of weather patterns on vessel scheduling;
- the impact of war and geopolitical hostilities on vessel routing;
- port and canal congestion;
- the speed of vessel operation;
- the number of shipyards and ability of shipyards to deliver, drydock or repair vessels;
- availability of financing for new vessels;
- vessel casualties;
- changes in national or international regulations that may effectively change the carrying capacity of vessels or cause early obsolescence of vessels; and
- changes in environmental and other regulations that may impact the useful lives of vessels.

Since we primarily charter our vessels in the spot market, we are exposed to the cyclicality and volatility of the spot market. Spot freight rates may fluctuate significantly based upon available charters and the supply of and demand for seaborne shipping capacity, and we may be unable to keep our vessels fully employed at any point in time in the spot market. Freight rates available in the spot market may also be insufficient to enable our vessels to operate profitably. As a result, fluctuations in freight rates may have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

(1)Source: Clarksons (February 2024)

***Measures implemented by governments of various countries in response to a pandemic could have a material adverse impact on our operating results, financial condition, cash flows and stock price.***

The COVID-19 pandemic significantly impacted the global economy as well as our business and the businesses of our charterers. In response to the COVID-19 pandemic, governments throughout the world implemented measures to protect their citizens from exposure and mitigate the spread of COVID-19. These measures included, but were not limited to, lockdowns, quarantine regulations and other emergency health policies.

As a result of these measures, the Company experienced delays in operations due to port restrictions and additional protocols. Travel restrictions imposed at various ports impeded our crew rotation plans. We experienced disruptions to our normal vessel operations and incurred additional costs and lost revenue from off-hire time due to route deviations to allow for crew changes and quarantine restrictions. We experienced delays in drydocking, vessel repairs and discretionary upgrades as a result of quarantine regulations as well as limitations of shipyard labor.

A pandemic can be dynamic in nature, as can the implementation of policies and procedures throughout the world in response to it. The severity and duration of business disruptions and the related financial impact on our business as a result of a pandemic is inherently uncertain. Sustained protection and mitigation measures similar to those that we experienced during the COVID-19 pandemic could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***An increase in trade protectionism globally or by certain countries could have an adverse effect on our charterers' business and, in turn, could have a material adverse impact on our operating results, financial condition, cash flows and stock price.***

National governments have utilized and may continue to utilize tariffs, export controls or other trade barriers to protect their domestic industries and economic interests. Trade protectionism, or the threat of protectionist actions, could adversely affect global economic conditions and international trade. For example, trade protectionism could increase (i) the cost of goods exported from or imported into a particular country or region, (ii) the length of time required to transport goods internationally and (iii) risks associated with transporting goods internationally. These factors could adversely impact the quantities and costs of goods transported internationally, which could have an adverse effect on our charterers' business, and therefore, could adversely impact the demand for seaborne transportation of drybulk commodities.

***Changes in the economic and political environment in China and policies adopted by the Chinese government to regulate its economy could have a material adverse effect on our operating results, financial condition, cash flows and stock price.***

China is a significant source of global shipping demand for drybulk commodities and our vessels transport goods into and out of Chinese ports for the benefit of charterers across a number of industries. A deterioration in the economic fundamentals for this nation could adversely affect shipping demand, and therefore, freight rates. A worsening of the Chinese property sector could adversely affect the Chinese banking sector, which could exert downward pressure on overall economic growth in China. A decrease in the level of China's imports or exports of drybulk commodities could have an adverse effect on our charterers' business and, in turn, could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***The drybulk shipping market is subject to seasonal fluctuations, which could materially and adversely affect our operating results, financial condition, cash flows and stock price.***

Demand for vessel capacity has historically exhibited seasonal variations and, as a result, fluctuations in freight rates. This seasonality may result in quarter-to-quarter volatility in our operating results for our vessels trading in the spot market. The midsize drybulk market, as measured by the BSI, is typically strongest in the third quarter (due to both increased North American grain shipments and higher coal purchases for heating fuel ahead of the winter months in the Northern Hemisphere). There is also seasonal volatility in the relative strength of the Atlantic basin as compared to the Pacific basin. From 2016 through 2023, the long-term average market premium in the Atlantic basin was approximately 33%[(1)]. This premium is generally highest in the months of December through February, primarily attributable to a general market slowdown in the Pacific basin in the weeks leading up to the Lunar New Year and due to an elevated number of newbuild vessels that are typically delivered in January, relative to other months. To the extent that we must enter into a new charter or renew an existing charter for a vessel in our fleet during a time when seasonal variations have reduced prevailing freight rates, our results of operations, financial condition, cash flows and stock price may be adversely affected.

(1)Source: Clarksons (February 2024)

***An over-supply of drybulk carrier capacity across the industry could depress market freight rates, which could limit our ability to operate our drybulk carriers profitably.***

In addition to prevailing and anticipated market freight rates, factors that affect the rate of newbuilding, scrapping and laying-up of vessels 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 costs, insurance coverage costs, the efficiency and age profile of the existing drybulk fleet in the market, and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors are outside of our control and we may not be able to correctly assess and respond to the nature, timing and degree of changes in these factors.

Although global drybulk supply growth rates are expected to remain low over the next two years as a result of a relatively small number of newbuilding orders placed over the past three years and uncertainties relating to future regulations around decarbonization, an increase in overall drybulk carrier supply or an increase in newbuilding ordering levels could have an adverse effect on freight rates, and accordingly, a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Declines in freight rates and vessel values could cause us to incur impairment charges.***

Our owned vessels are the most valuable assets on our balance sheet. We evaluate our vessels for impairment annually, or whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The recoverable amount of a vessel is based on a projection of future cash flows and is significantly impacted by freight rates and estimated costs of operations.

A decline in freight rates, or an increase in the costs of operating our vessels could cause us to incur impairment charges, which could have a material adverse effect on our results of operations and stock price.

***The market values of our vessels are volatile and may decline which could limit the amount of funds that we can borrow or cause us to breach certain financial covenants under our Global Ultraco Debt Facility.***

As of December 31, 2023, the fair market value of our owned fleet was higher than its carrying value; however, the fair market values of drybulk vessels may be impacted by a number of factors, which include, but are not limited to:

- prevailing market freight rates;
- general economic and market conditions affecting the drybulk shipping industry;
- the type, size and age of a vessel;
- the supply of and demand for drybulk carriers;
- the relative strength or weakness of the drybulk shipping industry as compared to other seaborne transportation industries (e.g., tankers and containers);
- the relative cost of other modes of transportation;

- the cost of new buildings;
- governmental or other regulations; and
- the need to upgrade secondhand and previously owned vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise.

A decline in the market values of our vessels could cause us to breach one or more covenants under the Global Ultraco Debt Facility, which would allow for the potential acceleration of amounts due under the Global Ultraco Debt Facility, which could have a material adverse effect on our financial condition, cash flows and stock price. Such a decline in the market values of our vessels could also reduce the proceeds received from the future sale of a vessel or the amount of funds able to be borrowed in the future under terms that are acceptable to the Company. See Note 7. Debt to our consolidated financial statements included elsewhere herein for additional information on covenants under the Global Ultraco Debt Facility.

***Fuel cost, or bunker prices, could materially and adversely affect our operating results, financial condition, cash flows and stock price.***

Fuel is a significant expense in our shipping operations when vessels are under voyage charter. In addition, while we generally do not bear the cost of fuel for vessels operating on time charters, the cost of fuel is a significant factor in negotiating charter rates. The price 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 and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. For example, the volatility of market prices for fuel increased as a result of supply disruptions from the conflict between Russia and Ukraine as well as from the impact of recent attacks on commercial vessels in the Red Sea and Gulf of Aden. As a result, an increase in the price of fuel may have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Inflation could materially and adversely affect our operating results, financial condition, cash flows and stock price.***

Inflation could adversely affect our operating results by increasing the costs of labor and materials needed to operate our business. During 2023, we experienced increased costs for crew, as well as higher prices on spares, stores and the costs of services integral to the operations of our vessels, which could continue into 2024. We may be unable to offset the increasing costs of our operations through increased shipping rates, which could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Compliance with safety and other vessel requirements imposed by classification societies could be costly and could materially and adversely affect our business, operating results, financial condition, cash flows and stock price.***

The hull and machinery of every commercial vessel must be certified 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 vessel's country of registry and SOLAS.

A vessel must undergo annual surveys, intermediate surveys and special surveys. A vessel must also be drydocked every two and a half to five years, depending on its age, for inspection of its underwater parts.

Compliance with current and future safety and other requirements imposed by vessel classification societies may cause us to incur significant additional costs and lost revenue from off-hire time. Compliance may include meeting new maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. If any of the Company's owned vessels does not maintain its class or fails any annual, intermediate or special survey, that vessel will be unable to trade between ports until the issues that led to the failure are rectified. Accordingly, the vessel would be unemployable and could become uninsurable for a period of time, which could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price.

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

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. We are also required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our operations. These regulations include, but are not limited to, OPA, CERCLA, the CAA, the CWA, the MTSA, requirements of the USCG and the EPA and regulations of the IMO, including MARPOL, as from time to time amended including designation of ECAs thereunder, SOLAS, as from time to time amended, the ISM Code, the LL Convention, the Bunker Convention and EU regulations. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the fair market value or useful lives of our vessels. We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, the management of ballast and bilge waters, restrictions on the discharge of wash water from and the use of open loop scrubbers, elimination of tin-based paint, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. In addition, we may not be able to obtain any or all permits, licenses and certificates, in a timely manner or at all, currently required to permit our vessels to operate. These costs or potential business interruptions could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price.

A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations, which could have a material adverse effect on our business, results of operations, financial condition, cash flows or stock price.

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are strictly, and jointly and severally, liable for the discharge of oil within the 200-mile exclusive economic zone around the United States. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under other federal, state and local laws, as well as third-party damages. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, results of operations, financial condition and cash flows. For additional information regarding the environmental regulations affecting our operations and matters related to the Company's compliance with such regulations, see Item 1. Business and Note 11. Commitments and Contingencies to the consolidated financial statements included elsewhere herein.

***Operating in warlike and high-risk geographic areas could have a material adverse effect on our business, operating results, financial condition, cash flows and stock price.***

Acts of piracy and the risk of loss due to war, terrorism, military tensions and other hostilities have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean, the Gulf of Guinea and the Gulf of Aden. In addition, from October 2023 into 2024, the war between Israel and Hamas in Gaza has created political and potential economic uncertainty in the Middle East. Although the frequency of hostile events and sea piracy worldwide has decreased from 2014 to 2023, such incidents continue to occur, with drybulk carriers and tankers particularly vulnerable to such attacks. From 2020 to 2023, the Company experienced three acts of piracy on our vessels which were resolved peacefully and without significant losses to the Company and with no loss of life or personal injury to our crew members. In addition, in January 2024, one of the Company's vessels, while underway in the Gulf of Aden, was struck by an anti-ship ballistic missile that resulted in limited vessel damage and with no loss of life or personal injury to our crew members. If acts of piracy or other hostilities continue to occur in regions that are characterized as "war risk" zones, or Joint War Committee "war and strikes" listed areas, our insurance costs could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs and other costs for the employment of onboard security guards could increase. If our vessels were seized and detained as a result of such events, while we believe the charterer remains liable for charter payments, the charterer may dispute this and withhold charter hire payment until the vessel is released. A charterer may also claim that a seized vessel was not "on-hire" for a certain number of days and is therefore entitled to cancel the charter party, a claim that we would dispute. Losses from such incidents in excess of our insurance coverages or an increase in cost, or unavailability, of insurance for our vessels, could have a material adverse impact on our business, results of operations, financial condition, cash flows and stock price.

***If our vessels call on ports located in countries or territories that are subject to comprehensive sanctions imposed by the UN, the United States, the EU or other relevant authorities, or if we are found to be in violation of such sanctions, our business, operating results, financial condition, cash flows, stock price and market for our common stock could be materially and adversely affected.***

As the Company has U.S. and EU incorporated entities, we are subject to U.S. and EU economic sanctions and trade embargo laws and regulations as well as equivalent economic sanctions laws of other relevant jurisdictions in connection with our activities. The laws and regulations of these different 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 been, and in the future could be, the target of sanctions.

As a result of the conflict between Russia and Ukraine, the U.S., EU and United Kingdom, together with numerous other countries, 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 could adversely affect our ability to operate in the region, restrict parties whose cargo we may carry and restrict the entities that we may use to hire and/or pay our Ukrainian and Russian crew.

In recent years, multilateral international sanctions targeting Iran have restricted and/or prohibited us and our charterers from engaging in Iran-related activities, including calling on ports in Iran. The United States continues to maintain comprehensive sanctions on Iran that generally prohibit persons and companies in the United States, as well as U.S. persons and persons owned or controlled by U.S. persons, wherever located, from engaging in nearly all Iran-related activity. In addition, following the U.S. withdrawal from the Joint Comprehensive Plan of Action (“JCPOA”), the U.S. re-imposed all of its previously-lifted sanctions that target non-U.S. companies for engaging in certain activities with Iran, including those related to Iran’s energy, shipping, shipbuilding and insurance sectors and has issued additional sanctions targeting other sectors of the Iranian economy. On the other hand, the EU has stayed in the JCPOA and maintained the lifting of nearly all of its sanctions targeting Iran, except for targeted asset freezes and travel bans against certain Iranian individuals and entities and restrictions on activities related to the military, nuclear proliferation and human rights abuses. The EU and Germany also have blocking rules in place intended to protect the interests of EU persons against the extraterritorial application of U.S. sanctions against Iran and Cuba.

Sanctions and trade embargo laws and regulations are generally subject to strict liability. Although we intend to maintain compliance with all applicable economic sanctions and trade embargo laws and regulations, there can be no assurance that, notwithstanding our compliance safeguards, we will not be found in the future to have been in violation, particularly as the sanctions and embargo laws and regulations are amended, the scope of certain laws and regulations may be unclear and the laws and regulations are subject to discretionary interpretations by regulators that may change over time. Further, charterers or other counterparties may violate provisions in contracts with us, or legal restrictions relating to sanctions. Any such violation could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price, including that any such violation could result in substantial fines or other civil and/or criminal penalties and could severely impact our ability to access U.S. capital markets and conduct our business. Additionally, our reputation and the market for our securities may be adversely affected and/or some investors may decide to divest their interest, or not to invest, in the Company if we engage in activities in countries subject to sanctions, such as entering into permissible charters or engaging in permissible operations with individuals or entities in or associated with those countries. The determination by these investors and/or lenders not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

***We are subject to international safety regulations and the failure to comply with these regulations could subject us to increased liability, adversely affect our insurance coverage and could result in a denial of access to, or detention in, certain ports.***

The operation of our vessels is affected by the requirements set forth in the ISM Code. The ISM Code requires shipowners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each of the vessels that has been delivered to us is ISM Code-certified and we expect that any vessel that we agree to purchase will be ISM Code-certified when delivered to us. However, increased liability, decreased or invalidated insurance coverage or port restrictions as a result of failure to comply with the ISM Code could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price.

***Increased inspection procedures and tighter import and export controls could materially and adversely affect our business, operating results, financial condition, cash flows and stock price.***

International shipping industries are subject to various security and customs inspection and related procedures in countries of origin and destination and at trans-shipment points. Inspection procedures may result in the seizure of contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

Changes to inspection procedures could impose additional financial and legal obligations on us, could impose additional costs and obligations on our customers and could, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price.

***Our business may be interrupted by events or circumstances associated with operating ocean-going vessels, which could materially and adversely affect our business and reputation.***

Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, adverse weather conditions, mechanical failures, human error, environmental accidents, or other catastrophic events, including war, terrorism and piracy. In addition, transporting cargoes across a wide variety of international jurisdictions can be adversely impacted by political circumstances in foreign countries, labor strikes and boycotts and the potential for government expropriation of our vessels.

In the event of a casualty to a vessel or other catastrophic event, we will rely on our insurance to pay the insured value of the vessel or the damages incurred. We have procured hull and machinery insurance, Protection and Indemnity Insurance (including pollution insurance) and war risk insurance for our fleet. We have also purchased insurance against loss of hire, which covers business interruptions that result from the loss of use of a vessel. Currently, the amount of coverage for liability for pollution, spillage and leakage available to us on commercially reasonable terms through P&I Associations and providers of excess coverage is $1.0 billion per vessel per occurrence.

By their nature, drybulk cargoes are often heavy, dense, easily shifted and react badly to water exposure. In addition, drybulk carriers 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 vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach to the sea. Hull breaches in drybulk carriers may lead to the flooding of the vessels' holds and exposed cargoes may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads leading to a vessel casualty.

These hazards may result in death or injury to persons, loss of revenues or property, environmental damage, higher insurance rates, damage to our customer relationships, delay or rerouting and may harm our reputation as a safe and reliable vessel owner and operator. 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. 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 to our vessels' positions.

We may not be adequately insured against all risks. We may not be able to obtain adequate insurance coverage for our fleet in the future, and we may not be able to obtain certain insurance coverage, including insurance against charter party defaults, that we have obtained in the past on terms that are acceptable to us or at all. The insurers may not pay particular claims. Our insurance policies may contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenue. Moreover, insurers may default on claims they are required to pay.

We cannot assure you that we will be adequately insured against all risks or that we will be able to obtain adequate insurance coverage at reasonable rates for our vessels in the future. For example, in the past, more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Any significant loss or liability for which we are not insured could have a material adverse effect on our financial condition, cash flows and stock price.

The loss of earnings as a result of insufficient insurance coverage and while an impacted vessel is being repaired and repositioned, as well as the actual cost of repairs could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price.

***Governments could requisition our vessels during a period of war or emergency, which could materially and adversely affect our operating results, financial condition, cash flows and stock price.***

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 unilateral 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 could be uncertain and may not be commensurate with current freight rates. Government requisition of one or more of our vessels could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Cybersecurity incidents or other security breaches involving our computer systems or the systems of one or more of our vendors could materially and adversely affect our business.***

Our systems are exposed to cybersecurity risks and we are subject to potential disruption caused by such activities. Companies such as ours are subject to cyber-attacks on their systems. Such attacks may have various goals, from seeking confidential information to causing operational disruption and theft of company property. To the best of our knowledge, to date, such activities have not resulted in material disruptions to our operations, loss of assets or a material breach of any security or confidential information. However, no assurance can be provided that such disruptions, losses or breaches will not occur in the future. Additionally, any significant violations of data privacy could result in the loss of business, litigation, regulatory investigations, penalties, ongoing expenses related to client credit monitoring and support and other expenses, any of which could have a material adverse effect on our business, earnings, financial condition, cash flows and stock price. While we have deployed resources that are responsible for maintaining appropriate levels of cybersecurity and while we utilize third party technology products and services to help identify and protect our information technology systems and infrastructure against security breaches and cybersecurity incidents as well as investigate, resolve and recover from such breaches and incidents, our responsive and precautionary measures may not be adequate or effective to prevent, identify, or mitigate attacks by hackers, foreign governments, or other bad actors or breaches caused by employee error, malfeasance, or other disruptions.

**Financial Risk Factors**

***The state of the global financial markets could adversely impact our ability to obtain additional financing, including to refinance our Global Ultraco Debt Facility and Convertible Bond Debt, on acceptable terms, restricting us from being able to operate or expand our business.***

Global financial markets, as well as benchmark interest rates, are volatile and access to debt and equity capital may become more expensive or restrictive in the future. There can be no assurance that additional financing will be available if, and when, needed. There can also be no assurance that we will be able to refinance our Global Ultraco Debt Facility and Convertible Bond Debt, if we so choose, on acceptable terms or at all, prior to or upon maturity. If additional financing is not available when needed, or is available only on unfavorable terms, we may not be able to meet our obligations as they come due, which could have a material adverse effect on our financial condition, cash flows and stock price, nor be able to grow our business. For more information on our debt facilities, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation - Liquidity and Capital Resources and Note 7. Debt to the consolidated financial statements included elsewhere herein.

***We have outstanding indebtedness, and if we default under our loan agreements, our lenders may act to accelerate our outstanding indebtedness, which could adversely affect our business.***

At December 31, 2023, the Company's aggregate principal amount of debt outstanding was $492.1 million, of which $153.7 million is presented as the current portion of long-term debt.

As described under Note 7. Debt to the consolidated financial statements included elsewhere herein, the obligations under these agreements are secured by collateral, contain a number of operating restrictions, covenants and events of default and a breach of any of the covenants could result in an event of default under one or more of these agreements, including as a result of cross default provisions.

***The use of derivative instruments could result in losses.***

We utilize FFAs, which are derivative instruments, to economically hedge our exposure to the charter market by providing for the purchase or sale of a contracted charter rate for a specific period of time. Upon settlement, if the contracted rate is less than the actual BSI for the specified period, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the BSI-based settlement rate, multiplied by the number of days in the specified period. Conversely, if the contracted rate is greater than the BSI-based settlement rate, the buyer is required to pay the seller the settlement sum.

We also utilize interest rate swaps to hedge our exposure to interest rate risk with the objective of effectively converting debt from a floating-rate to a fixed-rate obligation. Under these contracts, exclusive of applicable margins, we pay a fixed rate of interest and receive a floating rate of interest based on a benchmark interest rate and an underlying notional amount.

As of December 31, 2023, the Company had derivative liabilities of $2.0 million.

If our hedging strategies are not effective, we may incur substantial losses, which could have a material adverse effect on our earnings, financial condition, cash flows and stock price.

***We currently maintain our cash and cash equivalents with eight financial institutions, which exposes us to counterparty credit risk.***

We currently maintain our cash and cash equivalents with eight financial institutions. Our cash balances at certain of these institutions are in excess of insurance limits and may not be recoverable in the event of counterparty default. Losses as a result of counterparty default could have a material adverse effect on our earnings, financial condition, cash flows and stock price.

**Company Specific Risk Factors**

***We are dependent on the spot freight market and any decrease in future market freight rates may materially and adversely affect our operating results, financial condition, cash flows and stock price.***

During 2023, the vessels in our owned fleet were employed for charters less than one year in duration, which exposed us to fluctuations in the spot freight market. Historically, the drybulk market is highly competitive and volatile as a result of the many conditions and factors that can affect the price, supply and demand for drybulk capacity and the spot freight market is expected to continue to be so. There have been periods during which time charter and spot freight rates for drybulk carriers have declined below our per-day level of vessel operating costs.

If we are required to charter our vessels at a time when freight rates are below our "break-even" rates, we may have to accept reduced and potentially unprofitable rates or we may not be able to secure employment for our vessels at all. If we are unable to secure profitable employment for our vessels, we may decide to lay-up some or all of our vessels until such time that freight rates become attractive again. During a lay-up period, we would continue to incur certain vessel operating expenditures, such as insurance and maintenance costs. Additionally, before exiting lay-up, we would incur reactivation costs for any vessel to regain its operational condition. Furthermore, as freight rates for spot charters are generally fixed for a single voyage, which may last up to several weeks, during periods in which spot freight rates are rising, we will generally experience delays in realizing the benefits from such increases. Each of these risks could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Acquiring, taking-over and operating secondhand vessels could result in increased operating costs and reduced fleet utilization.***

While we have the right to inspect previously owned vessels prior to purchase, such an inspection does not provide us with the same knowledge about their condition that we would have if these vessels had been built for and operated exclusively by us. A secondhand vessel may have conditions or defects that we were not aware of when we bought the vessel and which may require us to incur costly repairs to the vessel. These repairs may require us to put a vessel into drydock, which would reduce our fleet utilization. Furthermore, we usually do not receive the benefit of warranties on secondhand vessels.

In addition, if we expand our fleet through vessel acquisition, we will need to recruit additional suitable seafarers and may need to recruit additional suitable shore-side administrative and management personnel. We cannot guarantee that we will be able to hire suitable employees and if we or our crewing agents encounter business or financial difficulties, we may not be able to adequately staff our vessels.

The costs of purchasing and operating secondhand vessels could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could materially and adversely affect our business, operating results, financial condition, cash flows and stock price.***

We have entered into and may enter into in the future, among other things, charter agreements with our customers. We depend on our charter agreements for substantially all of our revenues and some of our charterers are privately owned companies for which limited credit and financial information is available to us in making our assessment of counterparty risk. The ability and willingness of each of our counterparties to perform its obligations under a contract 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 drybulk shipping industry, the overall financial condition of the counterparty, freight rates received for specific types of vessels and the supply and demand for commodities such as iron ore, coal, grain, and other minor bulks. If a charterer fails to meet its obligations under an agreement with us, or if a charterer attempts to renegotiate a charter agreement, we could sustain significant losses which could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price. In addition, we may be required to change the flagging or registration of the related vessel and may incur additional costs, including maintenance and crew costs if a charterer were to default on its obligations. Our shareholders do not have any recourse against our charterers. For the years ended December 31, 2023, 2022 and 2021, the Company had no charterers which individually accounted for more than 10% of the Company’s revenues.

***In the highly competitive drybulk 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.***

Our vessels are employed in a highly-competitive, capital-intensive and highly-fragmented market. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Competition for the transportation of drybulk cargo by sea is intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter the drybulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower freight rates or higher quality vessels than we are able to offer. If we are unable to successfully compete with other drybulk shipping companies, our business, results of operations, financial condition, cash flows and stock price could be materially adversely impacted.

***The conflict between Russia and Ukraine may impact our ability to retain and source crew, and in turn, could materially and adversely affect our operating results.***

We currently have relationships with Ukrainian crew managers which procure some of our crews. We also currently utilize Russian and Ukrainian crew on our vessels. The conflict between Russia and Ukraine may impact our ability to continue to source and retain crew from these countries. In addition, as new persons and entities may become subject to sanctions as a result of this conflict, these sanctions could adversely restrict the entities that we may use to hire and/or pay our Russian crew. Although we have relationships with crew managers outside of the Ukraine, including in Asia, if we are not able to procure Ukrainian and Russian crew in the future, we may experience operational delays and loss of earnings for our vessels until new or replacement crews are sourced. We may also incur increased travel expenses to repatriate Russian and Ukrainian crew members on board our vessels, as well as to expatriate crew members sourced from other regions. The cost of employing crew members may rise if the available supply of Russian and Ukrainian crew is diminished, which may have a material adverse effect on our results of operations, cash flows and stock price.

***We may be unable to attract and retain key management personnel and other employees, which could materially and adversely impact our business, operating results, financial condition, cash flows and stock price.***

Our success depends to a significant extent upon the abilities and efforts of our management team. Our future success will depend upon our ability to retain key members of our management team and to hire new members as may be desirable. The loss of any of these individuals could have a material adverse effect on our business, results of operations and stock price. Difficulty in hiring and retaining replacement personnel could have a similar effect. We do not maintain “key man” life insurance on any of our officers.

***The aging of our fleet may result in increased operating costs in the future, which could materially and adversely affect our operating results, financial condition, cash flows and stock price.***

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. Older vessels are typically less fuel efficient and more expensive 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. Regulations and safety or other standards related to the age of vessels may require us to install new equipment, perform alterations or drydock vessels more frequently and may restrict the type of activities in which our vessels may engage, each of which could increase our operating costs and reduce our profitability. 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. The aging of our fleet could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Failure to comply with the FCPA or other applicable anti-corruption laws could result in fines, criminal penalties, and a material adverse effect on our business, operating results, financial condition, cash flows and stock price.***

We operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the FCPA. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and/or agents may take actions determined to be in violation of applicable anti-corruption laws, including the FCPA. Any such violation could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price. Further, any such violation could severely impact our ability to access U.S. capital markets and conduct our business and could result in some investors and/or lenders deciding, or being required, to divest their interest, or not to invest, in us or lend to us. The determination by these investors and/or lenders not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Any such violation could also result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and could have a material adverse effect on our business, results of operations financial condition, cash flows and stock price. 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.

***Technological innovation could reduce our revenues and the value of our vessels.***

Freight 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 useful life. Efficiency is driven by speed, fuel economy and the ability to efficiently and effectively load and discharge cargo. Flexibility is driven by the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel's useful life is driven by its original design and construction, its maintenance and the impact of the stress of operations. If newly-built drybulk carriers are more efficient, flexible or have longer physical lives than our vessels, our ability to profitably employ our vessels could be adversely impacted, which could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.***

We may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which could have a material adverse effect on our results of operations, financial condition, cash flows and stock price.

***Arrests of our vessels by maritime claimants could cause a significant loss of earnings for the related off-hire period.***

Crew members, suppliers of goods and services to a vessel, shippers of cargo 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 foreclosure proceedings. In addition, in jurisdictions where the "sister ship" theory of liability applies, a claimant may arrest the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. In countries with "sister ship" liability laws, claims might be asserted against us or any of our vessels for liabilities of other vessels that we own. The arrest or attachment of one or more of our vessels could result in a significant off-hire period, which could have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price.

***We may have to pay tax on United States source income, which could reduce our earnings.***

Under 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 United States source shipping income and such income is subject to a 4% United States federal income tax without allowance for any deductions, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury regulations promulgated thereunder.

We believe that we qualify for this statutory tax exemption for our 2023 taxable year and we intend to 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 and thereby become subject to U.S. federal income tax on our U.S. source income. Therefore, we can give no assurances on our tax-exempt status. If we are not entitled to exemption under Section 883 of the Code for any taxable year, we could be subject for those years to an effective 2% U.S. federal income tax on the gross shipping income we derive during the year that are attributable to the transport of cargoes to or from the United States. The imposition of this tax could have a material adverse effect on our earnings, financial condition, cash flows and stock price. For more information, see Item 1. Business - United States Federal Income Taxation of Our Company.

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

A foreign corporation will be treated as a "passive foreign investment company," or "PFIC," for United States 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 and 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." United States shareholders of a PFIC are subject to a disadvantageous United States 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 method of operation, we do not believe that we have been, are or 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 and voyage chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time and voyage 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 passive assets.

There is, however, no direct legal authority under the PFIC rules addressing our method of operation and there is 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 our 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 there were to be changes in the nature and extent of our operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our United States shareholders may face adverse United States tax consequences and information reporting obligations. Under the PFIC rules, unless those shareholders made an election available under the Code (which election could itself have adverse consequences for such shareholders), such shareholders would be liable to pay United States federal income tax upon excess distributions and upon any gain from the disposition of our common stock at the then prevailing income tax rates applicable to ordinary income plus interest as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common stock.

***We may be subject to additional taxes, including as a result of challenges by tax authorities or changes in applicable law, which could materially and adversely impact our business and earnings.***

We are subject to tax in certain jurisdictions in which we are organized, own assets or have operations. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that, upon review of these positions, the applicable authorities will agree with our positions. A successful challenge by a tax authority, or a change in applicable law, could result in additional tax imposed on us, including interest and penalties, which could have a material adverse effect on our earnings, financial condition, cash flows and stock price.

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

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 and to make dividend payments in the future depends on our subsidiaries and their ability to distribute funds to us. If we are unable to obtain funds from our subsidiaries, we may be unable to satisfy certain of our financial obligations or the Company's Board of Directors (the "Board") may exercise its discretion not to declare or pay dividends. We do not intend to obtain funds from other sources to pay dividends.

In addition, the declaration and payment of dividends, if any, will always be subject to the discretion of the Board, restrictions contained in our existing debt agreements and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things, the Company's earnings, financial condition and cash requirements and availability, the ability to obtain debt and equity financing on acceptable terms, the terms of its outstanding indebtedness and the ability of the Company's subsidiaries to distribute funds to it.

Finally, the terms of the Merger Agreement limit the ability of the Company to declare or pay dividends prior to the completion of the Proposed Merger, other than the Company's regular quarterly dividend with respect to our common stock (with declaration, record and payment dates and amounts consistent with past practice and in accordance with the Company's dividend policy).

***We are incorporated in the Marshall Islands, the laws of which may restrict our ability to make dividend payments.***

The laws of the Marshall Islands generally prohibit 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 and our subsidiaries may not have sufficient funds or surplus to make distributions to us. We can give no assurance that dividends will be paid at all in the future.

***We conduct business in China, where the legal system has inherent uncertainties that could limit the legal protections available to us.***

Some of our vessels may be chartered to Chinese customers or from time to time on our charterers' instructions, our vessels may call on Chinese ports. Such charters and any additional charters that we enter into may be subject to new 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. Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse impact on our business, results of operations, financial condition, cash flows and stock price.

**Risks Relating to Our Common Stock**

***We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law.***

Our corporate affairs are governed by our Third Amended and Restated Articles of Incorporation (as amended, the "Corporate Charter") and Second Amended and Restated By-laws (the "Bylaws") and by the Marshall Islands Business Corporations Act (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 companies incorporated in 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 United States 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 United States jurisdiction which has developed a relatively more substantial body of case law.

***The market price of our common shares has fluctuated and may continue to fluctuate in the future.***

The market price of our common shares has fluctuated since we became a public company and may continue to do so. In addition, the market price of shares of common stock of companies in the drybulk shipping industry, as a whole, may also be volatile. The market price of our common shares may be influenced by many factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our quarterly and annual results and those of other public companies in our industry;
- differences in our operating results from those expected by investors or analysts;
- perceived future prospects of the Company, our competition, our industry or seaborne transportation industries in general;
- announcements concerning the Company or our competitors related to significant contracts, commitments or contingencies;
- the market price of Star Bulk's common shares (as a result of the Proposed Merger);
- other mergers or strategic alliances in our industry;

- casualties (e.g., terrorism, piracy, or other catastrophic events);
- market conditions in our industry;
- general economic and regulatory trends;
- future sales of our common shares or other securities; and
- fluctuations in and the general state of the securities market.

These factors could cause the market price of our common shares to decline, regardless of our operating performance and as a result of these and other factors, you may not be able to resell shares at or above the price you paid for such shares.

***The public market for our common shares may not be active and liquid enough for you to resell our common shares in the future.***

Although our common stock is listed on the NYSE, periods of volatility in the market for our common stock could have an adverse effect on the market price or liquidity of our common shares and could impact your ability to resell your shares quickly, at market price, or above the price you paid for such shares.

***Certain shareholders own large portions of our outstanding common stock, which may limit other shareholders' ability to influence our actions.***

Certain shareholders currently hold significant percentages of our common stock. To the extent a significant percentage of the ownership of our common stock is concentrated in a small number of holders, such holders will be able to influence the outcome of any shareholder vote, including the election of directors, the adoption or amendment of provisions in our articles of incorporation or by-laws and possible mergers, corporate control contests and other significant corporate transactions. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, merger, consolidation, takeover or other business combination involving us. 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 common stock.

***The effect of the sale of any borrowed shares, which sales, if any, may be made to facilitate transactions by which investors in our Convertible Bond Debt may hedge their investments, could cause the market price of our common stock to decline.***

Certain holders of our Convertible Bond Debt may have sold borrowed shares of our common stock and use the resulting short position to establish or maintain a hedge with respect to their investments in our Convertible Bond Debt.

The existence of the Share Lending Agreement (as defined herein) and the short sales of our common stock effected in connection therewith could cause the market price of our common stock to be lower over the term of the Share Lending Agreement than it would have been had we not entered into such an agreement, due to the effect of the increase in the number of our outstanding shares of common stock being available for borrow and, in turn, sold.

***Future issuances, sales, or availability for sale, of common stock could depress the market price of our common stock.***

Sales of a substantial number of shares of our common stock in the public market, including sales by any selling shareholder or sales pursuant to our ATM Offering (as defined herein), or the perception that large sales could occur could cause the market price of our common stock to decline. Such future sales, or perception thereof, could also impact our ability to raise capital through future offerings of equity or equity-linked securities. From time to time, we may issue additional shares in connection with the acquisition of vessels.

If we elect to deliver shares of common stock to holders of our Convertible Bond Debt at maturity or upon the holder's exercise of the conversion option prior to maturity, the ownership interests of existing stockholders would be diluted. Any sales in the public market of our common stock so issued could adversely affect prevailing market prices of our common stock. In addition, the existence of our Convertible Bond Debt and its potential dilutive effect of conversion may encourage short selling of our common stock by market participants, which could cause the market price of our common stock to decline.

***Our shareholders are limited in their ability to elect or remove directors.***

The Corporate Charter prohibits cumulative voting in the election of directors. The Bylaws require parties other than the Board to give advance written notice of nominations for the election of directors. The Corporate Charter also provides that directors may only be removed for cause upon the affirmative vote of a majority of the outstanding shares of capital stock entitled to vote for the election of directors. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason may only be filled by a majority of the directors then in office, even if less than a quorum exists.

***Our shareholders may take action only at Annual or Special Meetings.***

The Corporate Charter and the Bylaws provide that any action required or permitted to be taken by shareholders must be effected at a duly called annual or special meeting of shareholders. Except as otherwise mandated by law, shareholders may not act by written consent.

Under the Bylaws, annual shareholder meetings will be held at a time and place selected by the Board. The meetings may be held in or outside of the Marshall Islands. These provisions may impede shareholders' ability to take actions with respect to the Company that they deem appropriate or advisable.

The Corporate Charter and the Bylaws provide that, except as otherwise required by law, special meetings of shareholders may be called at any time only by (i) the lead director (if any), (ii) the chairman of the Board, (iii) the Board pursuant to a resolution duly adopted by a majority of the board stating the purpose or purposes thereof, or (iv) any one or more shareholders who beneficially owns, in the aggregate, 15% or more of the aggregate voting power of all then-outstanding shares of Voting Stock. The notice of any such special meeting is to include the purpose or purposes thereof, and the business transacted at the special meeting is limited to the purpose or purposes stated in the notice (or any supplement thereto). These provisions may impede the ability of shareholders to bring matters before a special meeting of shareholders.

The Board may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

***Our shareholders are subject to advance notice requirements for shareholder proposals and director nominations.***

The Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a shareholder's notice will have to be received at the Company's principal executive offices not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the shareholder must be received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first, in order for such notice by a shareholder to be timely. The Bylaws also specify requirements as to the form and content of a shareholder's notice. These advance notice requirements, particularly the 60 to 90 day requirement, may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

***Provisions of our Rights Agreement, which the Board adopted to protect the Company and its shareholders from coercive or otherwise unfair takeover tactics, could also discourage, delay or prevent the acquisition of the Company that an individual shareholder may deem to be advantageous.***

In June 2023, the Company entered into a Rights Agreement (the "Rights Agreement") with Computershare Trust Company, N.A., a national banking corporation, as rights agent. The Board adopted the Rights Agreement to protect the Company and its shareholders from coercive or otherwise unfair takeover tactics. In general terms, the Rights Agreement works by imposing a significant penalty upon any person or group (including a group of persons that are acting in concert with each other) that acquires 15% or more of the outstanding common stock, including through derivatives agreements, without the approval of the Board (an "Acquiring Person"). Although the Rights Agreement will not prevent a takeover, it is intended to encourage anyone seeking to acquire our Company to negotiate with our Board prior to attempting a takeover. As the Rights Agreement generally allows shareholders, except for the Acquiring Person who triggers the exercise of rights, to purchase additional shares at significantly discounted market price, the potential dilution effect is dependent on the number of shares purchased by the Acquiring Person and other factors related to the acquisition and may not be estimated at this time. In addition, the existence of the Rights Agreement may also discourage transactions that an individual shareholder may otherwise deem to be advantageous. In December 2023, the Rights Agreement was amended to exclude the Proposed Merger from the Rights Agreement.

***Certain super majority provisions in our organizational documents may discourage, delay or prevent changes to such documents.***

The Corporate Charter provides that a two-thirds vote is required to amend or repeal certain provisions of the Corporate Charter and Bylaws, including those provisions relating to: the number and election of directors; filling of board vacancies; resignations and removals of directors; director liability and indemnification of directors; the power of shareholders to call special meetings; advance notice of director nominations and shareholders proposals; and amendments to the Corporate Charter and Bylaws. These super majority provisions may discourage, delay or prevent changes to the Corporate Charter or Bylaws.

***The Corporate Charter provides that the U.S. federal courts located in the Southern District of New York or, if such courts lack jurisdiction, the state courts of the State of New York, shall be the sole and exclusive forum for certain disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.***

The Corporate Charter provides that, unless the Company consents in writing to the selection of an alternative forum, the U.S. federal courts located in the Southern District of New York or, if such court lacks jurisdiction, the state courts of the State of New York, shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of a breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's shareholders, (c) any action asserting a claim arising pursuant to any provision of the BCA or (d) any action asserting a claim governed by the internal affairs doctrine. This forum selection provision could apply to actions brought under provisions of the federal securities laws, including the Securities Act and Exchange Act. The forum selection provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits with respect to such claims.

***The Company may not achieve the intended benefits of having a forum selection provision if it is found to be unenforceable.***

The Corporate Charter includes a forum selection provision as described above. However, the enforceability of similar forum selection provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that in connection with any action a court could find the forum selection provision contained in the Corporate Charter to be inapplicable or unenforceable in such action. If a court were to find the forum selection provision to be inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, the Company may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

**Risks Relating to the Proposed Merger**

***The termination of the Merger Agreement could negatively impact the Company and could result in payment of a termination fee by the Company.***

If the Merger Agreement is terminated in accordance with its terms and the Proposed Merger is not consummated, the ongoing business of the Company may be adversely affected by a variety of factors. Our business may be adversely impacted by the failure to pursue other beneficial opportunities during the pendency of the Proposed Merger, by the failure to obtain the anticipated benefits of completing the Proposed Merger, by payment of certain costs relating to the Proposed Merger, and by the focus of our management and employees on the Proposed Merger for an extended period of time rather than on management opportunities, day-to-day activities, or other issues. The market price of shares of the Company's common stock may decline as a result of any such failures to the extent that the current market prices reflect a market assumption that the Proposed Merger will be completed.

The Company may be required to pay Star Bulk a termination fee in the amount of $20 million in the case of certain events, including if the Board changes its recommendation that the shareholders of the Company approve the Merger Agreement or the Company terminates the Merger Agreement in order to accept a superior proposal. If the Merger Agreement is terminated and the Company determines to seek another business combination or strategic opportunity, the Company may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Proposed Merger.

***The pendency of the Proposed Merger could adversely affect the Company's business, results of operations and financial condition.***

Beginning at the time of the execution of the Merger Agreement and continuing until the Proposed Merger closes or the Merger Agreement is terminated in accordance with its terms, the pendency of the Proposed Merger could cause disruptions in and create uncertainty surrounding the Company's business, including affecting our relationships with existing and future customers, suppliers, partners in the business community and employees. This could have an adverse effect on the Company's business, results of operations and financial condition, as well as the market prices of our shares, regardless of whether the Proposed Merger is completed. Any adverse effect could be exacerbated by a prolonged delay in closing the Proposed Merger. The Company could also potentially lose customers or suppliers, existing customers or suppliers may seek to change their existing business relationships or renegotiate their contracts with the Company or defer decisions concerning the Company, and potential customers or suppliers could defer entering into contracts with the Company, each as a result of uncertainty relating to the Proposed Merger. In addition, in an effort to complete the Proposed Merger, the Company has expended, and will continue to expend, significant management resources, which are being diverted from the Company's day-to-day operations, and significant demands are being, and will continue to be, placed on the managerial, operational and financial personnel and systems of the Company in connection with efforts to complete the Proposed Merger.

***Third parties may terminate, alter or decline to renew existing contracts or relationships with the Company.***

The Company has contracts with customers, suppliers, vendors, distributors, landlords, lenders, licensors and other business partners and these contracts may require the Company to obtain consent from these other parties in connection with the Proposed Merger. If these consents cannot be obtained, the counterparties to these contracts (and other third parties with which the Company currently has relationships, even if not contractual) may have the ability to terminate, reduce the scope of or otherwise materially adversely alter their relationships or terms of such contracts in anticipation of the Proposed Merger. In addition, counterparties to agreements that are near termination may determine not to renew such agreements as a result of the Proposed Merger or seek amendments to terms of existing contracts. The pursuit of such termination rights or amendments, or a determination not to renew such agreements, may result in the Company suffering a loss of potential future revenue, incurring liabilities in connection with breaches of agreements or losing rights that are material to our business. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the Proposed Merger or the termination of the Merger Agreement.

***The Company will incur substantial transaction fees and costs in connection with the Proposed Merger.***

The Company has incurred and expects to continue to incur additional material expenses in connection with the Proposed Merger and the completion of the transactions contemplated by the Merger Agreement, including costs relating to obtaining required shareholder and regulatory approvals. The Company has incurred significant legal, financial and other advisory services fees in connection with the process of negotiating and evaluating the terms of the Proposed Merger and will continue to incur significant costs, such as legal, accounting, financial advisory, filing and printing fees, prior to and in connection with the completion of the Proposed Merger. Irrespective of whether the Proposed Merger is completed, the Company will need to pay certain costs relating to the Proposed Merger. These costs may be significant and could have an adverse effect on the Company’s results of operations, cash flows and financial condition.

***Uncertainties associated with the Proposed Merger may cause a loss of management personnel and other key employees, which could adversely affect the future business and operations of the combined company following completion of the Proposed Merger.***

The Company is dependent on the experience and industry knowledge of our officers and other key employees to execute our business plans. The Company’s success, irrespective of whether the Proposed Merger is completed, depends in part upon the ability of the Company to retain certain key management personnel and employees. Prior to the completion of the Proposed Merger, current and prospective employees of the Company may experience uncertainty about their roles following the completion of the transactions, which may have an adverse effect on the ability of the Company to attract or retain key management and other key personnel. In addition, no assurance can be given that the Company will be able to attract or retain key management personnel and other key employees to the same extent that we have previously been able to attract or retain our own employees.

***While the Merger Agreement is in effect, the Company is subject to restrictions on its business activities. These provisions may discourage a potential competing transaction counterparty from making a favorable alternative transaction proposal.***

Under the Merger Agreement, the Company, subject to certain exceptions, is subject to a range of restrictions on the conduct of its business and generally must operate its business in the ordinary course prior to completing the Proposed Merger (unless it obtains Star Bulk’s consent, which is not to be unreasonably withheld, conditioned or delayed). In addition, consent of Star Bulk (not to be unreasonably withheld, conditioned or delayed) is required for the Company to take a number of enumerated non-ordinary course actions. These restrictions may constrain the Company's ability to pursue certain business strategies. The restrictions may also prevent the Company from pursuing otherwise attractive business opportunities, making acquisitions and investments or making other changes to its business prior to the completion of the Proposed Merger or the termination of the Merger Agreement. Any such lost opportunities may reduce the Company's competitiveness or efficiency and could lead to an adverse effect on the Company's business, financial results, financial condition or share prices.

In addition, subject to certain exceptions, the Merger Agreement prohibits the Company from (a) initiating, soliciting, assisting or knowingly encouraging or facilitating any inquiry, proposal or offer that constitutes, or would reasonably be expected to lead to, a takeover proposal; (b) entering into, engaging in, continuing or otherwise participating in any discussions or negotiations regarding, or furnishing to any person any non-public information relating to, or affording any other person access to the business, operations, assets, books, records or personnel of the Company in connection with, or for the purpose of facilitating or encouraging, a takeover proposal or any proposal that would reasonably be expected to lead to a takeover proposal; (c) approving, endorsing or recommending any takeover proposal or submitting a takeover proposal or any matter related thereto for the approval of the Company's shareholders; (d) waiving, terminating or modifying any provision of any standstill or confidentiality agreement that prohibits or purports to prohibit a proposal being made to the Board, unless the Board has determined in good faith, after consultation with its outside counsel, that failure to take such action would reasonably be expected to be inconsistent with its fiduciary duties under applicable law; (e) entering into any contract, letter of intent or other document or similar agreement relating to a takeover proposal; or (f) authorizing or committing to do any of the foregoing.

These provisions may limit the Company's ability to pursue offers from third parties that could result in greater value to our shareholders than they would receive in the Proposed Merger. The termination fees payable to Star Bulk may also discourage third parties from pursuing an acquisition proposal with respect to the Company.

***The Company may be a target of shareholder class actions or derivative actions, which could result in substantial costs and may delay or prevent the Proposed Merger from being completed.***

Shareholder class action lawsuits or derivative lawsuits are often brought against companies that have entered into merger agreements. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Proposed Merger, then that injunction may delay or prevent the Proposed Merger from being completed. One of the conditions to consummating the Proposed Merger is that no governmental entity has enacted or promulgated any statute, rule, regulation or law that prohibits or makes illegal the consummation of the Proposed Merger and that there is no order or injunction issued by any governmental entity in effect preventing the consummation of the Proposed Merger. Consequently, if a claimant secures injunctive or other relief prohibiting, delaying or otherwise adversely affecting the Company's ability to complete the Proposed Merger on the terms contemplated by the Merger Agreement, then such law or injunctive or other relief may prevent consummation of the Proposed Merger in a timely manner or at all.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C. CYBERSECURITY

The Company maintains an Information Security Program which is designed to ensure the confidentiality, integrity, and availability of all data and systems across the organization. We have developed a system of processes and controls to mitigate risks and respond effectively to security incidents.

Key components of our Information Security Program include:

- Risk Management: We conduct regular risk assessments to identify, evaluate, and prioritize potential threats and vulnerabilities. Based on our understanding of the risk landscape relevant to the Company, we have implemented targeted controls and allocated resources to mitigate risks to an acceptable level.
- Policies and Procedures: Our Information Security Program is supported by a set of clear and enforceable policies and procedures. These documents outline standards for data handling, access control, password management, incident response, and other critical security practices. We regularly review and update our policies and procedures to ensure alignment with industry best practices and regulatory requirements.
- Access Control: We enforce strict access controls, which include role-based least-privileged access, strong authentication methods and regular access reviews to limit system and data access to authorized personnel only.
- Security Awareness Training: We believe that our employees are our first line of defense against cyber threats. We provide comprehensive security awareness training programs to educate staff about common risks, phishing attacks, social engineering tactics, and best practices for maintaining a secure information technology environment. We also provide security updates and alerts to keep our employees informed of active and emerging external cybersecurity threats.
- Technical Controls: Our Information Security Program incorporates a layered approach to technical controls. This includes firewalls, intrusion detection and prevention systems, endpoint protection, encryption mechanisms, and continuous monitoring tools to detect and respond to security incidents in real-time.
- Incident Response and Business Continuity: Despite our proactive measures, we recognize that security incidents may still occur. Therefore, we maintain a robust incident response plan, detailing procedures for detecting, analyzing, containing, and recovering from security breaches. Additionally, we have comprehensive business continuity and disaster recovery plans in place to ensure minimal disruption to our operations in the event of a cybersecurity incident.
- Compliance and Auditing: Our Information Security Program is designed to comply with relevant regulations and industry standards. We undergo regular internal and external audits to assess our adherence to these requirements and demonstrate our commitment to maintaining a strong security posture.

Our Information Security Program is led by our Director of Global Information Technology, who has over 20 years of relevant educational and technical experience. The Board of Directors oversees our annual enterprise risk assessment, where we assess key risks within the company, including security and technology risks and cybersecurity threats. We have integrated cybersecurity risk into our disclosure controls and procedures. The Audit Committee of the Board of Directors regularly reviews and discusses with management risks related to our information systems, information security, data privacy and cybersecurity risks and the Company's risk assessment and risk management programs and the steps management has taken to monitor and control such exposures. The Audit Committee also receives, at least quarterly, updates from the Director of Global Information Technology and senior management regarding material information regarding the Company's information systems, information security, data privacy and cybersecurity.

We continuously monitor emerging threats, evaluate new technologies, and refine our security practices to manage evolving risks. Through regular assessments, audits, and feedback mechanisms, we strive for continuous improvement in our Information Security Program to better protect our assets and maintain the trust of our stakeholders.

As of the date of this report, there have been no cybersecurity threats that have materially affected or are reasonably likely to materially affect our business, operations, or financial condition. However, we are regularly the target of attempted cyber intrusions, and we anticipate continuing to be subject to such attempts. Our security programs and measures do not prevent all intrusions. Cyber intrusions require a significant amount of time and effort to assess and remedy, and our incident response efforts may not be effective in all cases. Although we believe that the probability of occurrence of a significant cybersecurity incident is less than likely, if such an incident were to occur, the impact on the Company could be substantial. See Item 1A. Risk Factors - Cybersecurity incidents or other security breaches involving our computer systems or the systems of one or more of our vendors could materially and adversely affect our business.

## ITEM 2. PROPERTIES

We do not own any real property. We lease office space at 300 First Stamford Place, Stamford, Connecticut 06902. In addition, we lease offices in Singapore and Copenhagen, Denmark. Our interests in our drybulk vessels are our only material properties. See Item 1. Business — Our Fleet for additional information regarding our fleet of owned vessels.

## ITEM 3. LEGAL PROCEEDINGS

See Note 11. Commitments and Contingencies to the Company's consolidated financial statements set forth in Item 8. Financial Statements and Supplementary Data of this Form 10-K, for information regarding legal proceedings in which we are involved.

## ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

## PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

### Market Information and Shareholders

The trading market for shares of our common stock is the NYSE, on which our shares are quoted under the symbol "EGLE."

On March 1, 2024, the closing sale price of our common stock, as reported on the NYSE, was $62.98 per share.

As of March 1, 2024, there were 122 shareholders of record.

### Payment of Dividends to Shareholders

During 2021, the Company adopted a dividend policy which targets a minimum dividend of 30% of its net income, but not less than $0.10 per share, subject to approval from the Board. Since adopting its dividend policy, the Company has paid $147.5 million in dividends, or $11.43 per share of Common Stock.

We expect to continue paying cash dividends on a quarterly basis; however, in the future, the declaration and payment of dividends, if any, will always be subject to the discretion of the Board, restrictions contained in the Company's debt facilities and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things, the Company's earnings, financial condition and cash requirements and availability, the ability to obtain debt and equity financing on acceptable terms as contemplated by the Company's growth strategy, the terms of its outstanding indebtedness and the ability of the Company's subsidiaries to distribute funds to it. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Dividends for additional information regarding dividends paid to shareholders.

Additionally, the terms of the Merger Agreement limit the ability of the Company to declare or pay dividends prior to the completion of the Proposed Merger, other than the Company's regular quarterly dividend with respect to our common stock (with declaration, record and payment dates and amounts consistent with past practice and in accordance with our dividend policy).

### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Common stock repurchase activity during the three months ended December 31, 2023 was as follows ($ in thousands, except per share amounts):

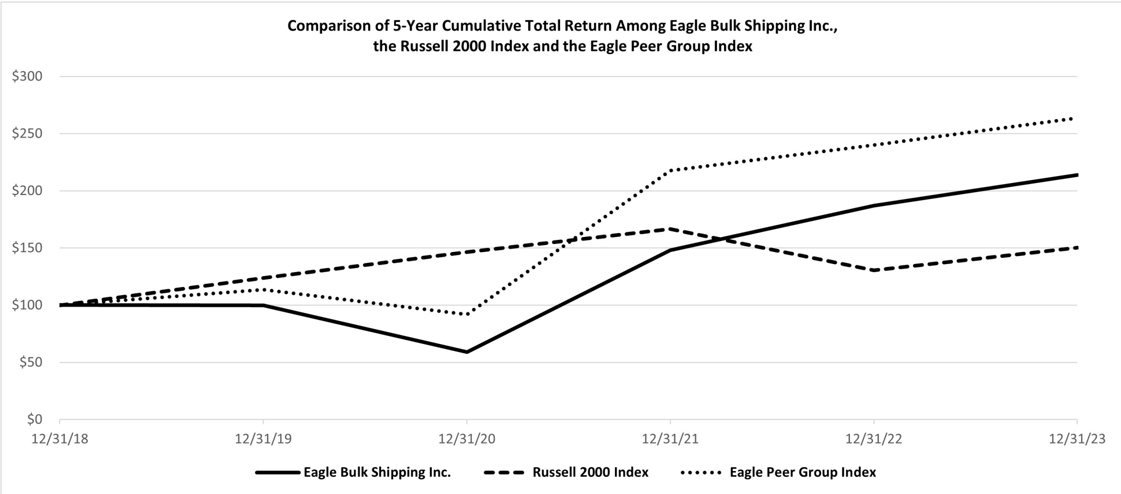
| Periods | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| October 1, 2023 to October 31, 2023 | — | $ — | — | |
| November 1, 2023 to November 30, 2023 | — | $ — | — | |
| December 1, 2023 to December 31, 2023 | — | $ — | — | |
| Total | — | | | $ 50,000 |

### Stock Performance Graph

The performance graph below shows the cumulative total return to shareholders of our common stock relative to the cumulative total returns of the Russell 2000 Index and the Eagle Peer Group Index (defined below). The graph tracks the performance of a $100 investment in our common stock and in each of the indices (with the reinvestment of dividends) from December 31, 2018 to December 31, 2023. The stock price performance included in this graph is not necessarily indicative of future stock price performance.

The Eagle Peer Group Index is a self-constructed peer group that consists of the following competitors: Diana Shipping Inc., Genco Shipping & Trading Limited, Golden Ocean Group Limited, Pacific Basin Shipping Limited, Pangaea Logistics Solutions, Ltd., Safe Bulkers, Inc. and Star Bulk Carriers Corp. The common shares of Diana Shipping Inc., Genco Shipping & Trading Limited and Safe Bulkers, Inc. each trade on the NYSE. The common shares of Golden Ocean Group Limited and Star Bulk Carriers Corp. each trade on The Nasdaq Global Select Market. The common shares of Pangaea Logistics Solutions, Ltd. trade on The Nasdaq Stock Market LLC. The common shares of Pacific Basin Shipping Limited trade on the Stock Exchange of Hong Kong Limited.

Price information for Pacific Basin Shipping Limited was translated from Hong Kong dollars into U.S. dollars at an exchange rate of 0.1281 to one.




| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| EGLE | $ 100.00 | $ 99.78 | $ 58.88 | $ 148.13 | $ 187.08 | $ 213.72 |
| Russell 2000 Index | $ 100.00 | $ 123.72 | $ 146.44 | $ 166.50 | $ 130.60 | $ 150.31 |
| Eagle Peer Group Index | $ 100.00 | $ 113.44 | $ 92.00 | $ 217.72 | $ 239.87 | $ 263.60 |

**ITEM 6. [RESERVED]**

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes set forth in Item 8. Financial Statements and Supplementary Data and the risk factors identified in Item 1A. Risk Factors of this Annual Report. For further discussion regarding our results of operations for the year ended December 31, 2022 as compared to the year ended December 31, 2021, refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on March 10, 2023.

## General Overview

The Company is a U.S.-based, fully integrated, shipowner-operator, providing global transportation solutions to a diverse group of customers including miners, producers, traders, and end-users. Headquartered in Stamford, Connecticut, with offices in Singapore and Copenhagen, the Company focuses exclusively on the versatile midsize drybulk vessel segment and owns one of the largest fleets of Supramax/Ultramax vessels in the world. The Company performs all management services in-house (strategic, commercial, operational, technical and administrative) and employs an active management approach to fleet trading with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis. Typical cargoes we transport include both major bulk cargoes, such as iron ore, coal and grain and minor bulk cargoes such as fertilizer, steel products, petcoke and cement.

On December 11, 2023, the Company, Star Bulk and Merger Sub entered into the Proposed Merger, with the Company surviving the merger and becoming a wholly-owned subsidiary of Star Bulk. If the Proposed Merger is completed, each share of the Company's common stock (other than shares held by the Company, Star Bulk, Merger Sub or any of their respective direct or indirect wholly-owned subsidiaries) will be converted into the right to receive the Merger Consideration, less any applicable withholding taxes. For further information regarding the Proposed Merger, refer to the section entitled "Proposed Merger" within Item 1. Business.

As of December 31, 2023, we owned and operated a modern fleet of 52 Supramax/Ultramax vessels, with an aggregate carrying capacity of 3.16 million deadweight ton ("dwt") and an average age of 10 years.

In addition to its owned fleet, the Company charters-in third party vessels on both a short-term and long-term basis. As of December 31, 2023, the Company had three Ultramax vessels on a long-term charter-in basis, each with a remaining minimum lease term of less than one year.

*Business Strategy and Outlook:*

We believe our strong balance sheet allows us the flexibility to opportunistically make investments in the drybulk segment that will drive shareholder growth. In order to accomplish this, we intend to:

- Maintain a highly efficient and quality fleet in the drybulk segment;
- Maintain a revenue strategy that seeks to optimize TCE results in any rate environment;
- Maintain a cost structure that allows us to be competitive in all economic cycles without sacrificing safety and maintenance;
- Continue to grow our relationships with our charterers and vendors; and
- Continue to invest in our on-shore operations and development of processes.

Our financial performance is based on the following key elements of our business strategy:

(1) Concentration in one vessel category: Supramax/Ultramax drybulk vessels, which we believe offer certain size, operational and geographical advantages relative to other classes of drybulk vessels, such as Handysize, Panamax and Capesize vessels.

(2) An active owner-operator model where we seek to operate our own fleet and develop contractual relationships with cargo interests. These relationships and the related cargo contracts have the dual benefit of providing greater operational efficiencies and act as a balance to the Company's naturally long position to the market. Notwithstanding the focus on short-term chartering, we consistently monitor the drybulk shipping market and, based on market conditions, will consider taking advantage of long-term time charters on our owned fleet at higher rates when appropriate.

(3) Maintain high quality vessels and improve standards of operation through enhanced standards and procedures, crew training and repair and maintenance procedures.

**Market Overview**

The international shipping industry is highly competitive and fragmented with no single owner accounting for more than 2.4%[1] of the on-the-water drybulk fleet, measured by vessel count, as of December 31, 2023. In addition, as of December 31, 2023, there are approximately 13,500[1] drybulk vessels over 10,000 dwt which total 1,003 million dwt[1]. We compete with other owners of drybulk vessels, primarily in the Supramax/Ultramax segment and (to a lesser extent) the Handysize and Panamax segments. Many of our competitors are privately-held companies.

Competition in the shipping industry varies according to the nature of the contractual relationship as well as the specific commodity being shipped. Our business will fluctuate as a result of changes in the demand for seaborne transportation of drybulk commodities, the supply of drybulk shipping capacity and also the main patterns of trade in these drybulk commodities. Competition in virtually all bulk trades is intense and 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. Increasingly, major customers are demonstrating a preference for modern vessels based on concerns about the environmental and operational risks associated with older vessels. Consequently, owners of large modern fleets have gained a competitive advantage over owners of older fleets.

Our strategy is to focus on the Supramax/Ultramax asset class, defined as drybulk vessels that range in size from approximately 50,000 to 65,000 dwt. These vessels have the cargo loading and unloading flexibility offered by their on-board cranes, while the cargo carrying capacity approaches that of Panamax, which ranges in size between 65,000 and 100,000 dwt but which require onshore facilities to load and offload their cargoes. We believe that the cargo handling flexibility and cargo carrying capacity of the Supramax/Ultramax class makes it the preferred type of ship attractive to potential charterers. As of December 31, 2023, all of our owned vessels ranged in size between 55,000 and 65,000 dwt.

The supply of drybulk vessels depends primarily on the size of the orderbook and the scrapping of older or less-efficient vessels. The global drybulk fleet increased significantly from 2009 to 2013 as a result of the large number of newbuilding orders placed during the boom in the drybulk freight market from 2007 to 2008. From 2019 through 2023, annualized global drybulk fleet growth averaged approximately 3.4%. During 2023, fleet growth decreased slightly to 2.3%[1] from 3.1%[1] in 2022. In 2023, vessels totaling 35.3 million dwt[1] were delivered, an increase of 3.8 million dwt[1] from 2022. Scrapping in 2023 totaled 5.4 million dwt[1], an increase of 1.1 million dwt[1] from 2022.

The typical trading life of a Supramax/Ultramax vessel is approximately 25 years. As of December 31, 2023, approximately 12%[1] of the world's drybulk fleet (by vessel count) was 20 years or older.

Global fleet growth for 2024 is expected to continue at a below-average level of 2.3%[1] for the drybulk fleet and 3.5%[1] for Supramax/Ultramax vessels. The orderbook as of February 2024 stands at approximately 8.5%[1] of the total global drybulk fleet, with the orderbook for the Supramax/Ultramax segment at approximately 8.5%[1] of the on-the-water fleet, with both figures slightly higher than all-time lows experienced in 2020/2021, but still near the smallest orderbook in almost 30 years. The IMF is projecting GDP growth of +3.1% as it viewed economic pressure stemming from the COVID-19 pandemic, Russia's invasion of Ukraine and high rates of inflation to have peaked during 2022. Potential downside risks to their projections include disruptions to global trade caused by attacks on commercial vessels in the Red Sea, deepening property sector issues in China, the withdrawal of fiscal support by central banks as well as elevated debt levels. As of February 2024, drybulk trade, on a ton-mile basis, is expected to grow by approximately 1.6%[1] in 2024, with modest levels of growth expected for grain and minor bulk, partially offset by slight decreases in demand for iron ore and coal.

(1)Source: Clarksons (February 2024)

*The impact of the conflict between Russia and Ukraine*

As a result of the conflict between Russia and Ukraine, the U.S., EU and United Kingdom, together with numerous other countries, 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. This conflict has become a multi-year war and humanitarian crisis. While it is difficult to estimate the impact of this conflict and current or future sanctions on the Company's business and financial position, these events and related sanctions could adversely impact the Company's operations. In the near term, we have seen, and expect to continue to see, disruptions to trade in drybulk commodities in the Black Sea region, as well as in Russian exports in the Baltic and Far East regions due to these geopolitical events. In addition, the volatility of market prices for fuel increased during 2022 as a result of related supply disruptions from this conflict, though this effect subsided in 2023. The potential for renewed volatility in fuel prices could have an unpredictable impact on the Company's operations and liquidity.

The conflict between Russia and Ukraine may also impact our ability to source and retain crew from these countries. In response to this risk, we have: (i) substantially decreased the number of Russian crew members on board our vessels; (ii) established relationships with crew managers outside of Ukraine, including in Asia; (iii) increased crew sourcing from the Philippines in order to diversify crew nationality exposure; and (iv) may further expand our relationships with crew managers outside of Ukraine. We have incurred and expect to continue to incur increased operating expenses related to Ukrainian crew procurement, travel costs to repatriate Ukrainian crew members on board our vessels and to expatriate crew members sourced from other regions.

For more information regarding the risks relating to the conflict between Russia and Ukraine, including economic sanctions levied as a result of it, see Item 1A. Risk Factors. The conflict between Russia and Ukraine may impact our ability to retain and source crew, and in turn, could materially and adversely affect our operating results.

*The impact of recent developments in the Middle East*

From October 2023 into 2024, the war between Israel and Hamas in Gaza has created political and potential economic uncertainty in the Middle East. In addition, a number of commercial vessels, including one of our owned vessels, have been attacked in the Red Sea and Gulf of Aden. The attack that we experienced resulted in limited vessel damage and with no loss of life or personal injury to our crew members. In response to these events and conditions, a number of companies in international shipping industries, including our own, have substantially reduced or temporarily ceased all transit through this region. As of the date of this Annual Report, we have ceased all transit through this region. To date, the war between Israel and Hamas and increased risks in travelling in the Red Sea and Gulf of Aden have not had a direct material impact on the Company's business, financial condition or results of operations. However, we will continue to monitor the direct and indirect impacts of these circumstances on our business and financial results.

**Critical Accounting Policies and Estimates**

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP"). The preparation of the 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.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For a description of all our accounting policies, see Note 2. Significant Accounting Policies to our consolidated financial statements included herein.

*Revenue Recognition*

Revenues are generated from time charters and voyage charters. Revenues from time charter contracts, which are accounted for as operating leases, are recognized on a straight-line basis over the contractual term of the related time charter agreement. Voyage charter contracts generally consist of a single performance obligation of transportation of cargo within a specified period of time. This performance obligation is satisfied over time as the related voyage progresses and the related revenue is recognized on a straight-line basis over the estimated relative transit time (in voyage days) from the commencement of the loading of cargo to the completion of discharge, provided an agreed non-cancellable charter between the Company and the charterer is in existence, the charter rate is fixed and determinable and collectability is reasonably assured. Costs directly related to a voyage charter contract that are incurred prior to commencement of loading cargo, primarily bunkers, are recognized as an asset and expensed on a straight-line basis as the related performance obligation is satisfied.

Revenue is based on contracted charter parties, including spot-market related time charters for which rates fluctuate based on changes in the spot market. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise as to the responsibility for third party costs incurred by the customer and revenue due to us as a result. Additionally, there are certain performance parameters included in contracted charter parties, which if not met, can result in customer claims.

The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis for accounts receivable from specific customers with known disputes or collectability issues. In estimating the amount of the allowance for credit losses, the Company considers historical collectability based on past due status, the creditworthiness of customers based on current credit evaluations, customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. For the years ended December 31, 2023, 2022 and 2021, our assessment considered business and market disruptions caused by the conflicts between Russia and Ukraine and Israel and Hamas, the COVID-19 pandemic and estimates of expected emerging credit and collectability trends. The continued volatility in market conditions and evolving shifts in credit trends are inherently difficult to predict causing variability and volatility that may have a material impact on our allowance for expected credit losses in future periods.

*Vessel Lives and Impairment*

The Company estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard to the original owner. In addition, the Company estimates the scrap rate to be $400 per lwt, to compute each vessel's residual value, which is based on the 15-year average scrap value of steel.

The carrying values of the Company's vessels may not represent their fair market value at any point in time since the market prices of secondhand vessels tend to fluctuate with changes in freight rates and the cost of new buildings, among other factors. The drybulk shipping market has been cyclical with high volatility in freight rates, which is driven by the supply of vessel capacity and demand for commodities carried internationally by sea. We evaluate the carrying amounts of our owned vessels as well as the periods over which these long-lived assets are depreciated to determine whether events or transactions have occurred that may indicate that the carrying values of such vessels may not be recoverable or that the remaining useful life of a vessel may need to be prospectively modified. In evaluating the carrying values and remaining useful lives of long-lived assets, we consider indicators of potential impairment, which include a comparison of basic charter-free market values (as obtained from vessel-specific broker quotes) to carrying values, recent observable vessel sales, business plans and overall market conditions.

If indicators of potential impairment are present, we perform an analysis of the undiscounted projected net operating cash flows for each vessel and compare it to the vessel's carrying value. This assessment is made at the individual vessel level since we can separately identify cash flow information for each vessel. In developing estimates of future cash flows, the Company makes certain assumptions about future freight rates, vessel operating expenses, and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. Annually, the Company reviews all assumptions used in the calculation of undiscounted projected net operating cash flows.

The undiscounted projected net operating cash flows are estimated using future revenues from existing charters for fixed fleet days, projected FFA rates through 2026 for unfixed days and an estimated daily time charter rate based on a fifteen-year historical average of the BSI over the estimated remaining useful life of the vessel, assumed to be 25 years from the original delivery of the vessel from the shipyard to its original owner, with FFA rates and the historical BSI average further adjusted for the dwt of each vessel as compared to the index's representative vessel, and reduced by commissions, estimated outflows for vessel maintenance and operating expenses (including drydocking and special survey expenditures) and capital expenditures.

Future freight rates is the most significant and most volatile input in the Company's cash flow analysis. We utilize historical averages for periods not covered by contractually fixed charters or available FFA pricing due to the highly cyclical nature of the drybulk shipping industry. The age of vessels in our owned fleet ranges from three to fifteen years and utilizing long-term average spot freight rates incorporates multiple shipping cycles and aligns to our strategy of operating our vessels over a long time period.

The Company evaluated whether any potential impairment indicators existed as of December 31, 2023. Based on this evaluation, which included comparisons of third-party valuation information to vessel carrying values, the Company concluded that there were potential impairment indicators for twenty-two vessels in our owned fleet. For each of these vessels, the Company performed an undiscounted projected net operating cash flow analysis and concluded that the estimated fair value of each vessel exceeded its carrying value and no impairment charges were recorded.

The table set forth below indicates the carrying value of each of our owned vessels as of December 31, 2023 and 2022 (and excludes the carrying value of vessels sold during both 2023 and 2022). As of December 31, 2023 and 2022, the estimated basic charter-free market value of these vessels exceeded their aggregate carrying values by approximately $183.7 million and $195.4 million, respectively.

| # | Vessel | Dwt (in thousands) | Year Built | Carrying Value as of December 31, 2023 | Carrying Value as of December 31, 2022 |
|---|---|---|---|---|---|
| 1 | Antwerp Eagle | 63.5 | 2015 | $19.6 million | $20.5 million |
| 2 | Bittern | 57.8 | 2009 | $14.5 million* | $15.4 million* |
| 3 | Canary | 57.8 | 2009 | $14.4 million* | $15.3 million* |
| 4 | Cape Town Eagle | 63.7 | 2015 | $18.5 million | $19.2 million |
| 5 | Copenhagen Eagle | 63.5 | 2015 | $18.0 million | $18.5 million |
| 6 | Crane | 57.8 | 2010 | $15.4 million* | $16.4 million* |
| 7 | Crested Eagle | 56.0 | 2009 | $16.1 million* | $17.3 million* |
| 8 | Crowned Eagle | 55.9 | 2008 | $15.5 million* | $16.6 million* |
| 9 | Dublin Eagle | 63.6 | 2015 | $18.1 million | $18.4 million |
| 10 | Egret Bulker | 57.8 | 2010 | $15.2 million* | $16.1 million* |
| 11 | Fairfield Eagle | 63.3 | 2013 | $15.9 million | $16.1 million |
| 12 | Gannet Bulker | 57.8 | 2010 | $15.3 million* | $16.3 million* |
| 13 | Gibraltar Eagle | 63.6 | 2015 | $23.4 million | — |
| 14 | Golden Eagle | 56.0 | 2010 | $17.3 million* | $18.5 million* |
| 15 | Grebe Bulker | 57.8 | 2010 | $15.5 million* | $16.4 million* |
| 16 | Greenwich Eagle | 63.3 | 2013 | $16.0 million | $15.9 million |
| 17 | Groton Eagle | 63.3 | 2013 | $15.8 million | $16.0 million |
| 18 | Halifax Eagle | 63.7 | 2020 | $29.5 million | — |
| 19 | Hamburg Eagle | 63.3 | 2014 | $19.0 million | $19.9 million |
| 20 | Helsinki Eagle | 63.6 | 2015 | $15.0 million | $15.6 million |
| 21 | Hong Kong Eagle | 63.5 | 2016 | $19.2 million | $20.0 million |
| 22 | Ibis Bulker | 57.8 | 2010 | $15.8 million* | $16.8 million* |
| 23 | Imperial Eagle | 56.0 | 2010 | $17.2 million* | $18.4 million* |
| 24 | Jay | 57.8 | 2010 | $16.1 million* | $17.1 million* |
| 25 | Kingfisher | 57.8 | 2010 | $15.5 million* | $16.2 million* |
| 26 | Madison Eagle | 63.3 | 2013 | $16.9 million | $17.6 million |
| 27 | Martin | 57.8 | 2010 | $16.5 million* | $17.5 million* |
| 28 | Mystic Eagle | 63.3 | 2013 | $16.1 million | $16.9 million |
| 29 | New London Eagle | 63.1 | 2015 | $19.8 million | $20.7 million |
| 30 | Nighthawk | 57.8 | 2011 | $16.5 million* | $17.5 million* |
| 31 | Oriole | 57.8 | 2011 | $16.3 million* | $17.2 million |
| 32 | Oslo Eagle | 63.7 | 2015 | $14.5 million | $15.0 million |
| 33 | Owl | 57.8 | 2011 | $16.4 million* | $17.3 million |
| 34 | Petrel Bulker | 57.8 | 2011 | $16.3 million* | $17.2 million |
| 35 | Puffin Bulker | 57.8 | 2011 | $16.3 million* | $17.3 million |
| 36 | Roadrunner Bulker | 57.8 | 2011 | $16.6 million* | $17.5 million* |
| 37 | Rotterdam Eagle | 63.6 | 2017 | $17.1 million | $17.8 million |
| 38 | Rowayton Eagle | 63.3 | 2013 | $15.7 million | $16.0 million |
| 39 | Sandpiper Bulker | 57.8 | 2011 | $16.7 million* | $17.6 million* |
| 40 | Santos Eagle | 63.5 | 2015 | $17.7 million | $18.5 million |

| | | | | | |
|---|---|---|---|---|---|
| 41 | Shanghai Eagle | 63.4 | 2016 | $19.2 million | $20.0 million |
| 42 | Singapore Eagle | 63.4 | 2017 | $16.9 million | $17.5 million |
| 43 | Southport Eagle | 63.3 | 2013 | $15.9 million | $16.0 million |
| 44 | Stamford Eagle | 61.5 | 2016 | $14.5 million | $15.1 million |
| 45 | Stellar Eagle | 56.0 | 2009 | $16.4 million* | $17.6 million* |
| 46 | Stockholm Eagle | 63.3 | 2016 | $16.2 million | $16.9 million |
| 47 | Stonington Eagle | 63.3 | 2012 | $15.4 million | $16.2 million |
| 48 | Sydney Eagle | 63.5 | 2015 | $17.7 million | $18.5 million |
| 49 | Tokyo Eagle | 61.2 | 2015 | $26.8 million | $27.5 million* |
| 50 | Valencia Eagle | 63.6 | 2015 | $18.5 million | $19.3 million |
| 51 | Vancouver Eagle | 63.7 | 2020 | $29.5 million | — |
| 52 | Westport Eagle | 63.3 | 2015 | $15.9 million | $16.6 million |
| | **Total** | | | **$904.3 million** | **$859.9 million** |

* Indicates a vessel for which the estimated basic charter-free market value was less than its carrying value as of the specified date.

*Deferred Drydock Cost*

There are two methods that are used by the shipping industry to account for drydockings: (a) the deferral method where drydock costs are deferred when incurred and amortized over the period to the next scheduled drydock; and (b) expensing drydocking costs as incurred. We apply the deferral method for drydock costs. Under the deferral method, drydock costs are deferred and amortized on a straight-line basis until the next drydock, which we estimate to be a period of thirty to sixty months, depending upon the age of the vessel. We believe the deferral method better matches costs with revenue than expensing the costs as incurred. We use judgment when estimating the period between drydocks, which can result in prospective adjustments to amortization expense. We expect that our vessels require drydocking approximately every 60 months for vessels less than 15 years old and every 30 months for vessels older than 15 years. When a vessel is disposed of, unamortized drydock costs are written off to the gain or loss upon disposal. When a vessel enters drydock, unamortized drydock costs for that vessel are expensed to Depreciation and amortization in the Consolidated Statements of Operations.

Deferred drydock costs generally include direct costs incurred as part of drydocking in order to satisfy regulatory requirements. Costs incurred that add economic life to a vessel, increase a vessel’s earnings capacity or improve a vessel’s efficiency are accounted for as vessel improvements and are capitalized into the cost basis of the vessel, whether incurred as part of drydocking or not. Expenditures for normal maintenance and repairs, whether incurred as part of the drydocking or not, are expensed as incurred.

*Vessel acquisition*

Where we identify any intangible assets or liabilities associated with the acquisition of a vessel, we record all identified tangible and intangible assets or liabilities at fair value. Fair value is determined by reference to market data and the amount of expected future cash flows. We value any asset or liability arising from the market value of the time charters assumed when an acquired vessel is delivered to us.

Where we have assumed an existing charter obligation or enter into a time charter with the existing charterer in connection with the purchase of a vessel at charter rates that are less than prevailing period freight rates, we record a liability in fair value below contract value of time charters acquired based on the difference between the assumed charter rate and the prevailing period freight rate for an equivalent vessel. Conversely, where we assume an existing charter obligation or enter into a time charter with the existing charterer in connection with the purchase of a vessel at charter rates that are above the prevailing period freight rates, we record an asset in fair value above contract value of time charters acquired, based on the difference between the prevailing period freight rate and the contracted charter rate for an equivalent vessel. This determination is made at the time the vessel is delivered to us, and such assets and liabilities are amortized to revenue over the remaining period of the charter. The determination of the fair value of acquired assets and assumed liabilities requires us to make significant assumptions and estimates of many variables including spot freight rates, expected future freight rates, future vessel operation expenses, the level of utilization of our vessels and our weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on our financial position and results of operations. In the event that freight rates relating to the acquired vessels are lower than the contracted freight rates at the time of their respective deliveries to us, our net earnings for the remainder of the terms of the charters may be adversely affected although our cash flows will not be affected.

**Results of Operations for the Years Ended December 31, 2023 and 2022**

This section of this Form 10-K generally discusses 2023 and 2022 results and year-to-year comparisons between 2023 and 2022. A discussion of 2022 results of operations compared to 2021 is not included in this Form 10-K, but may be found in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 10, 2023.

*Net Income*

For the year ended December 31, 2023, the Company reported net income of $22.7 million, or $2.05 and $1.96 per basic and diluted share, respectively. For the year ended December 31, 2022, the Company reported net income of $248.0 million, or $19.09 and $15.57 per basic and diluted share, respectively. The net income for the years ended December 31, 2023 and 2022 are the result of the items described below.

*Factors Affecting our Results of Operations*

We consider the following fleet utilization measures important to understanding and analyzing our results of operations:

| | For the Years Ended | |
|---|---|---|
| | December 31, 2023 | December 31, 2022 |
| Ownership days | 19,209 | 19,261 |
| Owned available days | 18,418 | 18,243 |

- *Ownership days:* We define ownership days as the aggregate number of days in a period for which each vessel in our fleet has been owned by us. Ownership days is a measure of the size of our fleet over a period and affects the amounts of revenues we earn and expenses we incur during a period.
- *Owned available days:* We define owned available days as the number of ownership days less the aggregate number of days that our owned vessels are off-hire due to vessel familiarization upon acquisition, repairs, vessel improvements, special and intermediate surveys and other reasons which prevent a vessel from performing under a charter party in a period. The shipping industry uses owned available days to measure the number of days in a period for which vessels should be capable of generating revenues.

**Time Charter Equivalent (TCE) (Non-GAAP Measure)**

Shipping revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by a company and the trades in which those vessels operate. In the drybulk sector of the shipping industry, rates for the transportation of drybulk cargoes such as ores, grains, steel, fertilizers, and similar commodities, are determined by market forces such as the supply and demand for such commodities, the distance that cargoes must be transported, and the number of vessels available or expected to be available at the time such cargoes need to be transported. The number of vessels is affected by newbuilding deliveries and by the removal of existing vessels from service, principally due to scrapping.

The mix of charters between voyage charters and time charters also affects revenues. Because the mix between voyage charters and time charters significantly affects shipping revenues and voyage expenses, vessel revenues are benchmarked based on time charter equivalent (“TCE”), which is a non-GAAP measure.

TCE is commonly used in the shipping industry 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 generally are expressed in such amounts. The Company defines TCE as revenues, net less voyage expenses and charter hire expenses, adjusted for realized gains/(losses) on FFAs and bunker swaps, the subtotal of which is divided by the number of owned available days. TCE provides additional meaningful information in conjunction with Revenues, net, the most directly comparable GAAP measure, because it assists Company management in making decisions regarding the deployment and use of its vessels and in evaluating their performance. The Company’s TCE should not be considered an alternative to net income/(loss), operating income/(loss), cash flows provided by/(used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. The Company’s calculation of TCE may not be comparable to those reported by other companies.

The following table presents a reconciliation of TCE, a non-GAAP measure, from Revenues, net as recorded in the accompanying Consolidated Statements of Operations for the years ended December 31, 2023 and 2022.

| | Year Ended | |
|---|---|---|
| (in thousands, except Owned available days and TCE) | **December 31, 2023** | **December 31, 2022** |
| Revenues, net | $ 393,799 | $ 719,847 |
| Less: | | |
| Voyage expenses | (106,686) | (163,385) |
| Charter hire expenses | (36,534) | (81,103) |
| Realized gain on FFAs and bunker swaps, net | 2,448 | 15,791 |
| | $ 253,027 | $ 491,150 |
| | | |
| Owned available days | 18,418 | 18,243 |
| TCE | $ 13,738 | $ 26,923 |

Our economic decisions are primarily based on anticipated net charter hire rates and we evaluate financial performance based on net charter rates achieved. Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the net charter hire 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 drybulk shipping industry; and
- other factors affecting spot freight rates for drybulk carriers.

*Revenues, net*

Revenues, net for the year ended December 31, 2023 were $393.8 million, compared to $719.8 million for the year ended December 31, 2022. Revenues, net decreased $326.0 million primarily due to lower rates on both time and voyage charters as well as a decrease in chartered-in days, each driven by a decline in the drybulk market.

*Voyage expenses*

To the extent that we employ our vessels on voyage charters, we incur expenses that include but are not limited to bunkers, port charges, canal tolls and cargo handling operations, as these expenses are borne by the vessel owner on voyage charters. As is common in the shipping industry, we pay commissions ranging from 1.25% to 5.00% of the total daily charter hire rate of each charter to unaffiliated ship brokers and in-house brokers associated with the charterers, depending on the number of brokers involved with arranging the charter. We record such broker commissions as voyage expenses.

Voyage expenses for the year ended December 31, 2023 were $106.7 million, compared to $163.4 million for the year ended December 31, 2022. Voyage expenses decreased $56.7 million primarily due to a $37.0 million reduction in bunker consumption expenses primarily due to decreases in both voyage charters and bunker prices, a $15.5 million reduction in port expenses due to a decrease in voyage charters and lower fuel surcharges and a $4.1 million decrease in broker commissions due to lower freight rates driven by a decline in the drybulk market.

*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 and related inventory, tonnage taxes, pre-operating costs associated with the delivery of acquired vessels, including providing the newly acquired vessels with initial provisions and stores, and other miscellaneous expenses.

Vessel operating expenses for the year ended December 31, 2023 were $120.5 million, compared to $123.9 million for the year ended December 31, 2022. Vessel operating expenses decreased $3.5 million due to a $2.0 million decrease in the cost of stores and spares, a $1.9 million decrease in repair costs driven by lower discretionary spending on upgrades, including on newly acquired ships and fewer unscheduled repairs, a $1.8 million decrease in lube costs and a $0.6 million decrease in insurance costs, partially offset by a $3.5 million increase in crewing costs driven by higher compensation and increased crew changes as a result of a change in crew managers.

*Charter hire expenses*

Charter hire expenses for the year ended December 31, 2023 were $36.5 million, compared to $81.1 million for the year ended December 31, 2022. Charter hire expenses decreased $44.6 million primarily due to a decrease in chartered-in days (2,708 for the year ended December 31, 2023 as compared to 4,081 for the year ended December 31, 2022) as well as a decrease in charter hire rates as a result of a decline in the drybulk market.

*Depreciation and amortization*

We depreciate the cost of our vessels on a straight-line basis over the expected useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. We estimate the useful life of our vessels to be 25 years from the date of initial delivery from the shipyard to the original owner. We estimate the scrap rate to be $400/lwt to compute each vessel's residual value.

We amortize drydocking costs on a straight-line basis over the period through the date the next drydocking is required to become due, generally 30 months for vessels that are 15 years old or more and 60 months for vessels that are less than 15 years old.

Depreciation and amortization for the year ended December 31, 2023 was $60.5 million, compared to $61.2 million for the year ended December 31, 2022. Depreciation and amortization decreased $0.6 million primarily due to a $4.0 million decrease in depreciation due to a change in our estimated vessel scrap value from $300 per lwt to $400 per lwt, effective January 1, 2023, partially offset by a $2.6 million increase in depreciation from the net impact of vessels acquired and sold during the respective periods and a $0.8 million increase in deferred drydocking cost amortization due to higher costs on drydockings completed in 2023.

*General and administrative expenses*

General and administrative expenses include onshore vessel administration related expenses, such as legal and other professional fees, administrative expenses including payroll and other expenses relating to our executive officers and office staff, office rent and expenses, directors fees, and directors and officers insurance. General and administrative expenses also include stock-based compensation expenses.

General and administrative expenses for the year ended December 31, 2023 were $43.6 million, compared to $41.2 million for the year ended December 31, 2022. General and administrative expenses increased $2.4 million primarily due to a $1.4 million increase in stock-based compensation expense and a $0.7 million increase in employee-related costs.

*Impairment of operating lease right-of-use assets*

Impairment of operating lease right-of-use assets for the year ended December 31, 2023 was $0.7 million, compared to $2.2 million for the year ended December 31, 2022. Impairment losses were driven by declines in the freight rate environment as compared to certain operating leases with relatively higher fixed hire rates.

*Other operating expense*

Other operating expense for the year ended December 31, 2023 was $7.3 million, compared to $3.8 million for the year ended December 31, 2022. Other operating expense for the year ended December 31, 2023 was comprised of $6.3 million of costs associated with the Proposed Merger and $1.0 million of costs related to a 2021 U.S. government investigation into an allegation that one of our vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. Other operating expense for the year ended December 31, 2022 was comprised of $2.4 million of costs associated with a corporate transaction that did not materialize and $1.4 million of costs related to a 2021 U.S. government investigation into an allegation that one of our vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair.

*Gain on sale of vessels*

For the year ended December 31, 2023, the Company recorded a gain on the sale of the vessels Jaeger, Montauk Eagle, Newport Eagle and Sankaty Eagle of $19.7 million. For the year ended December 31, 2022, the Company recorded a gain on the sale of the vessel Cardinal of $9.3 million.

*Interest expense*

Interest expense for the year ended December 31, 2023 was $23.6 million, compared to $17.0 million for the year ended December 31, 2022. Interest expense increased $6.6 million primarily due to the upsize of, and increased amounts borrowed under, the Global Ultraco Debt Facility, along with the effect of higher interest rates.

The Company entered into certain interest rate swap agreements in October 2021 and August 2023 to fix the interest rate exposure on then-outstanding term loans under the Global Ultraco Debt Facility. As of December 31, 2023, the interest rate risk on the entire $263.0 million of aggregate principal amount of term loans outstanding under the Global Ultraco Debt Facility is hedged through these swaps, which carry and weighted-average fixed rate of 174 basis points. As of December 31, 2023, amounts outstanding under the Revolving Facility are not hedged.

*Interest income*

Interest income for the year ended December 31, 2023 was $6.7 million, compared to $2.9 million for the year ended December 31, 2022. Interest income increased $3.8 million primarily due to the impact of higher interest rates on the Company's cash balances.

*Realized and unrealized (gain)/loss on derivative instruments, net*

For the year ended December 31, 2023, the Company recorded a net realized and unrealized gain on derivatives of $2.0 million, compared to a net realized and unrealized gain on derivatives of $13.9 million for the year ended December 31, 2022. The $11.9 million decrease was due to market movements as well as lower FFA and bunker swap activity.

*Loss on debt extinguishment*

For the year ended December 31, 2022, the Company recorded a loss on debt extinguishment of $4.2 million as a result of the repurchase of $10.0 million in aggregate principal amount of Convertible Bond Debt for $14.2 million in cash.

**Effects of Inflation**

The Company believes that its business typically benefits during periods of elevated inflation and positive demand growth, as higher charter rates and net revenues more than offset increases in costs relating to vessel operating expenses, drydocking and general and administrative expenses.

**Liquidity and Capital Resources**

Our principal sources of funds include operating cash flows and borrowings under long-term debt and revolving credit facilities. Our principal uses of funds include: (i) capital expenditures to establish and grow our fleet, maintain the quality and efficiency of our vessels and comply with international shipping standards and environmental laws and regulations, (ii) funding working capital requirements and (iii) making principal and interest payments on our debt.

Our ability to generate sufficient cash depends on many factors, some of which are outside of our control. For additional discussion regarding risks that may negatively impact our cash flows, see Item 1A. Risk Factors.

We believe that our current financial resources, together with the undrawn portion of the revolving facility available under the Global Ultraco Debt Facility and cash generated from operations, will be sufficient to meet our ongoing business needs and other obligations over the next twelve months and for the foreseeable future thereafter.

From time to time, the Company may, subject to market conditions and other factors and to the extent permitted by law, opportunistically repurchase the Convertible Bond Debt in the open market or through privately negotiated transactions. The Company may not otherwise redeem the Convertible Bond Debt prior to the Maturity Date.

*Summarized Balance Sheet Information*

The following table presents summarized balance sheet information as of December 31, 2023 and 2022:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Cash and cash equivalents | $ 118,615 | $ 187,155 |
| Current assets (excluding cash and cash equivalents) | $ 70,931 | $ 74,869 |
| Current liabilities (excluding current portion of long-term debt) | $ 59,157 | $ 79,165 |
| Current portion of long-term debt | $ 153,690 | $ 49,800 |
| Long-term debt | $ 330,113 | $ 284,682 |

Cash and cash equivalents was $118.6 million as of December 31, 2023, compared to $187.2 million as of December 31, 2022. The $68.5 million decrease was primarily driven by $222.9 million paid to repurchase Common Stock and $82.4 million paid to acquire three vessels and other vessel improvements, partially offset by $123.4 million of proceeds, net of debt issuance costs from the Revolving Facility, $73.1 million of proceeds, net of debt issuance costs, under the Term Facility and $56.6 million of proceeds from the sale of four vessels.

Current assets (excluding cash and cash equivalents) was $70.9 million as of December 31, 2023, compared to $74.9 million as of December 31, 2022. The $3.9 million decrease was driven by (i) a $3.1 million decrease in inventories due to lower quantities of bunkers owned and (ii) a $1.4 million decrease in accounts receivable as a result of a decline in the drybulk market.

Current liabilities (excluding current portion of long-term debt) was $59.2 million as of December 31, 2023, compared to $79.2 million as of December 31, 2022. The $20.0 million decrease was driven by (i) a $15.9 million decrease in current operating lease liabilities primarily due to lease payments made during 2023 and (ii) a $5.4 million decrease in unearned charter hire revenue as a result of a decline in the drybulk market.

Current portion of long-term debt was $153.7 million as of December 31, 2023, which was comprised of $103.9 million of Convertible Bond Debt and $49.8 million due under the Term Facility, compared to $49.8 million as of December 31, 2022, which was comprised of amounts due under the Term Facility.

Long-term debt was $330.1 million as of December 31, 2023, compared to $284.7 million as of December 31, 2022. The $45.4 million increase was primarily driven by proceeds, net of debt issuance costs, of $73.1 million under the Term Facility and $123.4 million under the Revolving Facility, partially offset by the reclassification of $103.9 million of Convertible Bond Debt to current liabilities and $49.8 million in repayments on the Term Facility.

*Financing*

A summary of the Company's debt as of December 31, 2023 and December 31, 2022 is as follows:

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| | Principal Amount Outstanding | Carrying Value | Principal Amount Outstanding | Carrying Value |
| Convertible Bond Debt [1] | $ 104,119 | $ 103,890 | $ 104,119 | $ 103,499 |
| Global Ultraco Debt Facility - Term Facility [2] | 262,950 | 257,645 | 237,750 | 230,983 |
| Global Ultraco Debt Facility - Revolving Facility [3] | 125,000 | 122,268 | — | — |
| | **$ 492,069** | **$ 483,803** | **$ 341,869** | **$ 334,482** |

(1) $104.1 million of principal amount outstanding of Convertible Bond Debt is classified as current as of December 31, 2023.

(2) $49.8 million of principal amount outstanding under the Global Ultraco Debt Facility is classified as current as of December 31, 2023 and December 31, 2022.

(3) As of December 31, 2023 and December 31, 2022, the undrawn revolving facility under the Global Ultraco Debt Facility was $49.1 million and $100.0 million, respectively.

On May 11, 2023, Eagle Bulk Ultraco LLC ("Eagle Ultraco"), a wholly-owned subsidiary of the Company, along with certain of its wholly-owned, vessel-owning subsidiaries as guarantors, amended and restated its Credit Agreement originally dated October 1, 2021 (the "Original Global Ultraco Debt Facility") pursuant to an Amended and Restated Credit Agreement dated as of May 11, 2023 (the "Global Ultraco Refinancing" and, as amended, the "Global Ultraco Debt Facility") with the lenders party thereto and Crédit Agricole Corporate and Investment Bank ("Credit Agricole") as security trustee, structurer, sustainability coordinator and facility agent (collectively, the "Lenders"). The Company paid fees of $3.5 million to the Lenders in connection with the Global Ultraco Refinancing.

The Global Ultraco Refinancing provided for additional loan capacity of up to $175.0 million, thereby increasing the aggregate principal amount of senior secured credit facilities under the Global Ultraco Debt Facility to $485.3 million (from $310.3 million under the Original Global Ultraco Debt Facility). Additional amounts provided under the Global Ultraco Refinancing included: (i) an additional term loan of up to $75.0 million, thereby increasing the aggregate principal amount of term loans under the Global Ultraco Debt Facility to $300.3 million (the "Term Facility") and (ii) an additional revolving credit facility in an aggregate principal amount of $100.0 million, thereby increasing the aggregate principal amount of revolving credit facilities available under the Global Ultraco Debt Facility to $185.0 million which shall be reduced beginning on September 15, 2023 and every three months thereafter, by 21 consecutive reductions of $5.445 million (the "Revolving Facility"). Proceeds from the Global Ultraco Refinancing are to be used for general corporate and working capital purposes, including, but not limited to vessel purchases, capital improvements, stock buybacks or equity repurchases, retirement of debt and other strategic initiatives.

During the year ended December 31, 2023, the Company borrowed $75.0 million under the Term Facility and $125.0 million under the Revolving Facility and repaid $49.8 million under the Term Facility.

Refer to Note 7. Debt to the consolidated financial statements included elsewhere herein for additional information on the Global Ultraco Refinancing and the Company's other long-term debt.

*Selected Cash Flow Information*

The following table presents summarized cash flow information for the years ended December 31, 2023 and 2022:

| | Year Ended | |
|---|---|---|
| | December 31, 2023 | December 31, 2022 |
| Net cash provided by operating activities | $ 55,937 | $ 298,283 |
| Net cash used in investing activities | (29,120) | (23,692) |
| Net cash used in financing activities | (95,381) | (171,059) |
| **Net (decrease)/increase in cash, cash equivalents and restricted cash** | **(68,564)** | **103,532** |
| Cash, cash equivalents and restricted cash at beginning of year | 189,754 | 86,222 |
| **Cash, cash equivalents and restricted cash at end of year** | **$ 121,190** | **$ 189,754** |

Net cash provided by operating activities for the year ended December 31, 2023 was $55.9 million, compared to $298.3 million for the year ended December 31, 2022. The decrease in net cash provided by operating activities was primarily driven by a $225.3 million decrease in net income as a result of a decline in the drybulk market.

Net cash used in investing activities for the year ended December 31, 2023 was $29.1 million, compared to $23.7 million for the year ended December 31, 2022. During the year ended December 31, 2023, the Company paid $82.4 million to purchase three vessels and other vessel improvements and paid $2.6 million for the purchase of BWTS. These uses of cash were partially offset by $56.6 million in proceeds from the sale of four vessels. During the year ended December 31, 2022, the Company paid $27.7 million to purchase one vessel and other vessel improvements, paid $7.3 million for the purchase of BWTS and paid $3.6 million as an advance on the purchase of one vessel. These uses of cash were partially offset by $14.9 million in proceeds from the sale of one vessel.

Net cash used in financing activities for the year ended December 31, 2023 was $95.4 million, compared to $171.1 million for the year ended December 31, 2022. During the year ended December 31, 2023, the Company (i) paid $222.9 million to repurchase Common Stock, inclusive of fees, (ii) repaid $49.8 million of term loan under the Global Ultraco Debt Facility, (iii) paid $16.8 million in dividends and (iv) paid $2.3 million for taxes related to net share settlement of equity awards. These uses of cash were partially offset by $123.4 million of proceeds, net of debt issuance costs, from the Revolving Facility under the Global Ultraco Debt Facility and $73.1 million of proceeds, net of debt issuance costs, from the Term Facility under the Global Ultraco Debt Facility. During the year ended December 31, 2022, the Company (i) paid $105.0 million in dividends, (ii) repaid $49.8 million of term loan under the Global Ultraco Debt Facility, (iii) paid $14.2 million to repurchase $10.0 million in aggregate principal amount of Convertible Bond Debt and (iv) paid $2.4 million for taxes related to net share settlement of equity awards.

*Dividends*

During 2021, the Company adopted a dividend policy which targets a minimum dividend of 30% of its net income, but not less than $0.10 per share, subject to approval from the Board.

A summary of dividends declared during the years ended December 31, 2023, 2022 and 2021 and through the date of this Annual Report on Form 10-K is as follows:

| Record Date | Payment Date | Amount (per Common Share) |
|---|---|---|
| March 13, 2024 | March 21, 2024 | $0.60 |
| November 14, 2023 | November 22, 2023 | $0.10 |
| August 16, 2023 | August 24, 2023 | $0.58 |
| May 17, 2023 | May 25, 2023 | $0.10 |
| March 15, 2023 | March 23, 2023 | $0.60 |
| November 15, 2022 | November 23, 2022 | $1.80 |
| August 16, 2022 | August 26, 2022 | $2.20 |
| May 16, 2022 | May 25, 2022 | $2.00 |
| March 15, 2022 | March 25, 2022 | $2.05 |
| November 15, 2021 | November 24, 2021 | $2.00 |

We expect to continue paying cash dividends on a quarterly basis; however, in the future, the declaration and payment of dividends, if any, will always be subject to the discretion of the Board, restrictions contained in the Company's debt facilities and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things, the Company's earnings, financial condition and cash requirements and availability, the ability to obtain debt and equity financing on acceptable terms as contemplated by the Company's growth strategy, the terms of its outstanding indebtedness and the ability of the Company's subsidiaries to distribute funds to it. Additionally, the terms of the Merger Agreement limit the ability of the Company to declare or pay dividends prior to the completion of the Proposed Merger, other than the Company's regular quarterly dividend with respect to our common stock (with declaration, record and payment dates and amounts consistent with past practice and in accordance with our dividend policy).

**Contractual Obligations**

Information about the Company's contractual obligations can be found within Note 4. Vessels and Vessel Improvements, Note 7. Debt, and Note 12. Leases, in addition to the information presented below. We believe that funds from future operating cash flows, cash on hand and amounts available to us under the Revolving Facility will be sufficient for future operations, commitments, capital acquisitions and other strategic transactions for the next 12 months and for the foreseeable future thereafter.

*Capital Expenditures*

Our capital expenditures primarily relate to the purchase of vessels and capital improvements to our vessels, which are expected to enhance their revenue earning capabilities, efficiency and/or safety and to comply with relevant regulations.

During the year ended December 31, 2023, the Company acquired the following vessels:

| Vessel | Type | Scrubber-Fitted | Dwt (in thousands) | Year Built | Delivery Date | Total Consideration ($ in millions) |
|---|---|---|---|---|---|---|
| Gibraltar Eagle | Ultramax | | 63.6 | 2015 | February 2023 | $24.3 |
| Vancouver Eagle | Ultramax | P | 63.7 | 2020 | May 2023 | $30.1 |
| Halifax Eagle | Ultramax | P | 63.7 | 2020 | May 2023 | $30.1 |

As described in Item 1. Business - Permits, Authorization and Regulations, our vessels are required to comply with the BWM Convention, as well as with U.S. federal laws that require the installation of BWTS. As of December 31, 2023, each of our owned vessels have BWTS installed. For the years ended December 31, 2023 and 2022, the Company incurred $2.3 million and $6.2 million of costs, respectively, related to the acquisition and installation of BWTS. The Company expects to incur $0.9 million for BWTS that are expected to be acquired and/or installed during scheduled drydockings in 2024, which includes $0.5 million of costs accrued as of December 31, 2023. We intend to fund future BWTS costs with operating cash flows.

*Drydocking Expenditures*

The Company incurs costs related to regularly scheduled drydockings to ensure our vessels comply with international shipping standards and relevant environmental laws and regulations. Although the Company has some flexibility regarding the timing of its drydockings, drydocking costs are relatively predictable. In accordance with statutory requirements, we expect vessels less than 15 years old are to be drydocked every five years and vessels greater than 15 years old every two and a half years. We intend to fund future drydocking costs with operating cash flows. Generally, drydocking requires us to reposition vessels from a discharge port to shipyard facilities, which will reduce our available days and operating days during that period.

During 2023, seven of our vessels completed drydock and we paid $14.4 million for drydocking costs. During 2022, eight of our vessels completed drydock and we paid $18.4 million for drydocking costs. Drydocking costs decreased $4.0 million primarily due to a decrease in the number of vessels which incurred drydocking costs year over year as well as the impact of drydocking costs accrued prior to December 31, 2021 and paid during 2022. As of December 31, 2023, no vessels were in drydock and $3.0 million of drydocking costs were accrued. The Company expects to incur $28.6 million for drydockings that are expected to occur in 2024.

The following table provides certain information about the estimated costs for anticipated vessel drydockings and improvements in the next four quarters, along with the anticipated off-hire days:

| | Projected Costs[1] ($ in millions) | | |
|---|---|---|---|
| **Quarters Ending** | **Off-hire Days[2]** | **Drydocks** | **Vessel Improvements** |
| March 31, 2024 | 195 | $ 2.3 | $ 0.8 |
| June 30, 2024 | 205 | $ 7.0 | $ 0.1 |
| September 30, 2024 | 186 | $ 5.2 | $ — |
| December 31, 2024 | 294 | $ 14.0 | $ — |

(1) We intend to fund these costs with cash from operations, cash on hand or with amounts available under the Global Ultraco Debt Facility.

(2) Actual duration of off-hire days will vary based on the age and condition of the vessel, yard schedules and other factors. Projected off-hire days includes an allowance for unforeseen events.

*Convertible Bond Debt*

On July 29, 2019, the Company issued $114.1 million in aggregate principal amount of 5.0% Convertible Senior Notes due 2024 (the “Convertible Bond Debt”). The outstanding Convertible Bond Debt will mature on August 1, 2024 (the “Maturity Date”), unless earlier repurchased, redeemed or converted pursuant to its terms.

Each holder has the right to convert any portion of the Convertible Bond Debt, provided such portion is of $1,000 or a multiple thereof, at any time prior to the close of business on the business day immediately preceding the Maturity Date. The conversion rate of the Convertible Bond Debt after adjusting for the Reverse Stock Split and the Company’s cash dividends declared through December 31, 2023 is 31.6207 shares of the Company's common stock per $1,000 principal amount of Convertible Bond Debt, which is equivalent to a conversion price of approximately $31.62 per share of its common stock (subject to further adjustments for future dividends).

On February 5, 2024, EB Holdings provided the Company with a Notice of Conversion pursuant to the Indenture with respect to $34.75 million in aggregate principal amount of Convertible Bond Debt. The Company elected to settle this obligation by issuing 1,098,819 shares of Common Stock on February 7, 2024, which represented 9.96% of outstanding Common Stock following such issuance.

Upon conversion of the remaining bonds, the Company will pay or deliver, as the case may be, either cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company’s election, to the holder (subject to shareholder approval requirements in accordance with the Indenture).

**Off-balance Sheet Arrangements**

We do not have any off-balance sheet arrangements.

**Other Contingencies**

See Note 11. Commitments and Contingencies to our consolidated financial statements set forth in Item 8. Financial Statements and Supplementary Data of this Form 10-K for a discussion of our contingencies related to claim litigation. The potential impact from legal proceedings on our business, liquidity, results of operations, financial position and cash flows, could change in the future.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Interest Rate Risk**

The Company is exposed to market risk from changes in interest rates, which could impact our results of operations and financial condition. The Company's objective is to manage the impact of interest rate changes on its earnings and cash flows. The Company manages the exposure to this market risk through its regular operating and financing activities and, when deemed appropriate, the use of derivative financial instruments. As of December 31, 2023, the Company has entered into, and in the future may enter into additional, interest rate swap agreements to manage net exposure to interest rate changes related to its borrowings and to lower its overall borrowing costs. See Note 8. Derivative Instruments to the consolidated financial statements included herein for additional information.

The Company is exposed to market risk from changes in the Secured Overnight Financing Rate ("SOFR") on term loan debt outstanding under the Global Ultraco Debt Facility (the Term Facility, as defined in Note 7. Debt to the consolidated financial statements included herein.) As of December 31, 2023, the Company had $263.0 million in aggregate principal outstanding under the Term Facility, which carried an interest rate equal to the sum of (i) Term SOFR (as defined in the Global Ultraco Debt Facility), (ii) a credit adjustment spread of 26.161 basis points per annum and (iii) a margin of 2.35%. In addition, as of December 31, 2023, the Company had a series of interest rate swap agreements with a total notional amount outstanding of $263.0 million under which the Company paid, on a weighted average basis, a fixed rate of 1.74%, and received three-month Term SOFR. As of December 31, 2023, the outstanding interest rate swap agreements effectively managed the interest rate risk associated with the term loan debt outstanding under the Global Ultraco Debt Facility.

The Company is also exposed to market risk from changes in SOFR on amounts borrowed under revolving credit facilities under the Global Ultraco Debt Facility (the Revolving Facility, as defined in Note 7. Debt to the consolidated financial statements included herein.) As of December 31, 2023, the Company has $125.0 million in aggregate principal outstanding under the Revolving Facility. As of December 31, 2023, borrowings under the Revolving Facility carried an interest rate equal to the sum of (i) Term SOFR (as defined in the Global Ultraco Debt Facility), (ii) a credit adjustment spread of 26.161 basis points per annum and (iii) a margin of 2.35%. Under a hypothetical scenario in which the Revolving Facility is fully drawn at $174.1 million throughout the year ended December 31, 2023, a 1% increase in three-month Term SOFR would have resulted in an increase in interest expense of $1.7 million for the year ended December 31, 2023.

*Derivative Financial Instruments*

The Company uses interest rate swaps to manage its exposure to interest rate risk on its debt. Generally, the Company enters into interest rate swaps with the objective of effectively converting debt from a floating-rate to a fixed-rate obligation. As of December 31, 2023, the Company had outstanding interest rate swaps with a total notional amount outstanding of $263.0 million that were designated and qualified as cash flow hedges. See Note 8. Derivative Instruments to the consolidated financial statements included herein for additional information.

The Company uses forward freight agreements (“FFAs”), bunker swaps and EU Emission Allowance (“EUA”) futures to manage its exposure to changes in charter hire rates, market bunker prices and market EUA prices, respectively. Generally, the Company enters into FFAs with the objective of effectively fixing charter hire rates for future charter transactions, bunker swaps with the objective of effectively fixing forecasted bunker transactions and EUA futures with the objective of fixing forecasted EUA obligations under the EU Emissions Trading System. The Company utilizes these derivative instruments to economically hedge these risks and does not designate them as hedging instruments. Therefore, any unrealized or realized gains or losses on FFAs, bunker swaps and EUA futures are recognized in earnings. See Note 8. Derivative Instruments to the consolidated financial statements included herein for additional information.

**Foreign Currency and Exchange Rate Risk**

The shipping industry in which the Company operates substantially transacts using the U.S. dollar. The Company generates all of its revenues and incurs the majority of its operating expenses in U.S. dollars and the Company’s current exposure to currency fluctuations is not material. However, we do incur some of our voyage expenses and vessel operating expenses in non-U.S. dollar currencies (e.g., the cost of EUAs). The amount and frequency of these expenses may fluctuate from period to period. Depreciation in the value of the U.S. dollar relative to other currencies will increase the U.S. dollar cost to us of paying such expenses. We are not aware of any material events or uncertainties nor are there any known trends, demands or commitments that would indicate an increase in business conducted in non-U.S. dollar currencies. If an increase in business conducted in non-U.S. dollar currencies were to occur, we may seek to hedge against any related foreign currency or exchange rate risk.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is contained in the financial statements set forth in Item 15(a) under the caption “Consolidated Financial Statements” as part of this Annual Report on Form 10-K.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

**Disclosure Controls and Procedures**

Our management, including our Chief Executive Officer and our 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 Securities 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 were effective as of December 31, 2023. The Company’s disclosure controls and procedures are designed to provide reasonable assurance 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 and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

**Management’s 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) and 15d-15(f) of the Exchange Act. The Company’s internal control over financial reporting is a process designed by, or 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 generally accepted accounting principles.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control-Integrated Framework (2013). Based on management’s assessment and those criteria, management has concluded that the Company maintained effective internal control over financial reporting as of December 31, 2023.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and 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.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included in Part IV. Item 15. Exhibits, Financial Statement Schedules under the heading, "Report of Independent Registered Public Accounting Firm."

**Changes in Internal Control Over Financial Reporting**

In addition, we evaluated our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act and there have been no changes in our internal control over financial reporting that occurred during the fourth quarter of 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable

## PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

### Our Board of Directors

As of the date of this Annual Report, the Board is comprised of the following six members:

**Paul M. Leand, Jr.**, age 57, is the Chairman of the Board, for which he has served as a Director since November 2014. Mr. Leand is the Chief Executive Officer of AMA Capital Partners LLC, a merchant banking partnership exclusively focused on the transportation, energy and offshore industries. Mr. Leand has extensive experience with high yield issuer restructurings and M&A transactions within the transportation, energy and offshore industries. Mr. Leand previously served as a director of Golar LNG Partners LP, Lloyd Fonds AG, North Atlantic Drilling, Seadrill Ltd. and Ship Finance International Ltd. Mr. Leand holds a BS/BA from Boston University's School of Management.

**A. Kate Blankenship**, age 59, has served as a Director of the Company since January 2023. Ms. Blankenship was the Chief Accounting Officer and Company Secretary of Frontline Ltd., (NYSE: FRO), one of the largest crude oil tanker owners in the world. Ms. Blankenship currently serves as a director of 2020 Bulkers Ltd. (Oslo Euronext), a director and audit committee member of International Seaways, Inc. (NYSE: INSW) and a director and chair of the audit committee of Borr Drilling Limited (NYSE: BORR). Ms. Blankenship previously served as director and audit committee member of numerous other companies including North Atlantic Drilling Ltd., Archer Limited, Golden Ocean Group Limited, Frontline Ltd., Avance Gas Holding Ltd, Ship Finance International Limited, Golar LNG Limited, Golar LNG Partners LP, Seadrill Limited and Seadrill Partners LLC. Ms. Blankenship is a member of the Institute of Chartered Accountants in England and Wales and graduated from the University of Birmingham with a Bachelor of Commerce in 1986.

**Justin A. Knowles**, age 55, has served as a Director of the Company since November 2014 and chairs our Audit Committee. Mr. Knowles founded and operates Dean Marine Advisers Ltd., a United Kingdom-based shipping finance consultancy that provides strategic advice on shipping projects and investments to financial institutions and ship owners. Mr. Knowles previously spent 13 years in a variety of senior roles within the Bank of Scotland's shipping team, in both loan origination and debt restructure/work-out units, working with a wide variety of public and private shipping companies. Mr. Knowles graduated from the University of Edinburgh in 1990 with a M.A. Hons in Accounting and Economics before joining Ernst & Young, where he trained and qualified as a Chartered Accountant. Mr. Knowles is a member of the Institute of Chartered Accountants of Scotland.

**Bart Veldhuizen**, age 57, has served as a Director of the Company since November 2014. Mr. Veldhuizen founded and operates Aquarius Maritime Capital Ltd, an advisory firm specializing in shipping investments in both the credit and hard asset classes. Mr. Veldhuizen was on the Board of Managing Directors of DVB Bank SE where he was responsible for the bank's shipping and offshore franchises, was the Managing Director and Head of Shipping of Lloyds Banking Group plc where he managed the combined Lloyds Bank and Bank of Scotland's shipping loan and lease portfolio and previously worked at NIBC Bank, a Dutch-based merchant bank, Smit International, a publicly listed maritime service provider, DVB Bank SE as a shipping banker and Van Ommeren Shipping, a publicly listed shipping and storage company. Mr. Veldhuizen previously served as a director of Seadrill Partners LLC, Golar LNG Partners LP, and Diamond S Shipping Inc. Mr. Veldhuizen holds a degree in Business Economics from the Erasmus University in Rotterdam, the Netherlands.

**Gary Vogel**, age 58, has served as Chief Executive Officer and Director of the Company since September 2015. Prior to joining our Company, Mr. Vogel was chief executive officer, partner and director of Clipper Group Ltd., a Copenhagen-based ship-owning and operating company, chief executive officer of Clipper Bulk, a division of Clipper Group Ltd. and president of Van Ommeren Bulk Shipping (USA), Inc. Mr. Vogel currently serves as a director of SFL Corporation Ltd (NYSE: SFL). Mr. Vogel graduated from the U.S. Merchant Marine Academy with a Bachelor of Science in Marine Transportation as well as with a U.S. Coast Guard Unlimited Tonnage 3rd Officers License and previously served as an officer in the U.S. Naval Reserve. Mr. Vogel currently serves on the Lloyd's Register North America Advisory Committee. Mr. Vogel was also a former board member of the American Institute for International Steel.

**Gary Weston**, age 67, has served as a Director of the Company since November 2014 and chairs our Nominating and ESG Committee. Mr. Weston also chaired our Compensation Committee from 2017 to 2021. Mr. Weston was previously the Executive Chairman and Chief Executive Officer of C Transport Maritime S.A.M., a provider of commercial, operational, technical and logistical management of drybulk vessels. Mr. Weston was also a director and Chief Executive Officer of various affiliated companies controlled by the Ceres Group of Companies, including CBC Holdings Ltd., DryLog Ltd., Carras Ltd. and Tara Ltd. Prior to that, Mr. Weston was the Executive Chairman of H. Clarkson & Co. Ltd. and Chief Executive Officer of Clarksons PLC, the world's largest shipbroker and a leading provider of integrated shipping services. Mr. Weston currently serves as a non-executive director and member of the Audit, Compensation and Finance Committees of Wah Kwong Transport Holdings Limited, a privately-owned shipping company and previously served as a non-executive director and a member of the Audit, Regulatory and Risk Committee of the United Kingdom Freight Demurrage and Defence Association Limited, a leading provider of legal defense services in the shipping industry. Mr. Weston is a member of the Chartered Institute of Logistics and Transport. He received a B.Sc. in Maritime Studies from the University of Wales, in Cardiff.

Each Director serves until the next Annual Meeting of Shareholders or until their office shall otherwise be vacated pursuant to our By-laws.

There is no family relationship between any Director or Executive Officer of the Company.

**Executive Officers**

Executive officers are elected by and serve at the discretion of the Board and shall be a President (or Chief Executive Officer), a Secretary and a Treasurer (or Chief Financial Officer). The Company's executive officers are as follows:

**Gary Vogel**, age 58, has served as Chief Executive Officer and Director of the Company since September 2015. For more information regarding the business experience of Mr. Vogel, see "Our Board of Directors" above.

**Constantine (Costa) Tsoutsoplides**, age 47, has served as Chief Financial Officer of the Company since April 2023. He previously served as the Company's Chief Strategy Officer from November 2021 to March 2023 and before this, held various positions of increasing responsibility within the corporate finance and strategy groups since joining the Company in 2010. Mr. Tsoutsoplides previously served as Treasurer of Delphin Shipping LLC, a private equity-backed (Kelso & Co.) investment company focused on the maritime industry. And prior to this, he spent a total of eight years at Citigroup as a Vice President in Foreign Exchange Corporate Sales, and earlier, as an Associate in High Yield Bond Sales. Mr. Tsoutsoplides brings over 25 years of experience in shipping, corporate strategy and restructuring, investing/M&A, finance, banking, capital markets, and investor relations. Mr. Tsoutsoplides holds an M.B.A. in Finance from New York University's Stern School of Business, a B.A. in Economics from Boston University and is a CFA charterholder.

Mr. Tsoutsoplides was not an executive officer of the Company during 2021 or 2022.

**Frank De Costanzo**, age 61, served as Chief Financial Officer and Secretary of the Company from September 2016 to March 2023. Mr. De Costanzo served as an advisor to the Board from April 2023 until June 2023, at which point, Mr. De Costanzo separated from the Company. Mr. De Costanzo brought more than 37 years of banking, finance, public company and related leadership experience, with a focus on commodity and related markets. Prior to joining the Company, Mr. De Costanzo served as Senior Vice President and Chief Financial Officer of the Catalyst Paper Corporation, one of North America's largest pulp and paper companies. Mr. De Costanzo also served as Vice President and Global Treasurer at Kinross Gold Corporation, one of the world's largest precious metals mining companies, from September 2010 to June 2015. Earlier in his career, he served in positions of increasing responsibility at Pitney Bowes Inc., including Assistant Treasurer, Director of Internal Audit and Finance Director, International, for Pitney Bowes Software. He also worked at The Dai-Ichi Kangyo Bank (now part of the Mizuho Financial Group) and the Union Bank of Switzerland. Mr. De Costanzo earned a B.S. in Finance from Providence College and an Executive MBA from the University of Connecticut.

There is no family relationship between any Director or Executive Officer of the Company.

**Code of Ethics**

The Company's Code of Ethics, which applies to each of our Directors, executive officers and employees, is available on our website at ir.eagleships.com/governance and copies are available in print upon request to Eagle Bulk Shipping Inc., 300 First Stamford Place, 5th Floor, Stamford, Connecticut 06902. The Company intends to satisfy any disclosure requirements regarding any amendment to, or waiver from, a provision of this Code of Ethics by posting such information on the Company's website within four business days after such amendment or waiver.

**Audit Committee**

The Board has a standing Audit Committee (the "Audit Committee"). The Audit Committee is comprised of Justin A. Knowles (Chair), Bart Veldhuizen and Gary Weston, each of whom qualifies as independent under the applicable NYSE listing rules and SEC rules. The Board has determined that each of Justin A. Knowles and Bart Veldhuizen is an audit committee "financial expert" as such term is defined in applicable SEC rules, and has financial management expertise in satisfaction of Rule 303A.07 of the NYSE Listed Company Manual.

The current charter of the Audit Committee is posted on our website at ir.eagleships.com/governance and is available in print upon request to Eagle Bulk Shipping Inc., 300 First Stamford Place, 5th Floor, Stamford, Connecticut 06902. As directed by its written charter, the Audit Committee is responsible for, among other duties, the following:

- Appointing and overseeing the work of, and relationship with, the independent auditors, including reviewing their formal written statement describing the Company's internal quality-control procedures and any material issues raised by the internal quality-control review or peer review of the Company or any inquiry or investigation by governmental or professional authorities and their formal written statement regarding auditor independence;
- Reviewing and discussing with management and the independent auditors:
  - The Company's annual audited financial statements and quarterly financial statements;
  - Significant financial reporting issues and judgments made in connection with the preparation and audit of the Company's financial statements; and
  - The Company's relationships and transactions with related parties, including the Company's policies, controls, procedures and practices regarding the identification of, accounting for, and disclosure of its relationships and transactions with related parties;
- Preparing annually a report to be included in the Company's definitive proxy statement;
- Providing oversight of the Company's accounting and financial reporting principles, policies, controls, procedures and practices; and
- Reviewing and discussing with management, at least quarterly, the Company's major risk exposures, including risks related to information systems, information security, data privacy and cybersecurity, the Company's risk assessment and risk management programs and management's procedures and practices to monitor and control such exposures.

**ITEM 11. EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

*Primary Objectives of Our Executive Compensation Program*

We believe that the leadership and proven talents of our executive team are essential for our continued success and sustained financial performance. The primary objectives of our Executive Compensation Program are to attract and retain highly qualified personnel for positions of substantial responsibility, and to provide incentives for such persons to perform to the best of their abilities, achieve our strategic objectives, enable the Company to compete effectively in the seaborne transportation industry and to promote the success of our business. Therefore, our compensation program is designed to attract, motivate and retain executives who possess the talent, leadership and commitment needed to operate our business, create and implement new opportunities, anticipate and effectively respond to new challenges, make and execute difficult decisions and to align executive compensation with Company performance and long-term shareholder value creation.

*Key Policies and Practices Related to Our Executive Compensation Program*

In order to align our Executive Compensation Program with the interests of shareholders and to maintain good corporate governance a summary of key policies and practices related to our Executive Compensation Program is as follows:

- The Compensation Committee of the Board (the "Compensation Committee"), which is composed entirely of independent directors, is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer and evaluating the performance of and approving the compensation of the Company's executive officers;
- The Compensation Committee directly retains an independent compensation consultant, ClearBridge Compensation Group LLC ("ClearBridge") to provide guidance and support to the Compensation Committee in executing its responsibilities;
- The Compensation Committee reviews our Executive Compensation Program annually to ensure it does not encourage unnecessary or excessive risk-taking;
- Cash incentive awards are provided under a plan with both quantitative and qualitative performance criteria without guaranteed minimum payouts;
- In recent years, our equity-based incentive awards:
    - have ratable vesting schedules which span multiple years; and
    - are limited to a total number of share or share equivalents authorized under our equity plan, which requires shareholder approval to increase plan capacity;
- Dividends and dividend equivalents on unvested performance awards are subject to the same performance goals as the underlying award and will not be paid until such awards have vested and become earned;
- Employment agreements with executive officers contain clawback provisions for compensation subject to recovery under any law, government regulation or stock exchange listing requirement, and we maintain a clawback policy providing for the recovery of incentive-based compensation in the event of a financial restatement, as required by NYSE listing standards;
- Employment agreements with our executive officers **do not** contain any excise tax gross-ups;
- Executive officers are **prohibited** from engaging in short sales or hedging transactions with regard to equity awards or shares of the Company's common stock;
- Executive officers are **prohibited** from pledging equity awards or shares of the Company's common stock as collateral for a loan;
- Our equity plan **prohibits** share recycling for any equity awards tendered or withheld to satisfy either the grant or exercise price or participant's tax withholding obligations in respect of such award; and
- Our equity plan **prohibits** any repricing, adjusting or amending the exercise price of any previously awarded option or stock appreciation right without the approval of our shareholders.

*Risk Assessment of Compensation Policies and Practices*

The Compensation Committee reviews the findings of a compensation program risk assessment performed by the independent compensation consultant. The risk assessment is performed periodically, at the direction of the Compensation Committee, when changes are made to the policies and practices of the Executive Compensation Program as well as when changes are made to the design of awards underlying the Executive Compensation Program. The risk assessment evaluates the Company's compensation programs, policies and practices and identifies areas of risk that could encourage inappropriate risk-taking. In 2024, the Compensation Committee reviewed the findings of a risk assessment that was performed on the Executive Compensation Program for 2023 and certified their conclusion that the Company's compensation programs do not encourage inappropriate risk-taking.

*Determination of Executive Compensation Under Our Executive Compensation Program*

Annually, the Compensation Committee evaluates the performance of each of the Company's Named Executive Officers, or NEOs (as defined below) and approves changes to NEO compensation, as appropriate.

In addition, on an annual basis, the Compensation Committee evaluates the Executive Compensation Program and reviews, administers and designs the Executive Compensation Program for the following fiscal year. This evaluation (i) incorporates the corporate goals and objectives established by the Board, (ii) considers whether any changes to the relative mix of elements within an NEO's compensation package is warranted, (iii) considers whether any changes to the design of elements within the Executive Compensation Program are warranted and (iv) considers the market competitiveness of the Company's Executive Compensation Program as compared to other similar companies within our industry.

The Compensation Committee believes that it is important to use a peer group to assess the external market context to ensure our Executive Compensation Program is competitive and continues to attract, retain and motivate key talent. The peer group is one of many factors used to inform the Compensation Committee's decisions related to compensation levels and program design. The peer group includes companies in seaborne transportation industries with similar size as the Company (based on revenue, with secondary focus on market capitalization) and public disclosure of compensation levels and practices. Consistent with its past practice and overall compensation philosophy, the Compensation Committee uses publicly-reported NEO compensation data from companies in the peer group as a reference point in assessing the compensation levels of the Company's NEOs and does not target a benchmark level of compensation relative to the peer group. The size of the peer group is limited due to the lack of companies that fulfill these industry, size and disclosure criteria. For 2023, Diamond S. Shipping Inc. was removed from the peer group (due to its acquisition by International Seaways, Inc.), and the peer group consisted of the following companies:

- Dorian LPG Ltd.
- Genco Shipping & Trading Limited
- International Seaways, Inc.
- Pacific Basin Shipping Limited

*Named Executive Officers*

For purposes of describing and discussing material information related to our Executive Compensation Program, including Summary Compensation Information and other compensation-related information required to be disclosed under SEC rules, the following individuals were our named executive officers for 2023 (each a "Named Executive Officer" or "NEO" and collectively, the "Named Executive Officers" or "NEOs"):

1. Gary Vogel, Director and Chief Executive Officer
2. Constantine Tsoutsoplides, Chief Financial Officer
3. Frank De Costanzo, Former Chief Financial Officer

Mr. Vogel is an NEO based on his position as the Company's Chief Executive Officer. Mr. Tsoutsoplides is an NEO by reason of being the Company's Chief Financial Officer and only other executive officer from April 1, 2023 through December 31, 2023. Mr. De Costanzo is an NEO by reason of having served as the Company's Chief Financial Officer and only other executive officer from January 1, 2023 through March 31, 2023.

*Elements of Our Executive Compensation Program*

The Compensation Committee believes it is critical to align executives' compensation with Company performance and long-term shareholder value creation. The following table summarizes the elements of the Company's 2023 executive compensation program.

| Element | Description | Fixed vs. At-Risk |
|---|---|---|
| Base Salary | Provides competitive compensation to attract and retain executive talent and includes a fixed level of cash compensation primarily determined based on the NEO's role, experience and job performance. | Fixed |
| Annual Incentive Plan ("AIP") | Provides the NEO with the opportunity to earn a cash bonus in order to incentivize and reward the relative satisfaction of certain pre-established financial/strategic goals as well as a qualitative assessment of individual performance. | At-Risk |
| Long-Term Equity Incentives ("LTI") | Provides the NEO a mix of time-vested and performance-vested equity-based awards to align interests between executives and shareholders by increasing executive stock ownership levels and linking realizable pay to stock price performance. | At-Risk |
| Other Benefits | Provides the NEO with other customary employee benefits, including traditional and supplemental health benefits as well as retirement benefits. | n/a |

For fiscal year 2023, 75% and 64% of Mr. Vogel's and Mr. Tsoutsoplides's target total direct compensation, respectively, was "at-risk".

Additional information and commentary on each element of the Company's 2023 executive compensation program is provided below.

*Base Salary*

Base salary is intended to compensate the NEO for day-to-day services performed. Mr. Vogel's salary rate for fiscal year 2023 was $695,000. Upon his promotion to Chief Financial Officer, Mr. Tsoutsoplides's annual salary rate was set at $375,000.

*Annual Incentive Plan*

The Company's AIP is an annual cash incentive program adopted by the Compensation Committee at the beginning of each fiscal year. Consistent with the Executive Compensation Program's objective of aligning executive compensation with Company performance and shareholder value creation, the AIP is intended to align each NEO's compensation with the Company's key financial and strategic initiatives for the fiscal year as well as financial, operational and strategic performance measures that are critical for generating sustainable shareholder value. The AIP is an element of variable incentive compensation under our Executive Compensation Program.

The following table presents the performance measures selected by the Compensation Committee under the 2023 AIP, a description of and the payout opportunity associated with each performance measure as well as the relative weighting of each performance measure among our NEOs.

| Element | Description | Payout Opportunity | Range of Weighting |
|---|---|---|---|
| Commercial Performance | Measure of time charter equivalent performance, on a per-ship-per-day basis, as compared to an industry-specific index. | 0% to 200% | 25% to 40% |
| Cost Control | Measure of relative control of technical and general and administrative costs categories against a performance peer group. | 0% to 150% | 10% |
| Fleet Safety Rating | Measure of relative fleet safety rating against a performance peer group. | 0% to 150% | 5% |
| Governance/Enterprise Risk Management | Measure of risk management performance throughout the fiscal year, awarded at the discretion of the Compensation Committee (in conjunction with the Nominating and Environmental, Social and Governance Committee of the Board). | 0% to 150% | 10% |
| Financial Reporting | Measure of financial reporting quality throughout the fiscal year, awarded at the discretion of the Compensation Committee (in conjunction with the Audit Committee). | 0% to 150% | 5% to 20% |
| Strategic Capital Allocation | Measure of capital allocation quality throughout the fiscal year, awarded at the discretion of the Compensation Committee. | 0% to 150% | 15% |
| Individual Performance | Measure of individual performance against goals and objectives determined at the beginning of the fiscal year, awarded at the discretion of the Compensation Committee. | 0% to 150% | 15% |

Relative cost-control and relative fleet safety rating metrics are based on the Company’s performance versus the following competitors: Diana Shipping Inc., Genco Shipping & Trading Limited, Golden Ocean Group Limited, Pacific Basin Shipping Limited, Pangaea Logistics Solutions, Ltd., Safe Bulkers, Inc. and Star Bulk Carriers Corp.

For 2023, Mr. Vogel’s target opportunity under the AIP was equal to 125% of his base salary and Mr. Tsoutsoplides’s target opportunity under the AIP was equal to 50% of his base salary. Mr. De Costanzo did not participate in the AIP for 2023.

For 2023, the Compensation Committee evaluated the performance of Mr. Vogel under the AIP and certified Mr. Vogel’s relative satisfaction of each of the goals related to the performance measures under the AIP. For 2023, based on the Company’s performance versus the financial/strategic goals as described above, Mr. Vogel’s and Mr. Tsoutsoplides’s specific weightings for each metric, as well as the Compensation Committee’s assessment of individual performance, the Compensation Committee awarded a cash bonus of $1,035,000 to Mr. Vogel (119% of target) and a cash bonus of $233,000 to Mr. Tsoutsoplides (124% of target).

For 2023, and in connection with the New Tsoutsoplides Employment Agreement (as described below), Mr. Tsoutsoplides’s cash bonus under the AIP was paid in December 2023 in lieu of being paid in 2024.

*Long-Term Equity Incentives*

The Company maintains the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan, (as amended, the “2016 Plan”), under which the NEOs and other key employees are periodically granted LTI awards. The Compensation Committee believes that the effective use of long-term, stock-based incentive compensation has been integral to the Company’s success and is vital to its ability to achieve strong performance in the future and, therefore, delivers a portion of each NEO’s incentive compensation in the form of LTI awards. LTI awards are intended to align the interests of our NEOs with those of our shareholders, enhance the personal stake of NEOs in the growth and success of the Company, provide an incentive for the NEOs’ continued service at the Company, and provide an opportunity for NEOs to increase their stock ownership levels.

For 2023, the NEOs were granted LTI awards of restricted stock units (“RSUs”). Mr. Vogel’s 2023 LTI target value was equal to 175% of his base salary (as provided under the Vogel Employment Agreement) and Mr. Tsoutsoplides’s 2023 LTI target value was equal to 125% of his base salary. Mr. De Costanzo received no LTI awards for 2023. Except for Mr. Vogel, each NEO’s LTI target value is set considering individual and Company performance, market data and the Company’s compensation philosophy to attract, retain and incentivize top executive talent. Therefore, LTI award target values may vary among the NEOs and can vary from year to year (subject to their respective employment agreements). 40% of each NEO’s LTI target value is delivered in the form of time-vested RSUs (“Time-Vested RSUs”) and 60% of each NEO’s LTI target value is delivered in the form of performance-vested RSUs (“PSUs”). The number of Time-Vested RSUs or PSUs that vest on the applicable vesting date are settled in shares of the Company’s Common Stock. The Compensation Committee believes this mix of RSUs provides performance incentives that are aligned with shareholder interests and retention incentives for our NEOs.

Awards of Time-Vested RSUs and PSUs entitle the holder to dividend equivalents upon the payment by the Company of ordinary dividends on shares of the Company’s Common Stock equal to the amount of such dividend paid per share of the Company’s Common Stock multiplied by the number of Time-Vested RSUs or PSUs that have not vested or been forfeited as of the date of such payment, which have the effect of exposing the holder to all of the changes in fair value of the Company’s Common Stock during the applicable vesting period. Dividend equivalent payments on Time-Vested RSUs and PSUs are paid in cash on the applicable vesting date. If Time-Vested RSUs or PSUs are forfeited, any dividend equivalent payments in respect of such forfeited Time-Vested RSUs or PSUs are also forfeited.

Under the 2016 Plan, LTI awards are generally subject to continued employment through the applicable vesting date, with certain exceptions for qualifying terminations. If the NEO’s employment is terminated by the Company for cause, all options and stock appreciation rights, whether vested or unvested, and any other unvested LTI awards will be forfeited. Refer to the section entitled “Potential Payments Upon Termination or Change In Control” below for further information on the treatment of LTI awards upon termination of employment of an NEO or a change in control.

*Time-Vested RSUs*

Time-Vested RSUs generally vest in three substantially equal installments on January 2nd of each of the three calendar years following the date of grant, subject generally to the NEO’s continued employment through each applicable vesting date and the other terms and conditions of the award agreement. In addition to retention value, the Time-Vested RSUs incentivize the NEOs to enhance shareholder value since the value of the Time-Vested RSUs is tied directly to the market value of the Company’s Common Stock.

*PSUs*

For 2023, approximately two-thirds of the NEOs’ PSUs vest based on the achievement of the Company’s basic earnings per share as reported in the Company’s audited financial statements for fiscal year 2023, but excluding the impact of shares that may be issued upon conversion of the Company’s outstanding convertible bonds (the “EPS PSUs”) and approximately one-third of the NEOs’ PSUs vest based on the Company’s relative total shareholder return as compared to the total shareholder return of a peer group for the period commencing on January 1, 2023 and ending on December 31, 2023 (the “TSR PSUs”). PSUs generally vest in three substantially equal installments with the first installment vesting on certification of performance by the Compensation Committee and the second and third installments vesting on January 2nd of each of the two calendar years that follow the date of certification, subject generally to the NEO’s continued employment through each applicable vesting date.

*EPS PSUs*

For 2023, the number of EPS PSUs that were eligible to vest ranged from 0% to 200% of the target number of EPS PSUs granted (with a target payout of 100% of the number of EPS PSUs granted) based on the table set forth below, subject to straight-line interpolation between the percentages set forth below for threshold, target and maximum. None of the EPS PSUs were eligible to vest if the Company did not achieve threshold performance. The target payout (i.e., 100% of the number of EPS PSUs granted) was set equal to the Company's budgeted basic earnings per share for 2023, as approved by the Board.

| EPS Performance Level | EPS Performance | Payout % |
|---|---|---|
| Maximum | $12.77 or greater | 200% |
| Target | $3.54 | 100% |
| Threshold | $(5.31) | 0% |

The Compensation Committee, in its capacity as administrator of the 2016 Plan, determined that the basic earnings per share of the Company for 2023, as adjusted to exclude: (i) the impact of shares of common stock repurchased during 2023 and (ii) the impact of costs associated with the Proposed Merger for the fiscal year ended December 31, 2023 was equal to $2.72, which corresponded to an interpolated payout percentage of 90.7% of target. The Compensation Committee certified this performance on February 24, 2024.

*TSR PSUs*

For 2023, total shareholder return (as defined within the related award agreements) was defined as the appreciation/(depreciation) between the per share beginning price (determined using the 20-trading-day average for the averaging period of 20 trading days beginning on January 1, 2023) and ending price (determined using the 20-trading-day average for the averaging period of 20 trading days ending on December 31, 2023) of the Company's and of a Competitor's (as defined below), as applicable, common stock for the period commencing on January 1, 2023 and ending on December 31, 2023 on an applicable securities exchange or interdealer quotation system, plus dividends paid during the performance period ("TSR"). The number of TSR PSUs that were eligible to vest ranged from 0% to 200% of the number of TSR PSUs granted (with a target payout of 100% of the number of TSR PSUs granted) based on the table set forth below, subject to straight-line interpolation between the percentages set forth below for target and maximum. The performance peer group for purposes of the TSR PSUs included the following competitors: Diana Shipping Inc., Genco Shipping & Trading Limited, Golden Ocean Group Limited, Pacific Basin Shipping Limited, Pangaea Logistics Solutions, Ltd., Safe Bulkers, Inc. and Star Bulk Carriers Corp. (each a "Competitor" and, collectively, the "Performance Peer Group"). None of the TSR PSUs were eligible to vest if the Company did not achieve threshold performance. Further, the number of TSR PSUs eligible to vest was capped at the target number of TSR PSUs granted if the Company's absolute total shareholder return over the performance period was negative.

The NEOs' award agreements provide that for any TSR PSUs that become vested, each share of the Company's Common Stock issued on settlement of such TSR PSUs generally shall be subject to a mandatory holding period of one year starting on the applicable vesting date. This additional one-year holding period increases stock ownership levels for our NEOs and further aligns their interests with those of our shareholders. However, pursuant to the Pre-Signing Omnibus Amendment and Pre-Signing Amendment (as each are described below), the mandatory holding period attributable to shares of common stock issued in respect of the TSR PSUs would be removed upon the occurrence of a change in control.

| EPS Performance Level | Payout % |
|---|---|
| 1st vs. Performance Peer Group (Maximum) | 200% |
| 2nd vs. Performance Peer Group | 167% |
| 3rd vs. Performance Peer Group | 133% |
| 4th vs. Performance Peer Group (Target) | 100% |
| 5th vs. Performance Peer Group | 67% |
| 6th vs. Performance Peer Group | 33% |
| 7th vs. Performance Peer Group (Threshold) | 0% |

As of the date of this Annual Report, the Compensation Committee has not yet certified the performance of any TSR PSUs granted during 2023. However, pursuant to the Post-Signing Omnibus Amendment and Post-Signing Amendment (as each are described below), the performance component of the TSR PSUs granted in 2023 will vest at the target level of performance upon the consummation of the Proposed Merger.

*Other Broad-Based Benefits*

We provide all qualifying full-time employees, including our NEOs, with the opportunity to participate in our tax-qualified 401(k) savings plan. This plan allows employees to defer receipt of earned salary, up to tax law limits, on a tax-advantaged basis. Accounts may be invested in a wide range of mutual funds. We provide a 100% match for the first 6% of salary, subject to limits set by the Internal Revenue Service.

We also provide all qualifying full-time employees, including our NEOs, with the opportunity to participate in our health and welfare benefit plans (e.g., medical, dental, vision, disability and life insurance). NEOs are also eligible to receive supplemental health benefit coverage which provides the NEOs with additional Company-paid medical, dental and vision coverage that could be applied when their primary medical, dental or vision coverage has exceeded its coverage limit or does not provide coverage.

**2023 Summary Compensation Table**

The following Summary Compensation Table sets forth the compensation of our NEOs for the fiscal years ended December 31, 2023, 2022 and 2021.

| Name and Principal Position | Year | Salary [1] ($) | Bonus ($) | Non-Equity Incentive Plan Compensation ($) | Stock Awards [2] ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|
| **Gary Vogel** Chief Executive Officer | 2023 | 695,000 | — | 1,035,000 | 1,082,475 [3] | 37,064 [4] | 2,849,539 |
| | 2022 | 695,000 | — | 1,191,000 | 5,082,872 [5] | 35,564 | 7,004,436 [6] |
| | 2021 | 678,410 | 1,085,000 | — | 2,146,013 [7] | 34,424 | 3,943,847 |
| **Constantine Tsoutsoplides** Chief Financial Officer | 2023 | 362,500 | — | 233,000 | 617,929 [8] | 327,835 [9] | 1,541,264 |
| **Frank De Costanzo** Former Chief Financial Officer | 2023 | 184,250 | — | — | — | 506,894 [10] | 691,144 |
| | 2022 | 425,000 | — | 307,000 | 690,723 | 35,564 | 1,458,287 |
| | 2021 | 425,000 | 300,000 | — | 1,051,594 [7] | 34,424 | 1,811,018 |

(1) Base salary amounts shown above represented actual salary earned during the year, reported as gross earnings (i.e., gross amounts before taxes and applicable payroll deductions).

(2) The grant date fair value for Time-Vested RSU awards and restricted stock awards is estimated in accordance with FASB ASC 718 ("ASC 718") based on the closing price of the Company's Common Stock on the date of grant. The grant date fair value for EPS PSUs and awards of restricted shares that vest based on the achievement of earnings per share ("EPS Restricted Shares") is estimated in accordance with ASC 718 based on the number of PSUs or restricted shares, as applicable, equivalent to the probable outcome of the performance condition as of the date of grant multiplied by the closing price of the Company's Common Stock on the date of grant. The grant date fair value for TSR PSUs and awards of restricted shares that vest based on the achievement of total shareholder return ("TSR Restricted Shares" and, together with EPS Restricted Shares, "Performance-Vested Restricted Shares") is estimated in accordance with ASC 718 using a Monte Carlo model for each award on the date of grant, determined under ASC 718. The grant date fair value for each award may differ based on the applicable data, assumptions and estimates used. See footnote (1) to the table entitled "Grants of Plan-Based Awards for the Fiscal Year End 2023" for additional information and see Note 15. Stock Incentive Plans to the consolidated financial statements included elsewhere herein for further information on the valuation of these awards.

(3) Includes an LTI award of 8,490 EPS PSUs, which are subject to a performance condition, with a grant date fair value of $456,507. The maximum number of EPS PSUs that are eligible to vest subject to this award equal 200% of the target number of EPS PSUs granted, which would have a grant date fair value of $913,015.

(4) This amount represents: (i) the Company's matching contributions to Mr. Vogel's account under the Company's 401(k) plan in the amount of $19,800 and (ii) supplemental health insurance premiums paid by the Company in the amount of $17,264.

(5) In fiscal year 2022, the grant date fair value of annual LTI awards granted to Mr. Vogel was $1,581,210 and the grant date fair value of the one-time, 42-month cliff-vesting LTI award that vests in 2026 was $3,501,662.

(6) In fiscal year 2022, the total compensation of Mr. Vogel, excluding the grant date fair value of the one-time, 42-month, cliff-vesting LTI award that vests in 2026, was $3,502,774 and the grant date fair value of the one-time, 42-month, cliff-vesting LTI award that vests in 2026 was $3,501,662.

(7) In fiscal year 2021, the LTI Program transitioned from granting awards in a given year that are intended to cover performance in the prior year (i.e., February 2021 award was granted to cover 2020 compensation and performance) to granting awards in a given year to cover performance in that same year (i.e., September 2021 awards were granted to cover 2021 compensation). As a result, 2021 stock awards compensation in the Summary Compensation Table reflects two years' worth of LTI Program awards. Stock award compensation granted in 2021 that intended to cover 2021 compensation and performance totaled $1,584,083 for Mr. Vogel and $756,758 for Mr. De Costanzo.

(8) Includes an LTI award of 3,272 EPS PSUs, which are subject to a performance condition, with a grant date fair value of $148,876. The maximum number of EPS PSUs that are eligible to vest subject to this award equal 200% of the target number of EPS PSUs granted, which would have a grant date fair value of $297,752. Also includes 4,800 restricted shares of Common Stock with a grant date fair value of $275,040 that were granted to cover 2022 compensation and performance prior to Mr. Tsoutsoplides's promotion to Chief Financial Officer.

(9) This amount represents: (i) a retention bonus of $173,658, which is equal to the excess of $1,100,000 over (a) $693,342 (which represents the value of Mr. Tsoutsoplides's outstanding equity awards accelerated into December 2023) and (b) $233,000 (which represents Mr. Tsoutsoplides's fiscal year 2023 bonus paid prior to December 30, 2023) (as further described below in "Employment Agreements with our Chief Financial Officer"), (ii) an equity replacement award of $117,188, which was paid in cash to Mr. Tsoutsoplides on December 22, 2023 pursuant to the New Tsoutsoplides Employment Agreement, (iii) the Company's matching contributions to Mr. Tsoutsoplides's account under the Company's 401(k) plan in the amount of $19,725 and (iv) supplemental health insurance premiums paid by the Company in the amount of $17,264.

(10) This amount represents: (i) a payment of $480,000 made by the Company to Mr. De Costanzo upon termination of his employment pursuant to the De Costanzo Transition Agreement, (ii) supplemental health insurance premiums paid by the Company in the amount of $17,264 and (iii) the Company's matching contributions to Mr. De Costanzo's account under the Company's 401(k) plan in the amount of $9,630.

**Grants of Plan-Based Awards**

The following table provides information regarding the incentive awards granted to our NEOs for the year ended December 31, 2023:

| | | Estimated Future Payouts Under Non-Equity Incentive Plan Awards | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Grant Date** | **Threshold ($)** | **Target ($)** | **Maximum ($)** | **Threshold (#)** | **Target (#)** | **Maximum (#)** | **All Other Stock Awards: Number of Shares of Stock or Units (#)** | **Grant Date Fair Value of Stock and Option Awards [1] ($)** |
| **Gary Vogel** | 3/6/2023 | — | 868,750 | 1,476,875 | — | 12,735 | 25,470 | 8,490 | 1,082,475 |
| **Constantine Tsoutsoplides** | 2/17/2023 | — | — | — | — | — | — | 4,800 | 275,040 |
| | 4/1/2023 | — | 187,500 | 304,688 | — | 4,908 | 9,816 | 3,272 | 342,889 |
| **Frank De Costanzo[2]** | — | — | — | — | — | — | — | — | — |

(1) The grant date fair value for Time-Vested RSUs is estimated in accordance with ASC 718 based on the closing price of the Company's common stock on the date of grant. The grant date fair value for EPS PSUs is estimated in accordance with ASC 718 based on the number of awards equivalent to the probable outcome of the performance condition as of the date of grant multiplied by the closing price of the Company's common stock on the date of grant. The grant date fair value for TSR PSUs is estimated in accordance with ASC 718 using a Monte Carlo model for each award on the date of grant, determined under ASC 718, incorporating the following significant assumptions:

| Grant Date | Risk-Free Interest Rate | Expected Volatility | Expected Term (in years) | Illiquidity Discount |
|---|---|---|---|---|
| 3/6/2023 | 5.05 % | 54.08 % | 0.82 | 12.83 % |
| 4/1/2023 | 4.73 % | 49.07 % | 0.75 | 12.43 % |

The Company used its historical stock prices as the basis for its volatility assumptions. The risk-free interest rates were based on U.S. Treasury rates in effect as of the grant date. The expected term was based on the time remaining in the performance period as of the grant date. For further information on the valuation of these awards, see Note 15. Stock Incentive Plans to the consolidated financial statements included elsewhere herein for further information on the valuation of these awards.

(2) Mr. De Costanzo did not participate in the AIP for 2023, nor did he receive any LTI Awards in 2023.

**Outstanding Equity Awards at Fiscal Year End**

The following table summarizes outstanding equity awards for our NEOs as of December 31, 2023:

| | Stock Awards | | | | |
|---|---|---|---|---|---|
| **Name (a)** | **Grant Date (b)** | **Number of Shares or Units of Stock That Have Not Vested (#)(c)** | **Market Value of Shares or Units of Stock That Have Not Vested[1] ($)(d)** | **Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(e)** | **Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[1] ($)(f)** |
| **Gary Vogel** | 3/6/2023 | 8,490 [2] | 470,346 | 25,470 [3] | 1,411,038 |
| | 11/15/2022 | 38,045 [4] | 2,107,693 | 38,045 [5] | 2,107,693 |
| | 3/11/2022 | 20,640 [6] | 1,143,456 | — | — |
| | 9/3/2021 | 10,847 [7] | 600,924 | — | — |
| | 2/19/2021 | 6,252 [8] | 346,361 | — | — |
| **Constantine Tsoutsoplides** | 4/1/2023 | — | — | 9,816 [3] | 543,806 |
| **Frank De Costanzo** | N/A | — | — | — | — |

(1) The dollar amounts shown in columns (d) and (f) are determined by multiplying the number of shares or units shown in columns (c) or (e), as applicable, by $55.40, the closing price of the Company's common stock as of December 29, 2023, the last trading day of the Company's fiscal year (the "Closing Price").

(2) The award to Mr. Vogel is comprised of 8,490 Time-Vested RSUs. Subject to the terms of the award agreement, the Time-Vested RSUs subject to this award is scheduled to vest in three substantially equal installments on January 2, 2024, January 2, 2025 and January 2, 2026.

(3) The award to Mr. Vogel is comprised of 8,490 EPS PSUs and 4,245 TSR PSUs, and the award to Mr. Tsoutsoplides is comprised of 3,272 EPS PSUs and 1,636 TSR PSUs, each the target number of PSUs granted. Subject to the terms of the award agreements, the PSUs subject to these awards are scheduled to vest in three substantially equal installments with the first installment vesting on certification of performance by the Compensation Committee and the second and third installments vesting on each of January 2, 2025 and January 2, 2026. The maximum number of PSUs is shown. As described in the section entitled "Long-Term Equity Incentives," between 0% and 200% of the target number of EPS PSUs shall vest depending on the Company's EPS Performance for the relevant performance period, between 0% and 200% of the target number of TSR PSUs shall vest depending on the Company's Relative TSR Performance compared to certain of the Company's direct competitors, as specified in the award agreement, and if and when any TSR PSUs become vested, each share of common stock issued on settlement of such RSUs shall be subject to a mandatory holding period of one year starting on the applicable vesting date. On February 24, 2024, 90.7% of the target number of EPS PSUs subject to this award (totaling 7,702 RSUs for Mr. Vogel and 2,968 RSUs for Mr. Tsoutsoplides were certified to vest, based on the Company's EPS Performance for the relevant performance period. As of the date of this Annual Report, the Compensation Committee has not yet certified the performance of the TSR PSUs subject to these awards.

(4) This award is comprised of 38,045 Time-Vested RSUs. Subject to the terms of the award agreement, the Time-Vested RSUs subject to this award are scheduled to vest in a single installment on May 15, 2026.

(5) This award is comprised of 38,045 TSR PSUs. Subject to the terms of the award agreement, the TSR PSUs subject to this award (the "Retention TSR PSUs") are scheduled to vest in a single installment on May 15, 2026, provided the applicable performance condition is satisfied. The target number of TSR PSUs, which is also the maximum number of TSR PSUs, is shown. Between 0% and 100% of the target number of TSR PSUs shall vest depending on the Company's Relative TSR Performance compared to certain of the Company's direct competitors, as specified in the award agreement for the performance period beginning on November 15, 2022 and ending on May 15, 2026.

(6) This award was originally comprised of 9,299 Time-Vested RSUs, 9,299 EPS PSUs and 4,649 TSR PSUs. Subject to the terms of the award agreement, the Time-Vested RSUs subject to this award are scheduled to vest in three substantially equal installments on January 2, 2023, January 2, 2024 and January 2, 2025 and the PSUs subject to this award are scheduled to vest in three substantially equal installments with the first installment vesting on certification of performance by the Compensation Committee and the second and third installments vesting on each of January 2, 2024 and January 2, 2025. 137.1% of the target number of EPS PSUs subject to

this award (totaling 12,749 RSUs) were certified to vest on March 8, 2023, based on the Company's EPS Performance for the relevant performance period and 191.6% of the target number of TSR PSUs subject to this award (totaling 8,909 RSUs) were certified to vest on March 8, 2023, based on the Company's Relative TSR Performance over the relevant performance period. If and when any TSR PSUs become vested, each share of common stock issued on settlement of such RSUs shall be subject to a mandatory holding period of one year starting on the applicable vesting date.

(7) This award was originally comprised of 8,937 time-vested shares of restricted stock, 17,874 performance-vested EPS Performance shares of restricted stock and 8,937 performance-vested TSR Performance shares of restricted stock. Subject to the terms of the award agreement, the time-vested shares of restricted stock subject to this award are scheduled to vest in three substantially equal installments on September 3, 2022, September 3, 2023 and September 3, 2024 and the performance-vested shares of restricted stock subject to this award are scheduled to vest in three substantially equal installments with the first installment vesting on certification of performance by the Compensation Committee and the second and third installments vesting on each of September 3, 2023 and September 3, 2024. 100% of the target number of performance-vested EPS Performance shares of restricted stock subject to this award (totaling 17,874 shares) were certified to vest on March 11, 2022, based on the Company's EPS Performance for the relevant performance period and 64.1% of the target number of performance-vested TSR Performance shares of restricted stock subject to this award (totaling 5,728 shares) were certified to vest on March 11, 2022, based on the Company's Relative TSR Performance over the relevant performance period. If and when any TSR Performance-Vested shares of restricted stock become vested, each share of common stock issued on settlement of such shares of restricted stock shall be subject to a mandatory holding period of one year starting on the applicable vesting date.

(8) The award to Mr. Vogel was originally comprised of 18,756 time-vested shares of restricted stock. Subject to the terms of the award agreement, the time-vested shares of restricted stock subject to this award are scheduled to vest in three substantially equal installments on January 2, 2022, January 2, 2023 and January 2, 2024.

**Option Exercises and Stock Vested**

The following table provides information regarding option awards exercised by our NEOs and shares acquired by our NEOs upon vesting of stock awards for the year ended December 31, 2023:

| | Stock Awards | |
|---|---|---|
| **Name (a)** | **Number of shares acquired on vesting (#)(d)** | **Value realized on vesting ($)(e)** |
| **Gary Vogel** | 34,559 (1) | 1,669,861 (1) |
| **Constantine Tsoutsoplides** | 17,472 | 932,654 |
| **Frank De Costanzo** | 32,114 (2) | 1,564,252 (2) |

(1) Includes 2,969 shares acquired by Mr. Vogel with a realized value of $151,597 that vested on March 11, 2023 and are subject to a mandatory holding period of one year starting on March 11, 2023 as well as 1,909 shares acquired by Mr. Vogel with a realized value of $84,053 that vested on September 3, 2023 and are subject to a mandatory holding period of one year starting on September 3, 2023. Pursuant to the Pre-Signing Omnibus Amendment and Pre-Signing Amendment (as each are described below), upon the occurrence of a change in control, the mandatory holding period associated with these shares will be removed.

(2) Includes 1,297 shares acquired by Mr. De Costanzo with a realized value of $66,225 that vested on March 11, 2023 and are subject to a mandatory holding period of one year starting on March 11, 2023 as well as 4,419 shares acquired by Mr. De Costanzo with a realized value of $212,289 that vested on June 30, 2023 and are subject to a mandatory holding period of one year from June 30, 2023.

**Agreements with our NEOs**

*Employment Agreement with our Chief Executive Officer*

On October 29, 2021, the Company and Eagle Shipping International (USA) LLC ("Eagle International"), an indirect subsidiary of the Company, entered into an employment agreement with Gary Vogel (the "Vogel Employment Agreement"), which sets forth the terms of Mr. Vogel's continued employment as our Chief Executive Officer. The Vogel Employment Agreement provides that Mr. Vogel will also continue to serve as a member of the Board. The Vogel Employment Agreement superseded his prior employment agreement with us, dated as of July 6, 2015.

Pursuant to the Vogel Employment Agreement, Mr. Vogel will receive an annual base salary of $695,000, which will be reviewed for increase at such time and in the same manner as salaries of senior officers of the Company are reviewed generally. In addition, Mr. Vogel is eligible to receive a discretionary cash bonus, as determined by the Compensation Committee, with a target amount equal to 125% of his annual base salary (the actual value of his bonus can vary above or below target based on the Compensation Committee's discretion).

During the term of Mr. Vogel's employment, he will be eligible to receive annual equity-incentive compensation with a target value of 175% of his annual base salary. The terms of such awards, including the type of award, vesting periods, and performance criteria, if any, are determined by the Compensation Committee, and are subject to the terms and conditions set forth in the applicable plan and agreements as determined by the Compensation Committee.

The Vogel Employment Agreement also provides for severance upon a termination by Eagle International without cause or a resignation by him for good reason, as described below under the heading "Potential Payments Upon Termination or Change In Control" in the section entitled "Vogel Employment Agreement."

Under the Vogel Employment Agreement, if any payment to be made to him under any agreement or benefit arrangement in connection with certain change-in-control events would be subject to "golden parachute" excise taxes imposed as a result Sections 280G and 4999 of the Internal Revenue Code, the payments to Mr. Vogel will be reduced in order to limit or avoid the "golden parachute" excise tax if and to the extent such reduction would produce an expected better after-tax result for him.

Mr. Vogel is subject to non-solicitation and non-competition covenants during the course of his employment and for 12 months following termination of employment for any reason or no reason. The Vogel Employment Agreement also contains covenants regrading confidentiality and intellectual property.

In addition, any incentive-based compensation, or any other compensation, paid to Mr. Vogel pursuant to the Vogel Employment Agreement, which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as is required to be made pursuant to such law, government regulation or stock exchange listing requirement.

*Employment Agreements with our Chief Financial Officer*

On March 29, 2023, the Company and Eagle International entered into an employment agreement (the "Prior Tsoutsoplides Employment Agreement") with Constantine Tsoutsoplides, which set forth the terms of Mr. Tsoutsoplides's employment as our Chief Financial Officer. On December 11, 2023, the Company and Eagle International entered into an employment agreement (the "New Tsoutsoplides Employment Agreement") with Constantine Tsoutsoplides, which superseded the Prior Employment Agreement, pursuant to which Mr. Tsoutsoplides will continue to serve as our Chief Financial Officer until the date of the consummation of the Proposed Merger (the "Closing Date"). From and after the Closing Date, Mr. Tsoutsoplides will serve as a Senior Advisor to Star Bulk and will perform such duties and responsibilities to aid in the transition of the Company to a wholly-owned subsidiary of Star Bulk.

Pursuant to the New Tsoutsoplides Employment Agreement, Mr. Tsoutsoplides will receive an annual base salary of not less than $375,000, which will be reviewed for increase at such time and in the same manner as salaries of senior officers of the Company are reviewed generally. In addition, from and after the Closing Date, Mr. Tsoutsoplides is eligible to receive a discretionary cash bonus, as determined by Star Bulk, of at least 50% of his annual base salary (the "Minimum Annual Bonus") (the actual value of his bonus can vary above the Minimum Annual Bonus based on Star Bulk's discretion).

Pursuant to the New Tsoutsoplides Employment Agreement, on or prior to December 30, 2023, in lieu of annual equity-incentive compensation that would ordinarily be awarded to senior officers of the Company in respect of calendar year 2024, Mr. Tsoutsoplides received a cash payment equal to $117,187.50 (the "Equity Replacement Award"); provided, that if, prior to the Closing Date, Mr. Tsoutsoplides's employment with Eagle International is terminated by Eagle International for Cause or by Mr. Tsoutsoplides other than for good reason, death or disability, Mr. Tsoutsoplides must repay Eagle International an amount equal to (x) the Equity Replacement Award less (y) all taxes withheld by Eagle International or paid by Mr. Tsoutsoplides in connection with the payment of the Equity Replacement Award within ninety (90) days following such termination. In addition, prior to December 30, 2023, Mr. Tsoutsoplides received a retention bonus in an amount equal to the excess of $1.1 million over the amount equal to the sum of (1) the amount includible in Mr. Tsoutsoplides's income with respect to any outstanding equity awards under the 2016 Plan, if applicable, the settlement of which are accelerated into December 2023, plus (2) the amount of any bonus payment in respect of fiscal year 2023 paid prior to December 30, 2023 (the "Retention Bonus"). If Mr. Tsoutsoplides's employment with Eagle International (or its successor) is terminated by Eagle International (or its successor) for cause or by Mr. Tsoutsoplides other than for good reason, death or disability prior to the date of the six-month anniversary of the Closing Date, Mr. Tsoutsoplides shall be required to repay an amount equal to (x) the Retention Bonus less (y) all taxes withheld by the Company or paid by Mr. Tsoutsoplides in connection with the payment of the Retention Bonus within ninety (90) days following such termination.

The New Tsoutsoplides Employment Agreement also provides for severance upon a termination by Eagle International without cause or a resignation by him for good reason, as described below under the heading "Potential Payments Upon Termination or Change In Control" in the section entitled "New Tsoutsoplides Employment Agreement."

Under the New Tsoutsoplides Employment Agreement, if any payment to be made to him under any agreement or benefit arrangement in connection with certain change-in-control events would be subject to "golden parachute" excise taxes imposed as a result Sections 280G and 4999 of the Internal Revenue Code, the payments to Mr. Tsoutsoplides will be reduced in order to limit or avoid the "golden parachute" excise tax if and to the extent such reduction would produce an expected better after-tax result for him.

Mr. Tsoutsoplides is subject to non-solicitation and non-competition covenants during the course of his employment and for 12 months following termination of employment for any reason or no reason. The New Tsoutsoplides Employment Agreement also contains covenants regrading confidentiality and intellectual property.

In addition, any incentive-based compensation, or any other compensation, paid to Mr. Tsoutsoplides pursuant to the New Tsoutsoplides Employment Agreement, which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as is required to be made pursuant to such law, government regulation or stock exchange listing requirement.

*Award Agreement Amendments with our Chief Executive Officer and Chief Financial Officer*

On December 10, 2023, the Company entered into an omnibus amendment with Mr. Vogel (the "Pre-Signing Omnibus Amendment") to the Restricted Stock Award Agreement, dated as of September 3, 2021, the Restricted Stock Unit Award Agreement, dated as of March 11, 2022, and the Restricted Stock Unit Award Agreement, dated as of March 6, 2023, in each case, by and between the Company and Mr. Vogel, and an amendment with Mr. Tsoutsoplides (the "Pre-Signing Amendment") to the Restricted Stock Unit Award Agreement, dated as of April 1, 2023, by and between the Company and Mr. Tsoutsoplides, pursuant to which the foregoing award agreements were amended to remove the mandatory holding period attributable to shares of common stock issued in respect of the TSR PSUs and the performance-vested TSR Performance shares of restricted stock (in the case of Mr. Vogel's Restricted Stock Award Agreement, dated as of September 3, 2021) upon the occurrence of a change in control.

On December 12, 2023, the Company entered into an omnibus amendment with Mr. Vogel (the "Post-Signing Omnibus Amendment") to the Restricted Stock Unit Award Agreement, dated as of November 15, 2022, and the Restricted Stock Unit Award Agreement, dated as of March 6, 2023, and as amended by the Pre-Signing Omnibus Amendment, in each case, by and between the Company and Mr. Vogel, and an amendment with Mr. Tsoutsoplides (the "Post-Signing Amendment") to the Restricted Stock Unit Award Agreement, dated as of April 1, 2023, and as amended by the Pre-Signing Amendment, by and between the Company and Mr. Tsoutsoplides, pursuant to which the foregoing award agreements were amended to provide that the performance component of the TSR PSUs will vest at the target level of performance upon the consummation of the Proposed Merger.

*Employment Agreement with our Former Chief Financial Officer*

On June 16, 2022, the Company and Eagle International entered into an employment agreement with Frank De Costanzo, pursuant to which Mr. De Costanzo continued to be employed as our Chief Financial Officer and Secretary (the "De Costanzo Employment Agreement"). Pursuant to the De Costanzo Employment Agreement, Mr. De Costanzo received an annual base salary of $425,000, which was to be reviewed for increase at such time and in the same manner as salaries of senior officers of the Company are reviewed generally, and was eligible to receive a discretionary cash bonus, as determined by the Compensation Committee, with a target amount equal to 50% of his annual base salary (the actual value of his bonus can vary above or below target based on the Compensation Committee's discretion).

Under the De Costanzo Employment Agreement, if any payment to be made to him under any agreement or benefit arrangement in connection with certain change-in-control events would be subject to "golden parachute" excise taxes imposed as a result Sections 280G and 4999 of the Internal Revenue Code, the payments to Mr. De Costanzo will be reduced in order to limit or avoid the "golden parachute" excise tax if and to the extent such reduction would produce an expected better after-tax result for him.

Under the De Costanzo Employment Agreement, Mr. De Costanzo is subject to non-competition and non-solicitation covenants during the course of his employment and for 12 months following termination of employment for any reason. The De Costanzo Employment Agreement also contains covenants regarding confidentiality and intellectual property.

In addition, any incentive-based compensation, or any other compensation, paid to Mr. De Costanzo pursuant to the De Costanzo Employment Agreement, which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as is required to be made pursuant to such law, government regulation or stock exchange listing requirement.

*Transition Agreement with our Former Chief Financial Officer*

On December 12, 2022, the Company and Eagle International entered into a Transition, Separation, and General Release Agreement (the "De Costanzo Transition Agreement") with Mr. De Costanzo.

The De Costanzo Transition Agreement provides that Mr. De Costanzo was to continue to serve in his then-current role as Chief Financial Officer of the Company through March 31, 2023. Unless terminated earlier due to a Disqualifying Reason (as such term is described below), Mr. De Costanzo was to continue to receive his annual base salary during this transition period.

Mr. De Costanzo's transition period may be terminated earlier by either party for any reason, but, unless such termination is due to a Disqualifying Reason, Mr. De Costanzo will be entitled to receive certain termination payments and benefits, described below under "Potential Payments Upon Termination or Change In Control" in the section entitled "De Costanzo Transition Agreement." In recognition of Mr. De Costanzo electing to remain with the Company for an additional nine months in order to provide transition services, and acknowledging that he will not receive any LTI awards in 2023, these payments include enhanced vesting treatment for his outstanding Time-Vested RSUs and time-vested restricted shares, as well his PSUs and Performance-Vested Restricted Shares (based on actual performance).

So long as Mr. De Costanzo continued his employment through the transition period described above, he, for the period between April 1, 2023 and his termination date, served as a special advisor to the Board. In respect of such special advisor services, he was to receive a monthly salary of $26,000.

On June 16, 2023, the Company and Eagle International entered into an amendment to the De Costanzo Transition Agreement with Mr. De Costanzo in which Mr. De Costanzo resigned his employment effective as of June 30, 2023. Mr. De Costanzo's termination constituted a termination by Eagle International without "cause" under the terms of his employment agreement dated June 16, 2022. Pursuant to the De Costanzo Transition Agreement and upon his delivery of a release of claims against the Company and related parties and certain other conditions and covenants set forth in the De Costanzo Transition Agreement, Mr. De Costanzo received a lump sum payment in the amount of $480,000 (representing the sum of his current annual base salary plus his target bonus prorated for the first three months of 2023) and full vesting of his then outstanding Time-Vested RSUs, time-vested restricted shares, PSUs and Performance-Vested Restricted Shares.

**Potential Payments Upon Termination or Change In Control**

This section describes and quantifies the benefits and compensation to which each NEO would have been entitled under our existing plans and arrangements if the NEO's employment had terminated or if the Company had undergone a change in control, in each case, on December 31, 2023.

*LTI Awards*

Pursuant to the award agreements entered into with Messrs. Vogel and Tsoutsoplides, the Time-Vested RSUs and time-vested restricted shares granted to Messrs. Vogel and Tsoutsoplides do not automatically accelerate upon a Change in Control (as defined in the 2016 Plan). With respect to the NEO's outstanding PSUs and Performance-Vested Restricted Shares, if a Change in Control occurs prior to the first applicable vesting date, Messrs. Vogel and Tsoutsoplides will continue to be eligible to vest in the number of PSUs and Performance-Vested Restricted Shares that would be earned based on actual performance as of the date of the Change in Control, if determinable. However, if the Company's actual earnings per share or relative total shareholder return, as applicable, is not determinable as of the date of the Change in Control, Messrs. Vogel and Tsoutsoplides will be eligible to vest in a number of PSUs and Performance-Vested Restricted Shares assuming the target performance level was achieved or, in the case of Mr. Vogel's Retention TSR PSUs, assuming 50% of target performance level was achieved. The number of such deemed earned PSUs and Performance-Vested Restricted Shares will continue to vest following the Change in Control based on continued employment per the award's normal service-based vesting schedule. With respect to Mr. Vogel's Retention TSR PSUs that are deemed earned as of the Change in Control, they will become immediately vested in full if, concurrent with or following a Change in Control and prior to the May 15, 2026 vesting date of such Retention TSR PSUs, Mr. Vogel incurs a termination of employment by the Company (or its successor) without cause or by him for good reason.

Under the 2016 Plan "cause" and "change in control" have the meanings generally summarized below:

- "Cause" means if there is an employment, severance, consulting, change in control or other agreement governing the relationship between the grantee, on the one hand, and the Company or one of its subsidiaries, on the other hand, that contains a definition of "cause" (or similar phrase), the term "cause" shall mean those acts or omissions that would constitute "cause" under such agreement.
- "Change in Control" generally means the occurrence of any of the following events:
    - (A) the acquisition by any individual, entity or group of beneficial ownership of more than 50% of the then voting power; provided that the following acquisitions shall not constitute a Change in Control: (i) any such acquisition directly from the Company; (ii) any such acquisition by the Company; (iii) any such acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary; or (iv) any such acquisition pursuant to a transaction that complies with clauses (i), (ii) and (iii) of paragraph (C) below;
    - (B) individuals who, as of the effective date of the 2016 Plan, constitute the board of directors (the "Incumbent Board") cease for any reason (other than death or disability) to constitute at least a majority of the board of directors; provided, that any individual becoming a director subsequent to the effective date of the 2016 Plan, whose election, or nomination for election by the Company's stockholders, was approved by a vote of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding for this purpose, any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the board of directors;

- (C) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the voting power immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination in substantially the same proportions relative to each other as their ownership immediately prior to such Business Combination of the securities representing the voting power, (ii) no person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) sponsored or maintained by the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination, or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or the action of the Board providing for such Business Combination; or
- (D) approval by stockholders of a complete liquidation or dissolution of the Company.

*LTI Awards – Mr. Vogel*

Pursuant to the Vogel Employment Agreement, notwithstanding anything to the contrary under his applicable award agreements, upon a termination of Mr. Vogel's employment by the Company without "cause" (as summarized below), by Mr. Vogel for "good reason" (as defined in the Vogel Employment Agreement and summarized below) or due to his death or "disability" (as defined in the Vogel Employment Agreement and summarized below) (each, a "Qualifying Termination"), subject to his delivery of a release of claims against the Company and related parties, all of Mr. Vogel's unvested equity awards will vest, and any performance criteria will be deemed satisfied at the target level (except with respect to the Retention TSR PSUs, as discussed below). Accordingly, upon a Qualifying Termination, Mr. Vogel's outstanding RSUs and Restricted Shares would be treated as follows:

- Mr. Vogel would receive full vesting of his outstanding Time-Vested RSUs and time-vested restricted shares; and
- with respect to PSUs and Performance-Vested Restricted Shares (which are generally subject to performance goals for the first year of the award, and thereafter remain subject to service-based vesting conditions for an additional two years):
  - if the Qualifying Termination occurs before the first applicable vesting date (i.e., before the Compensation Committee has certified performance achievement with respect to the performance goal relating to the first year of the award), Mr. Vogel would become immediately vested in the target number of such PSUs and Performance-Vested Restricted Shares (other than the Retention PSUs, discussed below); and
  - if a Qualifying Termination occurs on or after the first applicable vesting date of a PSU or Performance-Vesting Restricted Share award (i.e., on or after the Compensation Committee's certification of performance achievement with respect to the performance goal relating to the first year of the award), Mr. Vogel would receive full vesting of the number of such PSUs and Performance-Vested Restricted Shares eligible to vest based on the level of achievement of the applicable performance goal as certified by the Compensation Committee on the first applicable vesting date.

With respect to the Retention TSR PSUs, upon a termination of Mr. Vogel's employment by the Company without cause or by Mr. Vogel for good reason, in each case, before the performance vesting date of May 15, 2026 and prior to a Change in Control, Mr. Vogel would become immediately vested in a number of Retention TSR PSUs determined based on actual Relative TSR performance measured as of the date of such termination. Upon his death or disability occurring before the performance vesting date of May 15, 2026, Mr. Vogel would become immediately vested in the target number of Retention TSR PSUs, pursuant to the terms of the Vogel Employment Agreement, subject to Mr. Vogel's representative's delivery of a release of claims against the Company and related parties.

*LTI Awards – Mr. Tsoutsoplides*

Pursuant to the New Tsoutsoplides Employment Agreement, notwithstanding anything to the contrary under his applicable award agreements, upon a termination of Mr. Tsoutsoplides's employment by the Company without "cause" (as summarized below), by Mr. Tsoutsoplides for "good reason" (as defined in the New Tsoutsoplides Employment Agreement and summarized below) or due to his death or "disability" (as defined in the New Tsoutsoplides Employment Agreement and summarized below) (each, a "Qualifying Termination"), subject to his delivery of a release of claims against the Company and related parties, all of Mr. Tsoutsoplides's unvested equity awards will vest as if Mr. Tsoutsoplides remained employed for an additional year beyond the date of termination; provided that all LTI Awards that are continued, converted, assumed, or replaced with a substantially similar award by Star Bulk as a result of the Proposed Merger (the "Replacement Equity Awards") that vest (A) solely based on the passage of time (as opposed to performance) shall become fully vested and (B) based on performance shall become vested based on achievement of actual performance through the date of termination (provided that if actual performance as of the date is not determinable, such Replacement Equity Awards shall become vested at the applicable target level); provided, further, that any time vesting component shall accelerate. Accordingly, upon a Qualifying Termination, Mr. Tsoutsoplides's outstanding RSUs and Restricted Shares would be treated as follows:

- Mr. Tsoutsoplides would receive full vesting of his outstanding Time-Vested RSUs and time-vested restricted shares as if he had remained employed for one year from the date of termination; provided that Mr. Tsoutsoplides would receive full vesting of all Replacement Equity Awards that vest solely based on the passage of time; and
- with respect to PSUs (which are generally subject to performance goals for the first year of the award, and thereafter remain subject to service-based vesting conditions for an additional two years):
  - if his termination of employment occurs before the first applicable vesting date (i.e., before the Compensation Committee has certified performance achievement with respect to the performance goal relating to the first year of the award), Mr. Tsoutsoplides would become vested on the first applicable vesting date in the number of PSUs that would otherwise thereon become vested based on actual performance through the end of the applicable performance period; provided that Mr. Tsoutsoplides would become vested in the number of Replacement Equity Awards that vest based on performance goals based on achievement of actual performance through the date of termination (further provided that if actual performance as of the date of termination is not determinable, such Replacement Equity Awards would become vested at the applicable target level) and any time-vesting component of such Replacement Equity Awards would accelerate as of the date of termination, and
  - if his termination of employment occurs after the first applicable vesting date (i.e., on or after the Compensation Committee's certification of performance achievement with respect to the performance goal relating to the first year of the award), Mr. Tsoutsoplides would become vested in the number of PSUs that would otherwise have become vested on the next applicable vesting date, if any, following the date of termination; provided that Mr. Tsoutsoplides would become vested in the number of Replacement Equity Awards that vest based on performance goals based on achievement of actual performance through the date of termination (further provided that if actual performance as of the date of termination is not determinable, such Replacement Equity Awards would become vested at the applicable target level) and any time-vesting component of such Replacement Equity Awards would accelerate as of the date of termination.

*Vogel Employment Agreement*

Under the Vogel Employment Agreement, in the event that Mr. Vogel's employment is terminated by Eagle International without "cause" or by him for "good reason", Mr. Vogel will become entitled to receive the following severance payments and benefits, subject to his delivery of a release of claims against the Company and related parties: (i) a lump sum payment, within 60 days following termination, equal to 1.5 times the sum of his annual base salary plus 75% of his target annual bonus and (ii) if he timely elects COBRA continuation coverage, Mr. Vogel will be reimbursed for the costs of COBRA premiums for 18 months following termination. Such severance amounts are in addition to payment of accrued obligations through his termination date, including any accrued but unpaid vacation pay and business expenses through the termination date, and any earned bonus for the year prior to the year in which termination occurs (together, "Accrued Obligations"). Mr. Vogel will also receive the equity award treatment described above in the section entitled "LTI Awards – Mr. Vogel."

If Mr. Vogel's employment is terminated by reason of his death or disability, then in addition to the Accrued Obligations, the Company will pay him or his legal representatives his pro rata annual bonus for the year of termination based on actual results. Mr. Vogel will also receive the equity award treatment described above in the section entitled "LTI Awards – Mr. Vogel."

Under the Vogel Employment Agreement, "cause", "good reason" and "disability" have the meanings generally summarized below:

- "Cause" shall mean: (i) continuing refusal to perform duties or failure to follow a lawful direction of the Board, in either case, following written notice from the Board; (ii) intentional act or acts of dishonesty in connection with the performance of duties intended to result in personal, more-than-immaterial enrichment; (iii) documented willful malfeasance or willful misconduct in connection with employment or willful and deliberate insubordination; (iv) conviction of a felony or entry into a plea of nolo contendere to a felony; or (v) material breach of restrictive covenant obligations under the Vogel Employment Agreement. A termination for cause is subject to written notice from the Board and a 10-day opportunity to cure the event giving rise to cause.
- "Good Reason" means, in the absence of Mr. Vogel's written consent, any of the following: (i) a diminution of annual base salary; (ii) a diminution of target annual bonus or annual target equity as a percentage of annual base salary; (iii) a material diminution in authority, duties, or responsibilities as Chief Executive Officer of the Company; (iv) removal from the Board other than for cause or the failure to nominate Mr. Vogel for election to the Board; (v) a requirement that Mr. Vogel report to a corporate officer or employee instead of reporting directly to the Board; (vi) a material change in the geographic location at which Mr. Vogel must perform the services to a location outside of the greater New York metropolitan area; or (vii) any other action or inaction that constitutes a material breach of the terms of the Vogel Employment Agreement. Good reason requires written notice from Mr. Vogel within 90 days following his knowledge of the event or circumstance giving rise to Good Reason and the Company has 30 days following receipt of such notice to cure such event or circumstance.
- "Disability" means the inability to perform duties with the Company on a full-time basis for 180 consecutive days or for 180 intermittent days in any one-year period as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a licensed physician selected by the Company or its insurers and reasonably acceptable to Mr. Vogel or his legal representative.

The payments described above for Mr. Vogel are quantified in the following table, assuming a hypothetical termination as of December 31, 2023 in accordance with SEC rules:

| | Severance Payments ($) | Value of Acceleration of Equity[(1)] ($) | Pro Rata Bonus for Year of Termination ($) | Total ($) |
|---|---|---|---|---|
| **Termination without Cause or Resignation for Good Reason** | 2,077,914 [(2)] | 5,606,092 | — | 7,684,006 |
| **Termination for Cause or Resignation without Good Reason** | — | — | — | — |
| **Termination due to Death or Disability** | — | 7,481,992 | 868,750 [(3)] | 8,350,742 |
| **Change in Control (Single Trigger)** | — | — | — | — |
| **Termination without Cause following a Change in Control (Double Trigger)** | 2,077,914 [(2)(4)] | 5,606,092 | — | 7,684,006 |

(1) Value of accelerated equity is estimated by multiplying (x) the number of shares underlying outstanding equity awards, including a number of PSUs, as described above in the section entitled "LTI Awards – Mr. Vogel", as of December 31, 2023 by (y) the Closing Price of $55.40.

(2) Severance is estimated by multiplying 1.5 times the sum of (a) Mr. Vogel's 2024 annual base salary rate of $695,000 and (b) 75% of Mr. Vogel's target bonus for 2024 of $868,750. In addition, COBRA reimbursement of $57,080 is included in the estimate, representing the Company's estimated cost of 18 months of Mr. Vogel's group health care premium.

(3) The amount shown for the pro rata bonus for year of termination assumes target performance (based on Mr. Vogel's 2024 target bonus opportunity) and continued employment for the full year.

(4) Assuming the estimates shown in this table, no Section 280G cutback would be applicable in connection with a Change in Control.

*New Tsoutsoplides Employment Agreement*

Under the New Tsoutsoplides Employment Agreement, in the event that Mr. Tsoutsoplides's employment is terminated by Eagle International without "cause" or by him for "good reason", Mr. Tsoutsoplides will become entitled to receive the following severance payments and benefits, subject to his delivery of a release of claims against the Company and related parties: (i) a lump sum payment, within 60 days following termination, equal to an amount determined as follows: (a) if the date of termination occurs prior to Closing Date, an amount equal to the excess, if any, of one (1) times the sum of (x) Mr. Tsoutsoplides's Annual Base Salary and (y) 150% of the Minimum Annual Bonus (the "Cash Severance Amount"), over the amount of the Retention Bonus paid, (b) if the date of termination occurs during the period from the Closing Date through and including the first (1st) anniversary of the Closing Date, an amount equal to the excess, if any, of three (3) times the Cash Severance Amount, over the amount of the Retention Bonus paid, (c) if the date of termination occurs during the period from the day after the first (1st) anniversary of the Closing Date through and including the second (2nd) anniversary of the Closing Date, an amount equal to the excess, if any, of two (2) times the Cash Severance Amount, over the amount of the Retention Bonus paid or (d) if the Date of Termination occurs on the day after the second (2nd) anniversary of the Closing Date, an amount equal to the excess, if any, of the Cash Severance Amount, over the amount of the Retention Bonus paid and (ii) if Mr. Tsoutsoplides timely elects COBRA continuation coverage, Mr. Tsoutsoplides will be reimbursed for the costs of COBRA premiums for 12 months following termination. Such severance amounts are in addition to payment of accrued obligations through his termination date, including any accrued but unpaid vacation pay and business expenses through the termination date, and the Minimum Annual Bonus prorated for the year in which the date of termination occurs. Mr. Tsoutsoplides will also receive the equity award treatment described above in the section entitled "LTI Awards - Mr. Tsoutsoplides."

Under the New Tsoutsoplides Employment Agreement, "cause", "good reason" and "disability" have the meanings generally summarized below:

- "Cause" shall mean: (i) continuing refusal to perform duties or failure to follow a lawful direction of the Chief Executive Officer or the Board, or after the Closing Date, Star Bulk, in either case, following written notice from the Chief Executive Officer or the Board or Star Bulk, as applicable; (ii) intentional act or acts of dishonesty in connection with the performance of duties intended to result in personal, more-than-immaterial enrichment; (iii) documented willful malfeasance or willful misconduct in connection with employment or willful and deliberate insubordination; (iv) conviction of a felony or entry into a plea of nolo contendere to a felony; or (v) material breach of restrictive covenant obligations under the New Tsoutsoplides Employment Agreement. A termination for cause is subject to written notice from the Board and a 10-day opportunity to cure the event giving rise to cause.
- "Good Reason" means, in the absence of Mr. Tsoutsoplides's written consent, any of the following: (i) a diminution of annual base salary; (ii) following the Closing Date, any failure by Eagle International to pay the Minimum Annual Bonus; (iii) a material diminution in authority, duties, or responsibilities or title occurring prior to the Closing Date, or the assignment by Star Bulk or Eagle International of duties or responsibilities other than the Transition Services unless mutually agreed by Mr. Tsoutsoplides and Star Bulk or the Company; (iv) a requirement that Mr. Tsoutsoplides report to a corporate officer or employee instead of reporting directly to the Chief Executive Officer of the Company prior to the Closing Date, or following the Closing Date, a requirement that Mr. Tsoutsoplides report to anyone other than the Supervisor (as such term is defined in the New Tsoutsoplides Employment Agreement); (v) a material change in the geographic location at which Mr. Tsoutsoplides must perform the services to a location outside of the greater New York metropolitan area; or (vi) any other action or inaction that constitutes a material breach of the terms of the New Tsoutsoplides Employment Agreement. Good reason requires written notice from Mr. Tsoutsoplides within 90 days following his knowledge of the event or circumstance giving rise to Good Reason and the Company has 30 days following receipt of such notice to cure such event or circumstance.
- "Disability" means the inability to perform duties with the Company on a full-time basis for 180 consecutive days or for 180 intermittent days in any one-year period as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a licensed physician selected by the Company or its insurers and reasonably acceptable to Mr. Tsoutsoplides or his legal representative.

The payments described above for Mr. Tsoutsoplides are quantified in the following table, assuming a hypothetical termination as of December 31, 2023 in accordance with SEC rules:

| | Severance Payments ($) | Value of Acceleration of Equity[1] ($) | Pro Rata Bonus for Year of Termination ($) | Total ($) |
|---|---|---|---|---|
| **Termination without Cause or Resignation for Good Reason** | 520,645 [2] | 181,269 | — | 701,914 |
| **Termination for Cause or Resignation without Good Reason** | — | — | — | — |
| **Termination due to Death or Disability** | — | 181,269 | 187,500 [3] | 368,769 |
| **Change in Control (Single Trigger)** | — | — | — | — |
| **Termination without Cause following a Change in Control (Double Trigger)** | 520,645 [2][4] | 181,269 | — | 701,914 |

(1) Value of accelerated equity is estimated by multiplying (x) the number of shares underlying outstanding equity awards, including the target number of PSUs, that are expected to vest within one year of December 31, 2023 by (y) the Closing Price of $55.40.

(2) Severance is estimated by multiplying one (1) times the sum of (a) Mr. Tsoutsoplides's 2024 annual base salary rate of $375,000 and (b) 150% of the Minimum Annual Bonus of $187,500 over the amount of the Retention Bonus of $173,658. In addition, COBRA reimbursement of $38,053 is included in the estimate, representing the Company's estimated cost of 12 months of Mr. Tsoutsoplides's group health care premium.

(3) The amount shown for the pro rata bonus for year of termination assumes target performance (based on Mr. Tsoutsoplides's 2024 target bonus opportunity) and continued employment for the full year.

(4) Assuming the estimates shown in this table, no Section 280G cutback would be applicable in connection with a Change in Control.

**CEO Pay Ratio**

SEC rules require U.S. public companies to disclose the median annual total compensation of all employees of the registrant (except the principal executive officer), the annual total compensation of the principal executive officer and the ratio or multiple of these two amounts, as well as a narrative disclosure regarding the methodology used to identify the median employee.

As of December 31, 2023, the date selected for purposes of identifying our median employee, our complete employee population was composed of 104 shore-based employees (which excluded our CEO, who is our principal executive officer) and 1,025 ship-based employees. Our ship-based employees are sourced through third-party crew managers and are paid commensurate with international collective bargaining agreements, to which we are a party, and which are typically renewed biennially. On average, during 2023, our ship-based employees included in this complete employee population were contracted for 120 days. Our median employee was identified by reviewing total cash compensation paid (consisting of salary and wages plus overtime, cash bonuses and 401(k) matching contributions based on data sourced from our payroll records as well as from our third-party crew managers) during the year ended December 31, 2023 to all employees (excluding our CEO) who were employed as of December 31, 2023. Once identified, the median employee's total compensation was determined on the same basis as the amount of total compensation presented in the table "2023 Summary Compensation Table" for our CEO.

For 2023, the total compensation of our CEO of $2,849,539, as reported in the "2023 Summary Compensation Table", was approximately 176.1 times the total compensation of our median employee of $16,182. Our median employee was a Motorman who worked onboard one our vessels for 214 days during 2023.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules. The SEC rules for identifying the median employee and calculating the pay ratio based on that employee's total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to our pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

In order to provide a more complete depiction of our pay ratio for 2023, a supplemental pay ratio was calculated using only shore-based employees. If we were to identify our median employee from our population of shore-based employees only (excluding our CEO and our ship-based employees), for 2023, the total compensation of our CEO, as reported in the "2022 Summary Compensation Table" was $2,849,539, approximately 19.2 times the total compensation of our median employee of $148,142. We believe that this alternative definition of our "median employee" allows for a better comparison of our CEO Pay Ratio across companies in our industry, as certain of our competitors outsource technical management, including crewing, to third-parties, which allows those companies to exclude seafarers from their population of employees for the purposes of the CEO Pay Ratio.

**Compensation Committee Interlocks and Insider Participation**

During the fiscal year ended December 31, 2023, the following members of the Board served as a member of the Compensation Committee:

- Randee E. Day
- Paul M. Leand, Jr.
- Bart Veldhuizen

None of the aforementioned members of the Compensation Committee were officers or employees of the Company during the fiscal year ended December 31, 2023, nor were any formerly an officer of the Company. In addition, none of the aforementioned members of the Compensation Committee had any relationship requiring disclosure by the Company under any paragraph of Item 404 of Regulation S-K. None of our executive officers served as a member of the board of directors or the compensation committee of any entity that had one or more of its executive officers serving as a member of the Board or Compensation Committee.

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, recommended to the Board of Directors that it be included in the Company's Annual Report.

Respectfully submitted,

The Compensation Committee

Bart Veldhuizen
Paul M. Leand, Jr.

**Director Compensation**

Director compensation is reviewed by the Compensation Committee in accordance with the policies and principles set forth in its charter and then recommended to the Board of Directors for action. In reviewing Director compensation, the Compensation Committee will take into consideration the responsibilities of the Directors, including any leadership roles they have on the Board of Directors or any of its committees, as well as a market assessment of fees and other forms of director compensation paid by other companies comparable in size and industry to the Company. Any Director who is also an employee of the Company or its subsidiaries receives no separate compensation for serving as a Director or Chairperson of the Board of Directors, or as a member or chair of any committee of the Board of Directors.

Equity-based compensation, which generally takes the form of unrestricted shares of Common Stock, is granted on an annual basis as compensation for service during the prior fiscal year.

A summary of annual cash and equity compensation to attract and retain qualified candidates to serve on the Board of Directors is as follows:

| | 2023/2024 Term ($) |
|---|---|
| **Cash Retainers** | |
| Chairman of the Board of Directors | 150,000 |
| Non-employee Directors | 75,000 |
| *Additional Retainer for Committee Chair* | |
| Audit Committee | 25,000 |
| Compensation Committee | 15,000 |
| Nominating and ESG Committee | 15,000 |
| *Additional Retainer for Committee Membership* | |
| Audit Committee | 15,000 |
| Compensation Committee | 10,000 |
| Nominating and ESG Committee | 10,000 |
| **Target Value of Common Stock Award** | |
| Chairman of the Board of Directors | 90,000 |
| Non-employee Directors | 75,000 |

*Equity Compensation Plan Information*

On March 6, 2023, the Company granted to each of the non-employee members of the Board, including the Chairman, 1,309 shares of Common Stock and an additional 262 shares of Common Stock to the Chairman of the Board, in each case, vested in full on the grant date. The shares were granted under the 2016 Plan and the applicable award agreement.

The number of shares of Common Stock granted to each of the non-employee members of the Board was determined by dividing the target value of common stock awards for each of the non-employee members of the Board by $57.30, the closing price of the Company's Common Stock on February 17, 2023. February 17, 2023 was the grant date for stock-based compensation awarded to a broad base of Company employees during 2023 and was utilized to ensure that the Directors were granted awards on the same price-per-share basis.

*Director Compensation Table*

The following Director Compensation Table sets forth the compensation of our Directors (who were not NEOs of the Company) for the fiscal year ending on December 31, 2023. Mr. Vogel serves as a Director, but does not receive any compensation for his services as a Director. His compensation is based solely on his role as our Chief Executive Officer, as disclosed in the "2023 Summary Compensation Table" above.

| Name | Fees Earned or Paid in Cash ($) | Stock Awards ($) [(1)] | Total ($) |
|---|---|---|---|
| A. Kate Blankenship [(2)] | 71,458 | — | 71,458 |
| Randee E. Day [(3)] | 105,000 | 70,385 | 175,385 |
| Justin A. Knowles | 100,000 | 70,385 | 170,385 |
| Paul M. Leand, Jr. | 170,000 | 84,473 | 254,473 |
| Bart Veldhuizen [(4)] | 95,000 | 70,385 | 165,385 |
| Gary Weston [(4)] | 105,000 | 70,385 | 175,385 |

(1) Represents the aggregate grant date fair value of the annual stock award granted on March 6, 2023 for the 2022/2023 term. The aggregate grant date fair value of the stock awards is based on the closing price of the Company's Common Stock on the date of grant. For further information on the valuations of these stock awards, see Note 15. Stock Incentive Plans to the audited financial statements for the fiscal year ended December 31, 2023 included elsewhere herein.

(2) Ms. Blankenship was appointed to the Board effective January 18, 2023.

(3) On January 17, 2024, Randee E. Day informed the Company of her decision to resign as a member of the Board, effective January 18, 2024.

(4) The stock awards granted to Mr. Veldhuizen and Mr. Weston were issued to entities which are directly controlled by the Director on his own behalf.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### Equity Compensation Plan Information

On December 15, 2016, the Company's shareholders approved the Eagle Bulk Shipping Inc. 2016 Equity Compensation Plan (the "2016 Plan") and the Company registered 764,087 shares of common stock for potential issuance under the 2016 Plan. On June 7, 2019, the Company's shareholders approved an amendment and restatement of the 2016 Plan, which increased the number of shares reserved under the 2016 Plan by an additional 357,142 shares to a maximum of 1,121,229 shares of common stock. On June 14, 2022, the Company's shareholders approved a second amendment and restatement of the 2016 Plan, which increased the number of shares reserved under the 2016 Plan by an additional 300,000 shares to a maximum of 1,421,229 shares of common stock. The 2016 Plan permits the granting of restricted stock, unrestricted stock, restricted stock units ("RSUs"), performance condition awards, incentive stock options, non-qualified stock options, stock appreciation rights, dividend equivalents and other equity-based or equity-related awards. Any director, officer, employee or consultant of the Company or any of its subsidiaries (including any prospective officer or employee) is eligible to be designated to participate in the 2016 Plan.

As of December 31, 2023, no equity securities were authorized for issuance under equity compensation plans not approved by shareholders.

The following table sets forth certain information as of December 31, 2023 regarding the 2016 Plan.

| Plan Category | Securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Remaining securities for future issuance under equity compensation plans |
|---|---|---|---|
| Equity compensation plans approved by security holders | 180,270 (1) | $ — (2) | 223,251 |

(1) Includes 180,270 restricted stock units granted under the 2016 Plan, of which, 80,600 restricted stock units represent the target amount granted and for which the number of securities that may become able to be issued could be between 0% and 200% of such target amount, subject to the related award agreements.

(2) Restricted stock units do not have an exercise price.

### Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of the Company's outstanding Common Stock as of March 1, 2024 of:

1. each person, group or entity known to the Company to beneficially own more than 5% of our stock;
2. each of our Directors;
3. each of our NEOs; and
4. all of our Directors and executive officers as a group.

As of March 1, 2024, a total of 11,072,851 shares of Common Stock were outstanding.

The amounts and percentages of Common Stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of that security, or "investment power," which includes the power to dispose of or to direct the disposition of that security. A person is also deemed to be a beneficial owner of any securities as to which that person has a right to acquire beneficial ownership presently or within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities, and a person may be deemed to be the beneficial owner of securities as to which that person has no economic interest.

None of the shares of Common Stock beneficially owned by any of our Directors or executive officers are pledged as security.

| **Name** [1] | **Number** [2] | **Percentage** [3] |
|---|---|---|
| Gary Vogel [4] | 140,360 | 1.27% |
| Constantine Tsoutsoplides | 10,127 | * |
| Frank De Costanzo [5] | 58,980 | * |
| A. Kate Blankenship | 1,845 | * |
| Justin A. Knowles | 7,687 | * |
| Paul M. Leand, Jr. | 37,203 | * |
| Bart Veldhuizen [6] | 7,687 | * |
| Gary Weston [7] | 7,687 | * |
| All Directors and Executive Officers as a group (7 persons) | 212,596 | 1.92% |
| BlackRock, Inc. [8] | 767,811 | 6.93% |
| Castor Maritime Inc. [9] | 1,391,500 | 12.57% |
| Danaos Corporation [10] | 1,552,865 | 14.02% |
| Dimensional Fund Advisors LP [11] | 670,829 | 6.06% |
| Lazard Asset Management LLC [12] | 989,068 | 8.93% |
| OCM Opps EB Holdings, Ltd. [13] | 1,098,819 | 9.92% |

* Percentage less than 1% of class.

(1) Unless otherwise indicated, the business address of each beneficial owner identified is c/o Eagle Bulk Shipping Inc., 300 First Stamford Place, 5th Floor, Stamford, Connecticut 06902 and each shareholder has sole voting and investment power with respect to shares listed as beneficially owned by such shareholder.

(2) Includes "beneficial ownership" of shares of Common Stock outstanding, within the meaning of Rule 13d-3 under the Exchange Act, as well as beneficial ownership of shares issuable within 60 days following March 1, 2024 upon the exercise of outstanding securities (e.g., options, warrants, rights). However, amounts do not include anti-dilution adjustments to such securities, nor do amounts include unvested RSUs or PSUs awarded to the shareholder that are expected to vest more than 60 days from March 1, 2024.

(3) Unless otherwise indicated, based on the total of 11,072,851 shares of Common Stock outstanding as of March 1, 2024. In addition, for purposes of calculating the percentage of shares held by an individual or entity, the number of shares outstanding includes shares issuable within 60 days following March 1, 2024 upon the exercise of outstanding securities (e.g., options, warrants, rights), but, in each case, such shares are not included in the number of shares outstanding for purposes of computing the percentage of shares held by any other person.

(4) Mr. Vogel's beneficial ownership includes 10,847 shares of unvested restricted Common Stock. Excludes (i) 38,045 restricted stock units granted on November 15, 2022 that are scheduled to vest on May 15, 2026, (ii) 3,100 restricted stock units granted on March 11, 2022 that are scheduled to vest on January 2, 2025 and (iii) 5,660 restricted stock units granted on March 6, 202 that are scheduled to vest in two remaining substantially equal annual installments on January 2, 2025 and January 2, 2026. Also excludes (i) 38,045 performance-based restricted stock units granted on November 15, 2022 that are subject to the satisfaction of certain shareholder return performance conditions relevant to the Company's TSR performance peer group during the 42-month period ending on May 15, 2026, (ii) 7,220 performance-based restricted stock units granted on March 11, 2022 that are scheduled to vest on January 2, 2025, (iii) 5,135 performance-based restricted stock units granted on March 6, 2023 that are scheduled to vest in two remaining substantially equal installments on January 2, 2025 and January 2, 2026 and (iv) 4,245 performance-based restricted stock units granted on March 6, 2023 that are scheduled to vest in three

substantially equal installments on the date of certification, January 2, 2025 and January 2, 2026, each based on certification of the Company’s performance for the relevant period.

(5) Mr. De Costanzo was the Company’s Chief Financial Officer until March 2023.

(6) The beneficial ownership of Mr. Veldhuizen includes 5,422 shares of Common Stock held by Aquarius Maritime Capital Ltd., of which Mr. Veldhuizen is the owner.

(7) The beneficial ownership of Mr. Weston includes 6,198 shares of Common Stock held by Weston Shipping Limited, of which Mr. Weston is the owner.

(8) Based solely on information in the Schedule 13G/A filed with the SEC on February 6, 2024 by BlackRock, Inc. According to the report, BlackRock, Inc., acting as a parent holding company, beneficially owns 767,811 shares, of which it has sole voting power with respect to 747,123 shares and sole dispositive power with respect to 767,811 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.

(9) Based solely on information in the Schedule 13G filed with the SEC on June 30, 2023 by Castor Maritime Inc. According to the report, Castor Maritime Inc. beneficially owns and has sole voting power and sole dispositive power with respect to 1,391,500 shares. The address of Castor Maritime Inc. is 223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036, Limassol, Cyprus.

(10) Based solely on information in the Schedule 13D filed with the SEC on July 6, 2023 by Danaos Corporation. According to the report, Danaos Corporation beneficially owns and has sole voting power and sole dispositive power with respect to 1,552,865 shares. The address of Danaos Corporation is c/o Danaos Shipping Company Limited, 14 Akti Kondyli, 185 45 Piraeus, Greece.

(11) Based solely on information in the Schedule 13G/A filed with the SEC on February 9, 2024 by Dimensional Fund Advisors LP (“Dimensional”). According to the report, Dimensional, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, beneficially owns 670,829 shares, of which it has sole voting power with respect to 661,194 shares and sole dispositive power with respect to 670,829 shares. The address of Dimensional is 6300 Bee Cave Road, Building One, Austin, Texas 78746.

(12) Based solely on information in the Schedule 13G/A filed with the SEC on February 14, 2024 by Lazard Asset Management LLC (“Lazard”). According to the report, Lazard, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, beneficially owns 989,068 shares, of which it has sole voting power with respect to 571,706 shares and sole dispositive power with respect to 989,068 shares. The address of Lazard is 30 Rockefeller Plaza, New York, New York 10112.

(13) Based solely on information in the Schedule 13G filed with the SEC on February 8, 2024 by OCM Opps EB Holdings, Ltd. (“EB Holdings”). According to the report, EB Holdings beneficially owns 1,098,819 shares, of which it has sole voting power and sole dispositive power with respect to 1,098,819 shares. The securities may also be deemed to be beneficially owned by Oaktree Capital Group, LLC (“OCG”), Oaktree Capital Group Holdings GP, LLC (“OCGH GP”), Brookfield Corporation (“Brookfield”) and BAM Partners Trust (“BAM Trust”). The address of each of EB Holdings, OCG and OCGH GP is 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071 and the address of each of Brookfield and BAM Trust is Brookfield Place, Suite 100, 181 Bay Street, PO Box 762, Toronto, Ontario, Canada M5J 2T3.

**Changes in Control**

On December 11, 2023, Star Bulk entered into voting agreements (each, a "Voting Agreement") with each of Mr. Vogel, Mr. Tsoutsoplides, each of the Company's directors and Randee E. Day (a former director of the Company) who held shares of Common Stock as of the date of the Merger Agreement (collectively, the "Company Insiders"). Pursuant to the Voting Agreement, each of the Company Insiders agreed to, at any meeting of the Company's shareholders called to vote upon the Merger Agreement, the Proposed Merger or any of the other transactions contemplated by the Merger Agreement, or at any postponement or adjournment thereof, or in any other circumstances upon which a vote, consent, action or other approval with respect to the Merger Agreement, the Proposed Merger or any of the other transactions contemplated by the Merger Agreement is sought (i) appear at such meeting or otherwise cause his or her shares of Common Stock held of record or beneficially by the applicable Company Insider as of the applicable date of determination (the "subject shares") to be counted as present thereat for purposes of calculating a quorum and (ii) vote (or cause to be voted) all of his or her subject shares in favor of, and shall consent to (or cause to be consented to), (x) the approval of the Merger Agreement and the Proposed Merger, (y) the approval of the proposal that the Company's shareholders authorize and approve the issuance of shares of Common Stock issuable upon the potential future conversion of the Convertible Bond Debt in excess of the conversion share cap (as set forth in the Indenture), and (z) any adjournment or postponement recommended by the Company with respect to the shareholder meeting to the extent permitted or required pursuant to the Merger Agreement. In addition, each Company Insider agreed to, at any meeting of the Company's shareholders or at any postponement or adjournment thereof or in any other circumstances upon which a vote, consent, authorization or other approval is sought, vote (or cause to be voted) all of his or her subject shares against, and to not (and to not commit or agree to) consent to (or cause to be consented to), any of the following: (i) any takeover proposal or any acquisition agreement constituting or relating to any takeover proposal or (ii) any amendment of the Company's articles of incorporation or bylaws (other than pursuant to and as permitted by the Merger Agreement) or any other proposal, action, agreement or transaction which, in the case of this clause (ii), would reasonably be expected to (A) result in a breach of any covenant, agreement, obligation, representation or warranty of the Company contained in the Merger Agreement or of the Company Insider contained in the Voting Agreement or (B) prevent, impede, interfere or be inconsistent with, delay, discourage or adversely affect the timely consummation of the Proposed Merger or the other transactions contemplated by the Merger Agreement or by the Voting Agreement. The Voting Agreements will terminate as of the earlier of (i) the conclusion of the shareholder meeting at which the vote contemplated in the Voting Agreement has occurred and the subject shares have been voted as specified therein, (ii) the termination of the Merger Agreement in accordance with its terms, (iii) a recommendation change in accordance with the Merger Agreement, (iv) the termination of the Voting Agreement by mutual written consent of the parties to the Merger Agreement, (v) the amendment of the Merger Agreement, without the prior written consent of the Company Insiders, in a manner that affects the economics or material terms of the Merger Agreement in a manner that is adverse to the Company or its shareholders and (vi) the extension of the end date of the Merger Agreement other than as expressly contemplated by the Merger Agreement, without the prior written consent of the Company Insiders.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

**Transactions with Related Persons**

It is the Company's policy to enter into or approve "Related Person Transactions" only when the Board, acting through the Audit Committee, determines that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Company and its shareholders. A "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company is, was or will be a participant and the amount involved exceeds $120,000 and in which any "Related Person" (as defined in relevant SEC rules) had, has or will have a direct or indirect material interest. A Related Person Transaction includes, but is not limited to, situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to Related Persons on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally.

On June 22, 2023, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with EB Holdings, a related party of the Company by virtue of its beneficial ownership of 28% of the Company's outstanding common stock just prior to the execution of the Securities Purchase Agreement, pursuant to which the Company agreed to purchase 3,781,561 shares of Common Stock (the "Purchased Shares") from EB Holdings at an aggregate purchase price of $219,330,538.00 (the "Purchase Price") (the foregoing transaction, the "Share Repurchase"), representing a purchase price of $58.00 per share. The Purchased Shares constituted all of the Common Stock of the Company owned by EB Holdings as of the date of the Securities Purchase Agreement. The Board reviewed and approved the Share Repurchase upon the recommendation of the Audit Committee, which consists and consisted entirely of independent directors and the Board received a fairness opinion in connection thereto. Pursuant to the terms of the Securities Purchase Agreement, the closing thereunder was to be consummated within two business days.

On February 5, 2024, EB Holdings provided the Company with a Notice of Conversion pursuant to the Indenture with respect to $34.75 million in aggregate principal amount of Convertible Bond Debt. The Company elected to settle this obligation by issuing 1,098,819 shares of Common Stock on February 7, 2024, which represented 9.96% of outstanding Common Stock following such issuance.

**Director Independence**

Annually, the Board reviews and determines the independence of each Director. Directors have an affirmative obligation to promptly inform the Board of changes in their circumstances or any transactions or relationships that may impact their designation by the Board as independent.

The Board affirmatively determined that the following current and former Directors, including each Director currently or formerly serving on the Audit Committee, the Compensation Committee and the Nominating and Environmental, Social and Governance Committee, is independent under applicable NYSE listing standards and SEC rules for committee members: A. Kate Blankenship, Randee E. Day, Justin A. Knowles, Paul M. Leand, Jr., Bart Veldhuizen and Gary Weston.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

**Fees to Independent Registered Public Accounting Firm**

We incurred the following fees for the fiscal years ended December 31, 2023 and 2022 for professional services rendered by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) for the audit of the Company's annual financial statements and for audit-related services, tax services and all other services, as applicable.

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Audit fees (1) | $ 873 | $ 860 |
| Audit-related fees (2) | 240 | 30 |
| Tax fees (3) | 85 | 42 |
| All other fees (4) | — | 260 |
| | $ 1,198 | $ 1,192 |

(1) Audit fees include fees for professional services provided in connection with the audit of our consolidated financial statements included in our Annual Report on Form 10-K, interim reviews of our condensed consolidated financial statements included in our Reports on Form 10-Q, as well as for assurance and related services normally provided by Deloitte & Touche LLP in connection with statutory and regulatory filings.

(2) Audit-related fees, which include fees for assurance and related services that are reasonably related to the audit or reviews of our financial statements that are not audit fees, include fees for the issuance of consents, comfort letters and for other services related to documents filed with the SEC.

(3) Tax fees include fees for professional services for tax compliance, including the preparation of tax returns, tax advice and tax planning.

(4) All other fees include the aggregate fees for products and services provided by our principal accountant that are not reported under "Audit fees," "Audit-related fees" or "Tax fees." All other fees in 2022 include fees for due diligence services that were not reasonably related to the audit or reviews of our financial statements.

**Pre-Approval Policy for Services Performed by Independent Auditor**

The Audit Committee has responsibility for the appointment, compensation and oversight of the work of the Company's independent auditor. As part of this responsibility, the Audit Committee must pre-approve all permissible services to be performed by the independent auditor.

The Audit Committee has adopted an auditor pre-approval policy which sets forth the procedures and conditions pursuant to which pre-approval may be given for services performed by the independent auditor. Under the policy, the Audit Committee must give prior approval for any amount or type of service within four categories: audit, audit-related, tax services or, to the extent permitted by law, other services that the independent auditor provides. Prior to the annual engagement, the Audit Committee may grant general pre-approval for independent auditor services within these four categories at maximum pre-approved fee levels. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval and, in those instances, such service will require separate pre-approval by the Audit Committee if it is to be provided by the independent auditor. For any pre-approval, the Audit Committee will consider whether such services are consistent with the SEC's rules on auditor independence, whether the auditor is best positioned to provide the most cost effective and efficient service and whether the service might enhance the Company's ability to manage or control risk or improve audit quality. The Audit Committee may delegate to one or more of its members authority to approve a request for pre-approval provided the member reports any approval so given to the Audit Committee at its next scheduled meeting. The Audit Committee pre-approved 100% of the services, if applicable, described above under the captions "Audit Fees," "Audit-Related Fees," "Tax Fees" and "All Other Fees" for the years ended December 31, 2023 and 2022.

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**

(a) Documents filed as part of this Annual Report on Form 10-K

1. Consolidated Financial Statements: See accompanying Index to Consolidated Financial Statements.
2. Consolidated Financial Statement Schedule: Financial statement schedules are omitted either due to the absence of conditions under which they are required or because the information required is included in the notes to the Company's consolidated financial statements.

(b) Exhibits

| Number | Exhibit Title |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of December 11, 2023, by and among Star Bulk Carriers Corp., Star Infinity Corp. and Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 2.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 3.1 | Second Amended and Restated By-Laws of Eagle Bulk Shipping Inc., dated as of October 15, 2014 (incorporated by reference to Exhibit 3.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on October 16, 2014; File No. 001-33831). |
| 3.2 | Third Amended and Restated Articles of Incorporation of Eagle Bulk Shipping Inc., dated as of August 4, 2016 (incorporated by reference to Exhibit 3.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on August 4, 2016; File No. 001-33831). |
| 3.3 | Articles of Amendment to Third Amended and Restated Articles of Incorporation of Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 3.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on September 14, 2020; File No. 001-33831). |
| 4.1 | Form of Specimen Stock Certificate of Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on October 16, 2014; File No. 001-33831). |
| 4.2* | Description of Securities. |
| 4.3 | Indenture, dated July 29, 2019, by and between Eagle Bulk Shipping Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on August 2, 2019; File No. 001-33831). |
| 4.4 | Form of Note representing the Company's 5.00% Convertible Senior Notes due 2024 (incorporated by reference to Exhibit 4.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on August 2, 2019; File No. 001-33831). |
| 4.5 | Rights Agreement dated as of June 22, 2023 between Eagle Bulk Shipping Inc. and Computershare Trust Company, N.A., a national banking corporation, as Rights Agent (including the form of Certificate of Designations of Series A Junior Participating Preferred Stock attached thereto as Exhibit A, the form of Right Certificate attached thereto as Exhibit B and the Summary of Rights to Purchase Preferred Shares attached thereto as Exhibit C) (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on June 23, 2023; File No. 001-33831). |
| 4.6 | Amendment to Rights Agreement, dated as of December 11, 2023, between Eagle Bulk Shipping Inc. and Computershare Trust Company, N.A. (incorporated by reference to Exhibit 4.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 10.1# | Eagle Bulk Shipping Inc. Second Amended and Restated 2016 Equity Incentive Plan (incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A (File No. 001-33831) filed with the SEC on April 27, 2022). |
| 10.2# | Form of Restricted Stock Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on March 7, 2017; File No. 001-33831). |

| | |
|---|---|
| 10.3# | Form of Option Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on March 7, 2017; File No. 001-33831). |
| 10.4# | Form of Restricted Stock Unit Award Agreement under the Eagle Bulk Shipping Inc. Second Amended and Restated 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of Eagle Bulk Shipping Inc., filed with the SEC on August 4, 2023; File No. 001-33831). |
| 10.5# | Employment Agreement, dated October 29, 2021, among Eagle Bulk Shipping Inc., Eagle Shipping International (USA) LLC and Gary Vogel (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on November 1, 2021; File No. 001-33831). |
| 10.6# | Employment Agreement, dated June 16, 2022, among Eagle Bulk Shipping Inc., Eagle Shipping International (USA) LLC and Frank De Costanzo (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Eagle Bulk Shipping Inc., filed with the SEC on August 8, 2022; File No. 001-33831). |
| 10.7# | Transition, Separation and General Release Agreement, dated December 12, 2022, by and between Eagle Shipping International (USA) LLC, Eagle Bulk Shipping Inc. and Frank De Costanzo (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 16, 2022; File No. 001-33831). |
| 10.8# | Employment Agreement, dated as of December 11, 2023, by and between Eagle Bulk Shipping Inc., Eagle Shipping International (USA) LLC and Constantine Tsoutsoplides (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 10.9# | Restricted Stock Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan, dated September 3, 2021, between Gary Vogel and Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 10.10 to the Annual Report on Form 10-K of Eagle Bulk Shipping Inc., filed with the SEC on March 14, 2022; File No. 001-33831). |
| 10.10# | Restricted Stock Unit Award Agreement under the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan, dated November 15, 2022, between Gary Vogel and Eagle Bulk Shipping Inc. (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Eagle Bulk Shipping Inc., filed with the SEC on May 5, 2023; File No. 001-33831). |
| 10.11# | Omnibus Amendment to Award Agreements, effective as of December 10, 2023, by and between Eagle Bulk Shipping Inc. and Gary Vogel (incorporated by reference to Exhibit 10.2 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 10.12# | Amendment to Restricted Stock Unit Award Agreement, effective as of December 10, 2023, by and between Eagle Bulk Shipping Inc. and Constantine Tsoutsoplides (incorporated by reference to Exhibit 10.3 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 10.13# | Omnibus Amendment to Award Agreements, effective as of December 12, 2023, by and between Eagle Bulk Shipping Inc. and Gary Vogel (incorporated by reference to Exhibit 10.4 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 10.14# | Amendment to Restricted Stock Unit Award Agreement, effective as of December 12, 2023, by and between Eagle Bulk Shipping Inc. and Constantine Tsoutsoplides (incorporated by reference to Exhibit 10.5 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on December 14, 2023; File No. 001-33831). |
| 10.15 | At Market Issuance Sales Agreement with B. Riley Securities, Inc., BTIG, LLC and Fearnley Securities, Inc. (incorporated by reference to Exhibit 1.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc. filed with the SEC on March 12, 2021; File No. 001-33831). |
| 10.16 | Securities Purchase Agreement, dated June 22, 2023, between Eagle Bulk Shipping Inc. and the Seller listed therein (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of Eagle Bulk Shipping Inc., filed with the SEC on June 23, 2023; File No. 001-33831). |

| | |
|---|---|
| 10.17 | Amended and Restated Credit Agreement originally dated as of October 1, 2021 as amended and restated on May 11, 2023 by and among Eagle Bulk Shipping Inc. and certain vessel-owning subsidiaries, as guarantors, the lenders party thereto, the swap banks party thereto, Crédit Agricole Corporate and Investment Bank, Danish Ship Finance A/S, DNB Markets, Inc., Nordea Bank ABP, Filial I Norge and Skandinaviska Enskilda Banken AB (PUBL) as mandated lead arrangers and bookrunners and Crédit Agricole Corporate and Investment Bank, as facility agent, security trustee, structurer and sustainability coordinator (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Eagle Bulk Shipping Inc., filed with the SEC on August 4, 2023; File No. 001-33831). |
| 21.1* | Subsidiaries of the Registrant. |
| 23.1* | Consent of Independent Registered Public Accounting Firm. |
| 23.2* | Consent of Seward & Kissel LLP. |
| 31.1* | Rule 13a-14(d) / 15d-14(a) Certification of Principal Executive Officer. |
| 31.2* | Rule 13a-14(d) / 15d-14(a) Certification of Principal Financial Officer. |
| 32.1** | Section 1350 Certification of Principal Executive Officer. |
| 32.2** | Section 1350 Certification of Principal Financial Officer. |
| 97* | Eagle Bulk Shipping Inc. Clawback Policy |
| 101.INS* | XBRL Instance Document. |
| 101.SCH* | XBRL Schema Document. |
| 101.CAL* | XBRL Calculation Linkbase Document. |
| 101.DEF* | XBRL Definition Linkbase Document. |
| 101.LAB* | XBRL Labels Linkbase Document. |
| 101.PRE* | XBRL Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.
** Furnished herewith.
# Management contract or compensatory plan or arrangement.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on March 4, 2024.

**EAGLE BULK SHIPPING INC.**

By: /s/ Gary Vogel

Name: Gary Vogel
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 4, 2024.

| Name | Title |
|---|---|
| /s/ Gary Vogel<br>Gary Vogel | Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ Constantine Tsoutsoplides<br>Constantine Tsoutsoplides | Chief Financial Officer<br>(Principal Financial and Accounting Officer) |
| /s/ Paul M. Leand, Jr.<br>Paul M. Leand, Jr. | Chairman of the Board of Directors |
| /s/ A. Kate Blankenship<br>A. Kate Blankenship | Director |
| /s/ Justin A. Knowles<br>Justin A. Knowles | Director |
| /s/ Bart Veldhuizen<br>Bart Veldhuizen | Director |
| /s/ Gary Weston<br>Gary Weston | Director |

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

## Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Eagle Bulk Shipping Inc.

**Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated balance sheets of Eagle Bulk Shipping Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

**Basis for Opinions**

The Company's management is responsible for these financial statements, 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 Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

**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.

**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 critical audit matters does not alter in any way our opinion on the 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 disclosures to which it relates.

**Vessel Asset Impairment – Future Charter Rates – Refer to Note 2 of the financial statements.**

*Critical Audit Matter Description*

The Company's evaluation of its vessel assets for impairment involves an initial assessment of each vessel asset to determine whether events or changes in circumstances exist that may indicate that the carrying amount of the vessel asset may no longer be recoverable. Total Vessels and vessel improvements, at cost, net of accumulated depreciation as of December 31, 2023 and 2022, were $904 million and $891 million, respectively.

If indicators of impairment exist for a vessel asset, the Company determines the recoverable amount by estimating the undiscounted future cash flows associated with the vessel asset. If the Company's estimate of undiscounted future cash flows for any vessel asset for which indicators of impairment exist is lower than the vessel asset's carrying value, and the vessel's carrying value is greater than its fair market value, the carrying value is written down, by recording a charge to operations, to the vessel asset's fair market value. The Company makes significant assumptions and judgments to determine the undiscounted future cash flows expected to be generated over the remaining useful life of each vessel asset. These assumptions are based on historical trends and the Company's expectations for the vessels' utilization under the current deployment strategy. The most significant and subjective assumption is the future charter rates that the Company uses for its impairment analysis.

We identified future charter rates used in the undiscounted future cash flows analysis as a critical audit matter because of the complex judgments made by management to estimate future charter rates and the significant impact they have on undiscounted cash flows expected to be generated over the remaining useful life of the vessel. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's projected charter rates.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the future charter rates utilized in the undiscounted future cash flows included the following, among others:

- We tested the effectiveness of controls over management's review of the impairment analysis, including the future charter rates used within the undiscounted future cash flow analysis.

- We evaluated the reasonableness of the Company's estimate of future charter rates through the performance of the following procedures:

    - Evaluated the Company's methodology for estimating the future rates which reflect the rates currently in effect for the duration of their current charters. For the period subsequent to December 31, 2023, and up to December 31, 2026, for unfixed vessels, the Forward Freight Agreement rate is used to determine the future cash flows. Subsequent to December 31, 2026, and for the remaining life of the vessel, the Company utilizes an estimated daily time charter rate based on a fifteen-year historical average of the Baltic Supramax Index which is further adjusted for the deadweight ton of each vessel as compared to the index's representative vessel and, reduced by commissions, expected outflows for vessels' maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and estimated off hire and capital expenditures required for compliance with international and national maritime regulations, offset by the estimated vessel residual value.

    - Compared the future charter rates utilized in the undiscounted future cash flow analysis to 1) the Company's historical rates, 2) historical rate information by vessel class published by third parties and 3) other external market sources, including analysts' reports and forward freight agreement curves.

- Obtained from the Company’s management the assumptions used in the future charter rates and considered the consistency of the assumptions used with evidence obtained in other areas of the audit. This included, among others, 1) internal communications by management to the board of directors, and 2) external communications by management to analysts and investors.

/s/ Deloitte & Touche LLP

New York, New York

March 4, 2024

We have served as the Company’s auditor since 2015.

**EAGLE BULK SHIPPING INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**(U.S. dollars in thousands, except share data and par values)**

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | $ | 118,615 | $ | 187,155 |
| Accounts receivable, net of a reserve of $2,916 and $3,169, respectively | | 30,917 | | 32,311 |
| Prepaid expenses | | 5,525 | | 4,531 |
| Inventories | | 24,988 | | 28,081 |
| Collateral on derivatives | | 2,219 | | 909 |
| Fair value of derivative assets – current | | 6,824 | | 8,479 |
| Other current assets | | 458 | | 558 |
| Total current assets | | 189,546 | | 262,024 |
| **Noncurrent assets:** | | | | |
| Vessels and vessel improvements, at cost, net of accumulated depreciation of $301,694 and $261,725, respectively | | 904,298 | | 891,877 |
| Advances for vessel purchases | | — | | 3,638 |
| Operating lease right-of-use assets | | 7,182 | | 23,006 |
| Other fixed assets, net of accumulated depreciation of $1,393 and $1,623, respectively | | 1,086 | | 310 |
| Restricted cash – noncurrent | | 2,575 | | 2,599 |
| Deferred drydock costs, net | | 38,717 | | 42,849 |
| Fair value of derivative assets – noncurrent | | 3,136 | | 8,184 |
| Advances for BWTS and other assets | | 1,414 | | 2,722 |
| Total noncurrent assets | | 958,408 | | 975,185 |
| **Total assets** | $ | 1,147,954 | $ | 1,237,209 |
| **LIABILITIES & STOCKHOLDERS' EQUITY** | | | | |
| **Current liabilities:** | | | | |
| Accounts payable | $ | 21,245 | $ | 20,129 |
| Accrued interest | | 3,472 | | 3,061 |
| Other accrued liabilities | | 23,496 | | 24,097 |
| Fair value of derivative liabilities – current | | 479 | | 163 |
| Current portion of operating lease liabilities | | 6,153 | | 22,045 |
| Unearned charter hire revenue | | 4,312 | | 9,670 |
| Current portion of long-term debt – Global Ultraco Debt Facility | | 49,800 | | 49,800 |
| Current portion of long-term debt – Convertible Bond Debt, net of debt discount and debt issuance costs | | 103,890 | | — |
| Total current liabilities | | 212,847 | | 128,965 |
| **Noncurrent liabilities:** | | | | |
| Long-term debt – Global Ultraco Debt Facility, net of debt discount and debt issuance costs | | 330,113 | | 181,183 |
| Convertible Bond Debt, net of debt discount and debt issuance costs | | — | | 103,499 |
| Fair value of derivative liabilities – noncurrent | | 1,505 | | — |
| Noncurrent portion of operating lease liabilities | | 2,576 | | 3,173 |
| Other noncurrent accrued liabilities | | 695 | | 1,208 |
| Total noncurrent liabilities | | 334,889 | | 289,063 |
| **Total liabilities** | | 547,736 | | 418,028 |

Commitments and contingencies (Note 11)

| | | |
|---|---|---|
| **Stockholders' equity:** | | |
| Preferred stock, $0.01 par value, 25,000,000 shares authorized, none issued as of December 31, 2023 and 2022 | — | — |
| Common stock, $0.01 par value, 700,000,000 shares authorized, 9,326,231 and 13,003,702 shares issued and outstanding as of December 31, 2023 and 2022, respectively | 93 | 130 |
| Additional paid-in capital | 748,401 | 966,058 |
| Accumulated deficit | (156,727) | (163,556) |
| Accumulated other comprehensive income | 8,451 | 16,549 |
| Total stockholders' equity | 600,218 | 819,181 |
| **Total liabilities and stockholders' equity** | $ 1,147,954 | $ 1,237,209 |

The accompanying notes are an integral part of these Consolidated Financial Statements.

**EAGLE BULK SHIPPING INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(U.S. dollars in thousands, except share and per share data)**

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| Revenues, net | $ 393,799 | $ 719,847 | $ 594,538 |
| | | | |
| Voyage expenses | 106,686 | 163,385 | 104,643 |
| Vessel operating expenses | 120,461 | 123,932 | 103,877 |
| Charter hire expenses | 36,534 | 81,103 | 37,102 |
| Depreciation and amortization | 60,521 | 61,155 | 53,517 |
| General and administrative expenses | 43,586 | 41,184 | 35,161 |
| Impairment of operating lease right-of-use assets | 722 | 2,212 | — |
| Other operating expense | 7,346 | 3,802 | 2,812 |
| Gain on sale of vessels | (19,731) | (9,308) | (3,966) |
| Total operating expenses | 356,125 | 467,465 | 333,146 |
| | | | |
| Operating income | 37,674 | 252,382 | 261,392 |
| | | | |
| Interest expense | 23,602 | 16,981 | 32,257 |
| Interest income | (6,704) | (2,918) | (92) |
| Realized and unrealized (gain)/loss on derivative instruments, net | (1,952) | (13,859) | 38,244 |
| Loss on debt extinguishment | — | 4,169 | 6,085 |
| Total other expense, net | 14,946 | 4,373 | 76,494 |
| Net income | $ 22,728 | $ 248,009 | $ 184,898 |
| | | | |
| Weighted average shares outstanding: | | | |
| Basic | 11,090,064 | 12,989,951 | 12,399,509 |
| Diluted | 14,473,631 | 16,313,447 | 15,684,392 |
| | | | |
| Per share amounts: | | | |
| Basic net income | $ 2.05 | $ 19.09 | $ 14.91 |
| Diluted net income | $ 1.96 | $ 15.57 | $ 11.79 |

The accompanying notes are an integral part of these Consolidated Financial Statements.

**EAGLE BULK SHIPPING INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(U.S. dollars in thousands)**

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| Net income | $ 22,728 | $ 248,009 | $ 184,898 |
| Other comprehensive (loss)/income: | | | |
| Effect of cash flow hedges | (8,098) | 14,663 | 3,019 |
| Comprehensive income | $ 14,630 | $ 262,672 | $ 187,917 |

The accompanying notes are an integral part of these Consolidated Financial Statements.

## EAGLE BULK SHIPPING INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
**(U.S. dollars in thousands, except share and per share data)**

| | Shares of Common Stock | Common Stock | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Income/(Loss) | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| **Balance at January 1, 2021** | **11,661,797** | **$ 117** | **$ 943,572** | **$ (472,138)** | **$ (1,132)** | **$ 470,418** |
| Net income | — | — | — | 184,898 | — | 184,898 |
| Dividends declared ($2.00 per share) | — | — | — | (26,255) | — | (26,255) |
| Issuance of shares due to vesting of equity awards | 81,281 | 1 | (1) | — | — | — |
| Issuance of shares upon exercise of stock options | 50,641 | 1 | 55 | — | — | 56 |
| Common stock issued upon conversion of Convertible Bond Debt | 25 | — | 1 | — | — | 1 |
| Common stock issued upon conversion of warrants | 541,898 | 5 | 10,675 | — | — | 10,680 |
| Common stock issued from ATM Offering, net | 581,385 | 6 | 27,133 | — | — | 27,138 |
| Fees for equity offerings | — | — | (233) | — | — | (233) |
| Cash used to settle net share equity awards | — | — | (1,937) | — | — | (1,937) |
| Effect of cash flow hedges | — | — | — | — | 3,019 | 3,019 |
| Stock-based compensation | — | — | 3,481 | — | — | 3,481 |
| **Balance at December 31, 2021** | **12,917,027** | **129** | **982,746** | **(313,495)** | **1,886** | **671,266** |
| Net income | — | — | — | 248,009 | — | 248,009 |
| Dividends declared ($8.05 per share) | — | — | — | (106,745) | — | (106,745) |
| Cumulative effect of adoption of ASU 2020-06 | — | — | (20,726) | 8,675 | — | (12,051) |
| Issuance of shares due to vesting of equity awards | 78,598 | 1 | (1) | — | — | — |
| Issuance of shares upon exercise of stock options | 8,077 | — | 85 | — | — | 85 |
| Fees for equity offerings | — | — | 201 | — | — | 201 |
| Cash used to settle net share equity awards | — | — | (2,355) | — | — | (2,355) |
| Effect of cash flow hedges | — | — | — | — | 14,663 | 14,663 |
| Stock-based compensation | — | — | 6,108 | — | — | 6,108 |
| **Balance at December 31, 2022** | **13,003,702** | **130** | **966,058** | **(163,556)** | **16,549** | **819,181** |
| Net income | — | — | — | 22,728 | — | 22,728 |
| Dividends declared ($1.38 per share) | — | — | — | (15,899) | — | (15,899) |
| Issuance of shares due to vesting of equity awards | 104,090 | 1 | (1) | — | — | — |
| Repurchase of common stock – related party (Note 9) | (3,781,561) | (38) | (222,851) | — | — | (222,889) |
| Cash used to settle net share equity awards | — | — | (2,297) | — | — | (2,297) |
| Effect of cash flow hedges | — | — | — | — | (8,098) | (8,098) |
| Stock-based compensation | — | — | 7,492 | — | — | 7,492 |
| **Balance at December 31, 2023** | **9,326,231** | **$ 93** | **$ 748,401** | **$ (156,727)** | **$ 8,451** | **$ 600,218** |

The accompanying notes are an integral part of these Consolidated Financial Statements.

**EAGLE BULK SHIPPING INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(U.S. dollars in thousands)**

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| **Cash flows from operating activities:** | | | |
| Net income | $ 22,728 | $ 248,009 | $ 184,898 |
| *Adjustments to reconcile net income to net cash provided by operating activities:* | | | |
| Depreciation | 46,522 | 47,911 | 44,862 |
| Noncash operating lease expense | 22,616 | 30,233 | 16,364 |
| Amortization of deferred drydocking costs | 13,999 | 13,244 | 8,656 |
| Amortization of debt discount and debt issuance costs | 2,738 | 2,130 | 7,083 |
| Loss on debt extinguishment | — | 4,169 | 6,085 |
| Impairment of operating lease right-of-use assets | 722 | 2,212 | — |
| Gain on sale of vessels | (19,731) | (9,308) | (3,966) |
| Unrealized loss on derivative instruments, net | 496 | 1,933 | 68 |
| Stock-based compensation expense | 7,492 | 6,108 | 3,481 |
| Drydocking expenditures | (14,397) | (18,422) | (21,906) |
| *Changes in operating assets and liabilities:* | | | |
| Accounts payable | 1,364 | (257) | 10,067 |
| Accounts receivable | 1,384 | (4,141) | (14,967) |
| Accrued interest | 411 | 185 | (1,733) |
| Inventories | 3,092 | (10,429) | (6,027) |
| Operating lease liabilities current and noncurrent | (24,732) | (30,227) | (17,132) |
| Collateral on derivatives | (1,310) | 14,172 | (15,081) |
| Fair value of derivatives, other current and noncurrent assets | 36 | (105) | (1,622) |
| Other accrued liabilities | (1,140) | 4,452 | 6,205 |
| Prepaid expenses | (994) | (1,170) | (179) |
| Unearned charter hire revenue | (5,359) | (2,416) | 4,015 |
| **Net cash provided by operating activities** | 55,937 | 298,283 | 209,171 |
| | | | |
| **Cash flows from investing activities:** | | | |
| Purchase of vessels and vessel improvements | (82,355) | (27,676) | (128,254) |
| Advances for vessel purchases | — | (3,638) | — |
| Purchase of scrubbers and ballast water treatment systems | (2,648) | (7,307) | (6,712) |
| Proceeds from hull and machinery insurance claims | 174 | 286 | 354 |
| Net proceeds from sale of vessels | 56,609 | 14,917 | 9,163 |
| Purchase of other fixed assets | (900) | (274) | (33) |
| **Net cash used in investing activities** | (29,120) | (23,692) | (125,481) |
| | | | |
| **Cash flows from financing activities:** | | | |
| Proceeds from Revolving Facility, net of debt issuance costs – Global Ultraco Debt Facility | 123,361 | — | — |
| Proceeds from Term Facility, net of debt issuance costs – Global Ultraco Debt Facility | 73,125 | — | — |

| | | | |
|---|---|---|---|
| Proceeds from term loan facility – Original Global Ultraco Debt Facility | — | — | 300,000 |
| Proceeds from term loan facility – New Ultraco Debt Facility | — | — | 16,500 |
| Proceeds from revolving credit facility – Original Global Ultraco Debt Facility | — | — | 50,000 |
| Proceeds from revolving credit facility – New Ultraco Debt Facility | — | — | 55,000 |
| Proceeds from Holdco Revolving Credit Facility | — | — | 24,000 |
| Repayment of Term Facility – Global Ultraco Debt Facility | (49,800) | (49,800) | (12,450) |
| Repayment of term loan facility – New Ultraco Debt Facility | — | — | (182,930) |
| Repayment of revolving credit facility – Original Global Ultraco Debt Facility | — | — | (50,000) |
| Repayment of revolving credit facility – New Ultraco Debt Facility | — | — | (55,000) |
| Repayment of Holdco Revolving Credit Facility | — | — | (24,000) |
| Repayment of revolving credit facility – Super Senior Facility | — | — | (15,000) |
| Repurchase of Convertible Bond Debt | — | (14,181) | — |
| Repayment of Norwegian Bond Debt | — | — | (184,356) |
| Debt issuance costs paid to lenders | — | (18) | (6,351) |
| Other financing costs | (103) | — | (731) |
| Repurchase of Common Stock and associated fees – related party (Note 9) | (222,889) | — | — |
| Proceeds from issuance of shares under ATM Offering, net of commissions | — | — | 27,138 |
| Proceeds from/(payments on) equity offerings, net of issuance costs | — | 201 | (493) |
| Cash paid for taxes related to net share settlement of equity awards | (2,297) | (2,355) | (1,937) |
| Cash received from exercise of stock options | — | 85 | 56 |
| Cash used to settle fractional shares | — | — | — |
| Dividends paid | (16,778) | (104,991) | (25,763) |
| **Net cash used in financing activities** | (95,381) | (171,059) | (86,317) |
| Net (decrease)/increase in cash, cash equivalents and restricted cash | (68,564) | 103,532 | (2,627) |
| Cash, cash equivalents and restricted cash at beginning of year | 189,754 | 86,222 | 88,849 |
| **Cash, cash equivalents and restricted cash at end of year** | $ 121,190 | $ 189,754 | $ 86,222 |

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Note 1. General Information**

The accompanying consolidated financial statements include the accounts of Eagle Bulk Shipping Inc. and its wholly-owned subsidiaries (collectively, the "Company," "we" or "our" or similar terms). All dollar amounts are stated in U.S. dollars and are presented in thousands, on a rounded basis, using actual amounts, except for per share amounts and unless otherwise noted. Minor differences in totals or percentages may exist due to rounding.

***Our Business***

The Company is engaged in the business of ocean transportation of drybulk cargoes worldwide through the ownership, charter and operation of drybulk carrier vessels.

The Company's fleet, which is comprised of Supramax and Ultramax drybulk carriers is engaged in the Company's single set of business activities. Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one operating segment and has one reportable segment. As the Company's vessels transport cargoes on behalf of customers across the globe, between countries and through international waters via many different trade routes, the disclosure of geographic information is impracticable.

The Company is a holding company incorporated in 2005, under the laws of the Republic of the Marshall Islands and is the sole owner of all of the outstanding shares of its wholly-owned subsidiaries formed in the Republic of the Marshall Islands. The primary activity of each of the subsidiaries is the ownership of a vessel. The operations of the vessels are managed by a directly wholly-owned subsidiary of the Company, Eagle Bulk Management LLC, a Republic of the Marshall Islands limited liability company. Our common stock traded on the Nasdaq Global Select Market under the symbol "EGLE" until January 3, 2023. On January 4, 2023, we transferred the listing of our common stock to the New York Stock Exchange ("NYSE"), which continues to trade under the symbol "EGLE."

As of December 31, 2023, the Company owned and operated a modern fleet of 52 ocean-going vessels, including 22 Supramax and 30 Ultramax vessels, with a combined carrying capacity of 3.16 million deadweight ton ("dwt") and an average age of approximately 10 years.

In addition to its owned fleet, the Company charters-in third-party vessels on both a short-term and long-term basis. As of December 31, 2023, the Company had three Ultramax vessels on a long-term charter-in basis, each with a remaining lease term of less than one year.

For each of the years ended December 31, 2023, 2022 and 2021, the Company had no charterers which individually accounted for more than 10% of the Company's gross charter revenue.

Effective as of September 15, 2020, the Company completed a 1-for-7 reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock, par value $0.01 per share. Proportional adjustments were made to the Company's issued and outstanding common stock, the exercise price and number of shares issuable upon exercise of all of the Company's outstanding warrants, the exercise price and number of shares issuable upon exercise of the options outstanding under the Company's equity incentive plans and the number of shares subject to restricted stock awards under the Company's equity incentive plans. Furthermore, the conversion rate set forth in the indenture governing the Company's Convertible Bond Debt was adjusted to reflect the Reverse Stock Split. No fractional shares of common stock were issued in connection with the Reverse Stock Split. Furthermore, if a shareholder held less than seven shares prior to the Reverse Stock Split, then such shareholder received cash in lieu of the fractional share. All references herein to common stock and per share data for all periods presented in these consolidated financial statements and notes thereto have been retrospectively adjusted to reflect the Reverse Stock Split.

***Proposed Merger***

On December 11, 2023, the Company, Star Bulk Carriers Corp. ("Star Bulk"), and Star Infinity Corp., a wholly-owned subsidiary of Star Bulk ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, subject to approval of the Company's shareholders and the satisfaction or (to the extent permitted by law) waiver of other specified closing conditions, Merger Sub will be merged with and into the Company (the "Proposed Merger"), with the Company surviving the merger and becoming a wholly-owned subsidiary of Star Bulk.

If the Proposed Merger is completed, each share of the Company's common stock (other than shares held by the Company, Star Bulk, Merger Sub or any of their respective direct or indirect wholly-owned subsidiaries) will be converted into the right to receive 2.6211 validly issued, fully paid and non-assessable shares of common stock of Star Bulk (and, if applicable, cash in lieu of fractional shares) (the "Merger Consideration"), less any applicable withholding taxes. Based on the number of shares of Star Bulk common stock and the Company's common stock outstanding and reserved for issuance as of the date the Merger Agreement was executed, immediately following the consummation of the Proposed Merger, pre-merger Star Bulk shareholders will own approximately 71% and former shareholders of the Company will own approximately 29% of Star Bulk common stock on a fully diluted basis.

The Proposed Merger is expected to close in the first half of 2024, subject to the satisfaction or waiver of certain conditions, including: (i) the authorization of the Merger Agreement by the affirmative vote of the holders of a majority of all outstanding shares of common stock of the Company entitled to vote thereon; (ii) the authorization of the issuance of shares of the Company's common stock issuable upon the potential future conversion of Convertible Bond Debt (as defined below) in excess of the conversion share cap set forth in the Indenture (as defined below) by the affirmative vote of a majority of the votes cast by holders of common stock of the Company entitled to vote thereon; (iii) the effectiveness, which occurred on February 12, 2024, of a registration statement on Form F-4 in connection with the issuance of Star Bulk common stock as merger consideration, which includes a prospectus and a proxy statement relating to the special shareholder meeting to approve the Proposed Merger and absence of any stop order suspending the effectiveness of the Form F-4; (iv) the absence of any temporary restraining order, preliminary or permanent injunction or other judgment or law entered, enacted, promulgated, enforced or issued by any court or other governmental entity of competent jurisdiction preventing, making illegal or prohibiting the Proposed Merger or the transactions contemplated by the Merger Agreement; (v) the expiration or termination of all applicable waiting periods relating to the Proposed Merger under the Hart-Scott-Rodino Antitrust Improvements Act and the receipt of certain approvals from applicable governmental entities; and (vi) the approval of the listing on the Nasdaq Global Select Market of shares of Star Bulk common stock to be issued in the Proposed Merger as merger consideration, subject to official notice of issuance. The obligation of each of the Company and Star Bulk to consummate the Proposed Merger is also conditioned on, among other things, the accuracy of the representations and warranties made by the other party as of the closing date (subject to certain "materiality" and "material adverse effect" qualifiers) and material compliance by the other party with pre-closing covenants.

**Note 2. Significant Accounting Policies**

***(a)*** ***Principles of Consolidation:*** The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP") and include the accounts of Eagle Bulk Shipping Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions were eliminated upon consolidation.

***(b)*** ***Use of Estimates:*** The preparation of consolidated financial statements in conformity with U.S. GAAP 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. Significant estimates include fair values of long-lived assets (primarily vessels and operating lease right-of-use assets), recoverability of long-lived assets (primarily vessels and operating lease right-of-use assets), stock-based compensation and fair values of financial instruments (primarily derivative instruments and Convertible Bond Debt (as defined herein)), residual values of vessels, useful lives of vessels and estimated losses on accounts receivable. Actual results could differ from those estimates.

***(c)*** ***Cash, Cash Equivalents and Restricted Cash:*** The Company considers highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less at the time of purchase to be cash equivalents.

*(d)* ***Accounts Receivable and Credit Losses:*** Accounts receivable primarily includes receivables from charterers for time and voyage charter contracts. The Company maintains an allowance for expected credit losses on accounts receivable. The allowance for expected credit losses is reported in Receivables, net in the Consolidated Balance Sheets and provisions for expected credit losses are reported in Operating income in the Consolidated Statements of Operations.

The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis for accounts receivable from specific customers with known disputes or collectability issues. In estimating the amount of the allowance for credit losses, the Company considers historical collectability based on past due status, the creditworthiness of customers based on current credit evaluations, customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. For the years ended December 31, 2023, 2022 and 2021, our assessment considered business and market disruptions caused by the conflicts between Russia and Ukraine and Israel and Hamas, the COVID-19 pandemic and estimates of expected emerging credit and collectability trends. The continued volatility in market conditions and evolving shifts in credit trends are inherently difficult to predict causing variability and volatility that may have a material impact on our allowance for expected credit losses in future periods.

A summary of activity within allowance for credit losses for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| Beginning balance | $ 3,169 | $ 1,818 | $ 2,357 |
| Provision for credit losses | 504 | 1,997 | 358 |
| Write-offs of uncollectible amounts | (757) | (646) | (897) |
| Ending balance | $ 2,916 | $ 3,169 | $ 1,818 |

*(e)* ***Insurance Claims:*** Insurance claims are recorded net of any deductible amounts for insured damages, which are recognized when recovery is virtually certain under the related insurance policies and where the Company can make an estimate of the amount to be reimbursed following the insurance claim. Insurance claims are reported in Accounts receivable in the Consolidated Balance Sheets.

*(f)* ***Inventories:*** Inventories, which consist of bunkers, are recorded at cost which is determined on a first-in, first-out method. The costs of lubes, stores and spares are not recorded in the Consolidated Balance Sheets and are generally expensed as incurred in Vessel operating expenses in the Consolidated Statements of Operations.

*(g)* ***Vessels and Vessel Improvements, at Cost:*** Vessels are reported at cost, which consists of the contract price, and other direct costs relating to acquiring and placing a vessel in service, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated remaining useful life of a vessel based on the cost of the vessel reduced by its estimated scrap value. The Company estimates the useful life of a vessel to be 25 years from the date of its initial delivery from the shipyard to its original owner.

Effective January 1, 2023, we increased the estimated scrap value of our vessels from $300 per light weight ton ("lwt") to $400 per lwt. This change was driven by increases in 15-year average scrap price trends sourced from a third-party data provider as well as similar increases by certain of our industry peer companies. The change in the estimated scrap value will result in a decrease in depreciation expense over the estimated remaining useful lives of our vessels. The impact of this change on Net income and Basic and Diluted net income per share for the year ended December 31, 2023 is as follows:

| | | Year Ended December 31, 2023 |
|---|---|---|
| Increase to Net income | $ | 3,979 |
| Increase to Basic net income per share | $ | 0.36 |
| Increase to Diluted note income per share | $ | 0.27 |

Vessel improvements such as scrubbers and ballast water treatment systems are capitalized and depreciated over the estimated remaining useful life of the related vessel.

*(h)* ***Recoverability of Long-Lived Assets:*** The Company reviews long-lived assets for potential impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When the Company determines that an asset's carrying amount may not be recoverable, the asset is tested for recoverability by comparing an estimate of the asset's undiscounted cash flows, excluding interest charges, expected to be generated by its use to its carrying amount. When an asset's estimated undiscounted cash flows is less than its carrying amount, the Company will record an impairment loss. Measurement of an impairment loss is based on the amount by which an asset's carrying amount exceeds its estimated fair value.

When estimating the future cash flows of vessels and vessel improvements, a significant assumption made by the Company is future charter rates. The Company estimates future charter rates based on the 15-year average of the Baltic Supramax Index ("BSI"), as published by a reputable independent third-party shipping broker, and as adjusted for the actual deadweight tonnage of a given vessel.

When measuring an impairment loss, the Company uses information obtained from independent third-parties in estimating the fair value (basic charter-free market value) of a vessel.

The Company reviews, on an annual basis, the assumptions used in the estimation of undiscounted cash flows. We did not recognize any impairment charges on our vessels and vessel improvements for the years ended December 31, 2023, 2022 and 2021.

*(i)* ***Accounting for Drydocking Costs:*** The Company follows the deferral method of accounting for drydocking costs whereby actual costs incurred are deferred and amortized on a straight-line basis over the period through the date the next drydocking is required to become due, generally 30 months for vessels that are 15 years old or more and 60 months for vessels that are less than 15 years old. Costs deferred as part of the drydocking include direct costs that are incurred as part of the drydocking to meet regulatory requirements. Certain costs are capitalized during drydocking if they are expenditures that add economic life to the vessel, increase the vessel's earnings capacity or improve the vessel's efficiency. Direct costs that are deferred include the shipyard costs, parts, inspection fees, steel, blasting and painting. Expenditures for normal maintenance and repairs, whether incurred as part of the drydocking or not, are expensed as incurred. Unamortized drydocking costs of a vessel that is sold are written off and included in the calculation of the resulting gain or loss in the period of the vessel's sale. Unamortized drydocking costs are written off as drydocking expense if a vessel is drydocked before the expiration of the applicable amortization period.

*(j)* ***Deferred Financing Costs:*** Fees incurred for obtaining new loans or refinancing existing ones are deferred and amortized to interest expense over the life of the related debt using the effective interest method. Unamortized deferred financing costs are written off when the related debt is extinguished. Deferred financing costs (or debt issuance costs) are reported as a reduction to the carrying value of long-term debt in the Consolidated Balance Sheets.

*(k)* ***Other Fixed Assets:*** Other fixed assets are stated at cost less accumulated depreciation. Depreciation is based on a straight-line basis over the estimated useful life of the asset. Other fixed assets consist principally of leasehold improvements, computers and software and are depreciated over three years. Depreciation expense for other fixed assets for the years ended December 31, 2023, 2022 and 2021 was $0.2 million, $0.2 million and $0.3 million, respectively.

*(l)* ***Leases:*** Operating lease liabilities are recognized at the lease commencement date based on the net present value of fixed lease payments and variable lease payments that depend on an index or rate using the discount rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company's incremental borrowing rate is the rate that the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to a lease's lease payments in a similar economic environment. Operating lease right-of-use assets are generally recognized based on the related lease liabilities. Operating lease liabilities and right-of-use assets are recognized for leases with a lease term (which includes periods covered by options to extend if the Company is reasonably certain to exercise that option) that is greater than twelve months. The Company has elected to account for short-term operating leases from time charter-in contracts and from office leases in earnings on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred and does not recognize operating lease right-of-use assets or operating lease liabilities for such short-term leases.

Operating lease right-of-use assets are reviewed for potential impairment at each balance sheet date or whenever events or changes in circumstances indicate that an asset group's carrying value may not be recoverable. When the Company determines that an operating lease right-of-use asset's carrying amount may not be recoverable, the asset is tested for recoverability by comparing an estimate of the asset's undiscounted cash flows expected to be generated by its use to its carrying amount. The Company estimates the future cash flows of an operating lease right-of-use asset using BSI forward curve data and time charter market rates that best align to an operating lease's remaining lease term, as published by independent third-party sources. For the years ended December 31, 2023 and 2022, the Company recorded impairment losses on operating lease right-of-use assets of $0.7 million and $2.2 million, respectively. These losses were driven by declines in the freight rate environment as compared to certain operating leases with relatively higher fixed hire rates. No impairment loss on operating lease right-of-use assets was recorded for the year ended December 31, 2021.

Time charter-out contracts are accounted for as operating leases as (i) the vessel is an identifiable asset, (ii) the Company does not have substantive substitution rights and (iii) the charterer has the right to control the use of the vessel during the contractual term of the related time charter agreement and derives an economic benefit from its use. Under time charter-out contracts, the Company does not separate lease and non-lease components as the timing and pattern of transfer of lease and non-lease components are the same and the lease components, if accounted for separately, would be classified as an operating lease.

*(m)* ***Revenue Recognition:*** Revenues are derived from time and voyage charters.

Revenues from time charter contracts, which are accounted for as operating leases, are recognized on a straight-line basis over the contractual term of the related time charter agreement.

Voyage charter contracts generally consist of a single performance obligation of transportation of cargo within a specified period of time. This performance obligation is satisfied over time as the related voyage progresses and the related revenue is recognized on a straight-line basis over the estimated relative transit time (in voyage days) from the commencement of the loading of cargo to the completion of discharge, provided an agreed non-cancellable charter between the Company and the charterer is in existence, the charter rate is fixed and determinable and collectability is reasonably assured.

*(n)* ***Voyage Expenses and Vessel Operating Expenses:*** Voyage expenses primarily consists of bunker costs, port charges, canal tolls and the cost of cargo handling operations incurred under voyage charter contracts. Similar costs under time charter contracts are the responsibility of the Company's customers (the charterer) and are not recorded by the Company. Brokerage commissions incurred under time charter and voyage charter contracts are also included in voyage expenses. Brokerage commissions are deferred and recognized over the related contractual charter term. Vessel operating expenses primarily consists of crewing, vessel repairs and maintenance and vessel insurance costs. Except for brokerage commissions, voyage expenses and vessel operating expenses are expensed as incurred on an accrual basis.

At the inception of a time charter, the Company records the difference between the cost of bunkers from the previous charterer and the cost of bunkers sold to the current charterer as a gain or loss within voyage expenses. Additionally, the Company records lower of cost and net realizable value adjustments to re-value the bunker fuel on a quarterly basis for certain time charter agreements where the inventory is subject to gains and losses. These differences in bunkers, including any lower of cost and net realizable value adjustments, resulted in a net gain of $5.9 million, $8.1 million and $6.3 million for the years ended December 31, 2023, 2022 and 2021, respectively. Additionally, voyage expenses include the cost of bunkers consumed during the ballast period for time charter voyages. The ballast period starts from the completion of the previous voyage and ends on the delivery of the vessel to the current charterer.

*(o)* ***Unearned Charter Hire Revenue:*** Unearned charter hire revenue represents cash received from charterers prior to the time such amounts are earned. These amounts are recognized as revenue as services are provided in future periods.

*(p)* ***Protection and Indemnity Insurance:*** The Company's protection and indemnity insurance is subject to additional premiums referred to as "back calls" or "supplemental calls" which are accounted for on an accrual basis over the related coverage period and are recorded in vessel operating expenses.

*(q)* ***Earnings Per Share:*** The computation of basic net income per share is based on income available to common stockholders divided by the weighted average number of common shares outstanding for the reporting period. Diluted net income per share gives effect to dilutive securities, unless the impact of such securities is anti-dilutive.

*(r)* ***Interest Rate Risk Management:*** The Company is exposed to the impact of changes in benchmark interest rates on its outstanding debt under the Term Facility and Revolving Facility as part of the Global Ultraco Debt Facility (as each of these terms is defined below.) The Company manages its exposure to the impact of changes in benchmark interest rates on its earnings and cash flows through the use of interest rate swaps. See Note 7. Debt and Note 8. Derivative Instruments for additional information.

*(s)* ***Taxation:*** The Company is a Republic of the Marshall Islands Corporation and under the laws of the Republic of the Marshall Islands, the Company's shipowning companies are not subject to tax on international shipping income.

Under the United States Internal Revenue Code of 1986, as amended (the "Code"), a foreign corporation engaged in the international operation of ships will be exempt from U.S. federal income tax on its shipping income if it meets certain requirements under §883 of the Code and certain regulations thereunder. For the years ended December 31, 2023, 2022 and 2021, the Company believes that its operations qualify for exemption under §883 of the Code by virtue of satisfying the Country of Organization Requirement and Ownership Requirement. The U.S. Treasury Department recognizes the Republic of the Marshall Islands as a "qualified foreign country" for purposes of satisfying the Country of Organization Requirement and the Company satisfied the Ownership Requirement by virtue of its Common Stock being primarily and regularly traded on an established securities market in the United States. Therefore, we believe that we are not subject to United States federal taxes on United States source shipping income.

*(t)* ***Stock-Based Compensation:*** The Company generally measures stock-based compensation based on the fair value of the award at the date of grant and recognizes the related expense over the vesting period on a straight-line basis using the graded vesting method. The grant date fair value of stock options is generally estimated using the Black-Scholes option pricing model. The grant date fair value of stock-based compensation awards that are contingent upon a total shareholder return-based market condition is generally estimated using a Monte Carlo simulation model. Expense for stock-based compensation awards that include performance conditions are initially calculated and subsequently remeasured based on the outcome deemed probable of occurring, and recognized over the vesting period, with the ultimate amount of expense recognized based on the actual performance outcome. Expense for stock-based compensation awards that include market conditions are calculated based on grant date fair value and recognized over the vesting period, whether or not, and regardless to what extent, the market condition is satisfied. Forfeitures of stock-based compensation are accounted for as they occur. See Note 15. Stock Incentive Plans for additional information.

(u) ***Collateral on Derivatives:*** The Company separately presents the right to reclaim cash collateral or the obligation to return cash collateral from the fair value of derivative instruments. The amount of collateral required to be posted is defined in the terms of respective master agreements executed with counterparties or exchanges and is required when agreed-upon threshold limits are exceeded. As of December 31, 2023 and 2022, the Company posted cash collateral related to derivative instruments under its collateral security arrangements of $2.2 million and $0.9 million, respectively, which is recorded within Collateral on derivatives in the Consolidated Balance Sheets.

***Recently Adopted Accounting Pronouncements***

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 removes from U.S. GAAP the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, after adopting the ASU's guidance, entities will not separately present in equity an embedded conversion feature in such debt. Instead, the entity will account for a convertible debt instrument wholly as debt, and for convertible preferred stock wholly as preferred stock (i.e., as a single unit of account), unless (1) a convertible instrument contains features that require bifurcation as a derivative under Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging,* or (2) a convertible debt instrument was issued at a substantial premium. The Company adopted ASU 2020-06 as of January 1, 2022, under the modified retrospective approach. Accordingly, the Convertible Bond Debt no longer required bifurcation and separate accounting of its equity component and the related debt discount will no longer be amortized to interest expense over the life of the bond. An adjustment to opening retained earnings as of January 1, 2022 of $8.7 million was recorded within Accumulated deficit reflecting the cumulative impact of adoption. Additionally, a $20.7 million reduction to Additional paid-in capital was recorded to reverse the equity component and an offsetting $12.0 million was recorded within Convertible Bond Debt, net of debt discount and debt issuance costs as a reversal of the debt discount.

In March 2020, the FASB issued ASU 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 establishes (1) a general contract modification principle that entities can apply in other areas that may be affected by reference rate reform and (2) certain elective hedge accounting expedients. In June 2023, the Company modified certain interest rate swap agreements to coincide with the Global Ultraco Refinancing (as defined below). The Company utilized certain expedients under ASU 2020-04 to conclude that the modifications should be accounted for as continuations of the existing swap agreements, which had no impact on our consolidated financial statements. See Note 7. Debt and Note 8. Derivative Instruments for additional information.

***Recently Issued Accounting Pronouncements Not Yet Effective***

In November 2023, the FASB issued ASU 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 expands reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, and an amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. ASU 2023-07 also requires that all segment-related disclosures required by FASB Topic 280 (Segment Reporting) be made by entities that have a single reportable segment. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 and early adoption is permitted. The Company is currently evaluating the potential impact of ASU 2023-07 on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 expands income tax disclosure requirements, primarily through enhanced disclosures about rate reconciliations, income taxes paid and certain other income tax-related disclosures, while also removing certain income tax-related disclosures deemed to no longer be cost beneficial or relevant. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 and early adoption is permitted. The Company is currently evaluating the potential impact of ASU 2023-09 on its consolidated financial statements.

## Note 3. Supplemental Cash and Cash Flow Information

Cash, cash equivalents and restricted cash on the Consolidated Statements of Cash Flows consists of the following:

| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
|---|---|---|---|
| Cash and cash equivalents | $ 118,615 | $ 187,155 | $ 86,147 |
| Restricted cash – noncurrent | 2,575 | 2,599 | 75 |
| | $ 121,190 | $ 189,754 | $ 86,222 |

Cash paid for interest for the years ended December 31, 2023, 2022 and 2021 totaled $30.1 million, $26.0 million and $29.6 million, respectively.

Cash received from/(paid for) interest rate swap agreements for the years ended December 31, 2023, 2022 and 2021 totaled $9.7 million, $1.7 million and $(0.4) million, respectively.

A summary of non-cash investing and financing activities is as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Accruals and accounts payable for the purchase of vessels and vessel improvements | $ 191 | $ 30 | $ 73 |
| Accruals and accounts payable for the purchase of scrubbers and ballast water treatment systems | $ 255 | $ 388 | $ 3,307 |
| Accounts payable for the purchase of other fixed assets | $ 77 | $ — | $ — |
| Accruals for dividends payable | $ 371 | $ 2,245 | $ 491 |
| Fair value of warrants issued as consideration for the purchase of vessels | $ — | $ — | $ 10,680 |

## Note 4. Vessels and Vessel Improvements

As of December 31, 2023, the Company's owned fleet consisted of 52 drybulk vessels.

Activity within Vessels and vessel improvements is as follows:

| | Year Ended | |
|---|---|---|
| | December 31, 2023 | December 31, 2022 |
| Beginning balance | $ 891,877 | $ 908,076 |
| Acquisition of vessels and vessel improvements | 86,255 | 28,289 |
| Sale of vessels | (31,641) | (5,592) |
| Purchase and installation of BWTS | 4,128 | 8,794 |
| Depreciation expense | (46,321) | (47,690) |
| Ending balance | $ 904,298 | $ 891,877 |

*Vessel Acquisitions and Sales*

During the years ended December 31, 2023 and 2022, the Company completed the following acquisition and sale transactions:

| Vessel | Type | Scrubber-Fitted | Dwt (in thousands) | Year Built | Delivery Date | Total Consideration ($ in millions) |
|---|---|---|---|---|---|---|
| ***Vessel Acquisitions*** | | | | | | |
| Halifax Eagle | Ultramax | P | 63.7 | 2020 | May 2023 | $30.1 |
| Vancouver Eagle | Ultramax | P | 63.7 | 2020 | May 2023 | $30.1 |
| Gibraltar Eagle[(1)] | Ultramax | | 63.6 | 2015 | February 2023 | $24.3 |
| Tokyo Eagle | Ultramax | P | 61.2 | 2015 | November 2022 | $27.5 |
| ***Vessel Sales*** | | | | | | |
| Sankaty Eagle | Supramax | | 58.0 | 2011 | July 2023 | (2) |
| Newport Eagle | Supramax | | 58.0 | 2011 | May 2023 | (2) |
| Montauk Eagle | Supramax | | 58.0 | 2011 | May 2023 | (2) |
| Jaeger[(3)] | Supramax | | 52.5 | 2004 | March 2023 | $9.0 |
| Cardinal[(4)] | Supramax | | 55.4 | 2004 | August 2022 | $15.8 |

(1) The Company paid a deposit of $3.6 million on this vessel as of December 31, 2022. The balance of consideration was paid upon delivery of the vessel.

(2) The vessels Montauk Eagle, Newport Eagle and Sankaty Eagle were sold for total consideration of $49.8 million. The Company recorded a gain of $16.4 million upon the sale of these vessels in the Consolidated Statement of Operations for the year ended December 31, 2023.

(3) The Company recorded a gain of $3.3 million upon sale of this vessel in the Consolidated Statement of Operations for the year ended December 31, 2023.

(4) The Company recorded a gain of $9.3 million upon sale of this vessel in the Consolidated Statement of Operations for the year ended December 31, 2022.

*Ballast Water Treatment Systems*

As of December 31, 2023, each of our owned vessels have ballast water treatment systems (“BWTS”) installed. For the years ended December 31, 2023 and 2022, the Company incurred $2.3 million and $6.2 million of costs, respectively, related to the acquisition and installation of BWTS.

**Note 5. Deferred Drydock Costs**

Amortization of deferred drydocking costs for the years ended December 31, 2023, 2022 and 2021 totaled $14.0 million, $13.2 million and $8.7 million, respectively.

Cash paid for drydocking costs for the years ended December 31, 2023, 2022 and 2021 totaled $14.4 million, $18.4 million and $21.9 million, respectively.

Activity within Deferred drydock costs, net is as follows:

| | Year Ended | |
|---|---|---|
| | December 31, 2023 | December 31, 2022 |
| Beginning Balance | $ 42,849 | $ 37,093 |
| Drydocking expenditures | 14,397 | 18,422 |
| Accrued drydocking expenditures | 701 | 589 |
| Amortization expense | (13,999) | (13,244) |
| Write-off due to sale of vessels | (5,231) | (11) |
| Ending Balance | $ 38,717 | $ 42,849 |

**Note 6. Other Accrued Liabilities**

Other accrued liabilities consists of the following:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Vessel operating and voyage expenses | $ 9,437 | $ 11,877 |
| General, administrative and other operating expenses | 9,864 | 8,516 |
| Vessel improvement and drydocking costs | 3,525 | 2,666 |
| Dividends payable | 670 | 1,038 |
| | $ 23,496 | $ 24,097 |

**Note 7. Debt**

Long-term debt consists of the following:

| | December 31, 2023 | | | December 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Principal Amount Outstanding | Debt Discounts and Debt Issuance Costs | Carrying Value | Principal Amount Outstanding | Debt Discounts and Debt Issuance Costs | Carrying Value |
| Convertible Bond Debt | $ 104,119 | $ (229) | $ 103,890 | $ 104,119 | $ (620) | $ 103,499 |
| Global Ultraco Debt Facility – Term Facility | 262,950 | (5,305) | 257,645 | 237,750 | (6,767) | 230,983 |
| Global Ultraco Debt Facility – Revolving Facility | 125,000 | (2,732) | 122,268 | — | — | — |
| Total debt | 492,069 | (8,266) | 483,803 | 341,869 | (7,387) | 334,482 |
| Less: Current portion – Convertible Bond Debt | (104,119) | 229 | (103,890) | — | — | — |
| Less: Current portion – Global Ultraco Debt Facility | (49,800) | — | (49,800) | (49,800) | — | (49,800) |
| **Total long-term debt** | $ 338,150 | $ (8,037) | $ 330,113 | $ 292,069 | $ (7,387) | $ 284,682 |

*Convertible Bond Debt*

On July 29, 2019, the Company issued $114.1 million in aggregate principal amount of 5.0% Convertible Senior Notes due 2024 (the "Convertible Bond Debt"). After deducting debt discount of $1.6 million, the Company received net proceeds of approximately $112.5 million. Additionally, the Company incurred $1.0 million of debt issuance costs relating to this transaction. The Company used the proceeds to partially finance the purchase of six Ultramax vessels and for general corporate purposes, including working capital.

The Convertible Bond Debt bears interest at a rate of 5.0% per annum on the outstanding principal amount thereof, payable semi-annually in arrears on February 1 and August 1 of each year, which commenced on February 1, 2020. The Convertible Bond Debt may bear additional interest upon certain events, as set forth in the indenture governing the Convertible Bond Debt (the "Indenture").

The outstanding Convertible Bond Debt will mature on August 1, 2024 (the "Maturity Date"), unless earlier repurchased, redeemed or converted pursuant to its terms. From time to time, the Company may, subject to market conditions and other factors and to the extent permitted by law, opportunistically repurchase the Convertible Bond Debt in the open market or through privately negotiated transactions. The Company may not otherwise redeem the Convertible Bond Debt prior to the Maturity Date.

Each holder has the right to convert any portion of the Convertible Bond Debt, provided such portion is of $1,000 or a multiple thereof, at any time prior to the close of business on the business day immediately preceding the Maturity Date. The conversion rate of the Convertible Bond Debt after adjusting for the Reverse Stock Split and the Company's cash dividends declared through December 31, 2023 is 31.6207 shares of the Company's common stock per $1,000 principal amount of Convertible Bond Debt, which is equivalent to a conversion price of approximately $31.62 per share of its common stock (subject to further adjustments for future dividends).

Upon conversion of the remaining bonds, the Company will pay or deliver, as the case may be, either cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election, to the holder (subject to shareholder approval requirements in accordance with the Indenture).

If the Company undergoes a fundamental change, as set forth in the Indenture, each holder may require the Company to repurchase all or part of their Convertible Bond Debt for cash in principal amounts of $1,000 or a multiple thereof. The fundamental change repurchase price will be equal to 100% of the principal amount of the Convertible Bond Debt to be repurchased, plus accrued and unpaid interest. If, however, the holders elect to convert their Convertible Bond Debt in connection with the fundamental change, the Company will be required to increase the conversion rate of the Convertible Bond Debt at a rate determined by a combination of the date the fundamental change occurs and the stock price of the Company's common stock on such date.

The Convertible Bond Debt is the general, unsecured senior obligation of the Company. It ranks: (i) senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the Convertible Bond Debt; (ii) equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; (iii) effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) structurally junior to all indebtedness and other liabilities of current or future subsidiaries of the Company.

The indenture also provides for customary events of default. Generally, if an event of default occurs and is continuing, then the trustee or the holders of at least 25% in aggregate principal amount of the Convertible Bond Debt then outstanding may declare 100% of the principal of and accrued and unpaid interest, if any, on all the Convertible Bond Debt then outstanding to be due and payable.

During the year ended December 31, 2022, the Company repurchased $10.0 million in aggregate principal amount of Convertible Bond Debt for $14.2 million in cash and cancelled the repurchased debt. Accordingly, a $4.2 million loss on debt extinguishment was recorded in the Consolidated Statement of Operations for the year ended December 31, 2022.

*Share Lending Agreement*

In connection with the issuance of the Convertible Bond Debt, certain persons entered into an arrangement (the "Share Lending Agreement") to borrow up to 511,840 shares of the Company's common stock through share lending arrangements from Jefferies LLC ("JCS"), an initial purchaser of the Convertible Bond Debt. In connection with the foregoing, the Company entered into an agreement with an affiliate of JCS to lend up to 511,840 newly issued shares of the Company's common stock. The number of shares loaned under the Share Lending Agreement have been adjusted for the Reverse Stock Split. As of December 31, 2023, the fair value of the 511,840 outstanding loaned shares was $28.4 million based on the closing price of the Company's common stock on December 31, 2023. In connection with the Share Lending Agreement, JCS paid $0.03 million representing a nominal fee per borrowed share, equal to the par value of the Company's common stock.

While the share lending agreement does not require cash payment upon return of the shares, physical settlement is required (i.e., the loaned shares must be returned at the end of the arrangement). In view of this share return provision and other contractual undertakings of JCS in the Share Lending Agreement, which have the effect of substantially eliminating the economic dilution that otherwise would result from the issuance of borrowed shares, the loaned shares are not considered issued and outstanding for the purpose of computing and reporting the Company's basic and diluted weighted average shares or net income per share. If JCS were to file bankruptcy or commence similar administrative, liquidating or restructuring proceedings, the Company will have to consider the 511,840 shares lent to JCS as issued and outstanding for the purposes of calculating net income per share.

*Global Ultraco Debt Facility*

On May 11, 2023, Eagle Bulk Ultraco LLC ("Eagle Ultraco"), a wholly-owned subsidiary of the Company, along with certain of its wholly-owned, vessel-owning subsidiaries as guarantors, amended and restated its Credit Agreement originally dated October 1, 2021 (the "Original Global Ultraco Debt Facility") pursuant to an Amended and Restated Credit Agreement dated as of May 11, 2023 (the "Global Ultraco Refinancing" and, as amended, the "Global Ultraco Debt Facility") with the lenders party thereto and Crédit Agricole Corporate and Investment Bank ("Credit Agricole") as security trustee, structurer, sustainability coordinator and facility agent (collectively, the "Lenders"). The Company paid fees of $3.5 million to the Lenders in connection with the Global Ultraco Refinancing.

The Global Ultraco Refinancing provided for additional loan capacity of up to $175.0 million, thereby increasing the aggregate principal amount of senior secured credit facilities under the Global Ultraco Debt Facility to $485.3 million (from $310.3 million under the Original Global Ultraco Debt Facility). Additional amounts provided under the Global Ultraco Refinancing included: (i) an additional term loan of up to $75.0 million, thereby increasing the aggregate principal amount of term loans under the Global Ultraco Debt Facility to $300.3 million (the "Term Facility") and (ii) an additional revolving credit facility in an aggregate principal amount of $100.0 million, thereby increasing the aggregate principal amount of revolving credit facilities available under the Global Ultraco Debt Facility to $185.0 million which shall be reduced beginning on September 15, 2023 and every three months thereafter, by twenty-one consecutive reductions of $5.445 million (the "Revolving Facility"). Proceeds from the Global Ultraco Refinancing are to be used for general corporate and working capital purposes, including, but not limited to vessel purchases, capital improvements, stock buybacks or equity repurchases, retirement of debt and other strategic initiatives.

During the year ended December 31, 2023, the Company borrowed $75.0 million under the Term Facility and $125.0 million under the Revolving Facility and repaid $49.8 million under the Term Facility.

As of December 31, 2023 and December 31, 2022, the undrawn portion of the Revolving Facility was $49.1 million and $100.0 million, respectively.

In August 2023, the Company entered into three interest rate swaps for a total notional amount of $75.0 million to fully hedge the SOFR-based floating interest rate exposure on amounts borrowed under the Term Facility during 2023. See Note 8. Derivative Instruments for additional details on outstanding interest rate derivatives.

Pursuant to the Global Ultraco Debt Facility, the Term Facility and the Revolving Facility mature and are repayable in full on September 28, 2028 (the "Loan Maturity Date"). The Term Facility will be repaid in twenty-two quarterly installments of $12.45 million beginning on June 15, 2023, with a final balloon payment due on the Loan Maturity Date. Outstanding borrowings under the Global Ultraco Debt Facility bear interest at a rate equal to the sum of (i) Term SOFR (as defined in the Global Ultraco Debt Facility) for the relevant interest period, (ii) a credit spread adjustment of 26.161 basis points per annum to achieve parity between the SOFR-based benchmark rate on the Global Ultraco Debt Facility and the LIBOR-based benchmark rate on the Original Global Ultraco Debt Facility and (iii) the applicable margin, which ranges between 2.05% and 2.75% based on the consolidated net leverage ratio of the Company and certain sustainability-linked criteria.

The Global Ultraco Debt Facility is secured by, among other items, a first priority mortgage on 52 of the Company's owned vessels, as identified in the Global Ultraco Debt Facility, and such other vessels that the Company may, from time to time, include with the approval of the Lenders (collectively, the "Eagle Vessels"). The Global Ultraco Debt Facility contains standard affirmative and negative covenants as well as certain financial covenants. The financial covenants require the Company, on a consolidated basis, to maintain at all times (a) (i) cash and cash equivalents or (ii) undrawn Revolving Facility commitments up to seven months prior to the Loan Maturity Date not less than the greater of (i) $0.6 million per vessel owned directly or indirectly by the Company and its subsidiaries or (ii) 7.5% of consolidated total debt; (b) a debt to capitalization ratio of not greater than 0.60:1.00; and (c) positive working capital (excluding the current portions of operating lease liabilities and long-term debt). Additionally, the Company has to ensure that the aggregate fair market value of the Eagle Vessels is not less than 140% of the aggregate principal amounts outstanding under the Global Ultraco Debt Facility. As of December 31, 2023, the Company was in compliance with all applicable financial covenants under the Global Ultraco Debt Facility.

Prior to the Global Ultraco Refinancing, on October 1, 2021, Eagle Ultraco, along with certain of its vessel-owning subsidiaries as guarantors, entered into the Original Global Ultraco Debt Facility with the lenders party thereto. The Original Global Ultraco Debt Facility provided for an aggregate principal amount of $400.0 million, which consisted of (i) a term loan facility in an aggregate principal amount of $300.0 million and (ii) a revolving credit facility in an aggregate principal amount of $100.0 million.

The Original Global Ultraco Debt Facility had a maturity date of October 1, 2026. Outstanding borrowings bore interest at a rate of LIBOR plus 2.10% to 2.80% per annum, depending on certain metrics such as the Company's financial leverage ratio and meeting sustainability linked criteria. Repayments of $12.45 million were due quarterly and began on December 15, 2021, with a final balloon payment of all outstanding principal and accrued interest due upon maturity. As a result of the sale of the vessels Newport Eagle, Montauk Eagle and Sankaty Eagle, the aggregate principal amount available under the revolving credit facility was reduced from $100.0 million to $85.0 million.

The Original Global Ultraco Debt Facility was secured by 49 of the Company's vessels. The Original Global Ultraco Debt Facility contained certain standard affirmative and negative covenants along with financial covenants. Through the date of the Global Ultraco Refinancing, the Company was in compliance with all applicable covenants under the Original Global Ultraco Debt Facility.

The Global Ultraco Refinancing was accounted for as a modification under Accounting Standards Codification ("ASC") 470, Debt. As such, a new effective interest rate was determined based on the carrying value of the term facility just prior to the Global Ultraco Refinancing, including unamortized discount and debt issuance costs, as well as fees paid to the Lenders attributable to the Term Facility in connection with the Global Ultraco Refinancing. In addition, an amount of previously unamortized debt issuance costs and fees paid to lenders attributable to the revolving credit facility under the Original Global Ultraco Debt Facility as well as fees paid to the Lenders and third party costs attributable to the Revolving Facility in connection with the Global Ultraco Refinancing shall be deferred and amortized over the term of the Revolving Facility in a manner consistent with the Revolving Facility's contractual reduction in capacity.

Prior to the Global Ultraco Refinancing, in October 2021, the Company entered into four interest rate swaps for the notional amount of $300.0 million of the term facility under the Original Global Ultraco Debt Facility to hedge the Original Global Ultraco Debt Facility's LIBOR-based floating interest rate. In June 2023, the Company modified its then outstanding interest rate swap agreements to replace the underlying benchmark interest rate from LIBOR to SOFR with all other material terms remaining unchanged. See Note 8. Derivative Instruments for additional details on outstanding interest rate derivatives.

*Holdco Revolving Credit Facility*

On March 26, 2021, Eagle Bulk Holdco LLC ("Holdco"), a wholly-owned subsidiary of the Company entered into a Credit Agreement ("Holdco Revolving Credit Facility") made by and among (i) Holdco, as borrower, (ii) the Company and certain wholly-owned vessel-owning subsidiaries of Holdco, as joint and several guarantors, (iii) the banks and financial institutions named therein as lenders (together with their successors and assigns, the "RCF Lenders"), (iv) Crédit Agricole and Nordea Bank ABP, New York Branch, as mandated lead arrangers and (v) Crédit Agricole, as arranger, facility agent and security trustee for the RCF Lenders. Borrowings under the Holdco Revolving Credit Facility were repaid in full on October 1, 2021 from the proceeds of the Original Global Ultraco Debt Facility.

*New Ultraco Debt Facility*

On January 25, 2019, Eagle Bulk Ultraco LLC ("Ultraco"), a wholly-owned subsidiary of the Company, entered into a senior secured credit facility, (the "New Ultraco Debt Facility"), which provided for a term loan facility and a revolving credit facility. The proceeds from the New Ultraco Debt Facility were used to repay in full the outstanding debt including accrued interest under a credit agreement entered into by Ultraco on June 28, 2017 and a credit agreement entered into by Eagle Shipping LLC, a wholly-owned subsidiary of the Company, on December 8, 2017 and for general corporate purposes. The Company repaid the New Ultraco Debt Facility in full from the proceeds of the Original Global Ultraco Debt Facility.

*Super Senior Facility*

In December 2017, Eagle Bulk Shipco LLC, a wholly-owned subsidiary of the Company ("Shipco") entered into a revolving credit facility in an aggregate amount of up to $15.0 million (the "Super Senior Facility"). During the third quarter of 2021, the Company cancelled the Super Senior Facility. There were no outstanding amounts under the facility, and the Company recorded $0.1 million as Loss on debt extinguishment in the Consolidated Statement of Operations for the year ended December 31, 2021.

*Norwegian Bond Debt*

In November 2017, Shipco issued $200.0 million in aggregate principal amount of 8.25% Senior Secured Bonds (the "Norwegian Bond Debt"). After giving effect to an original issue discount of approximately 1% and deducting offering expenses of $3.1 million, the net proceeds from the issuance of the Norwegian Bond Debt was approximately $195.0 million. Interest on the Norwegian Bond Debt accrued at a rate of 8.25% per annum and the Norwegian Bond Debt was to mature on November 28, 2022.

In October 2021, the Company issued a 10 day call notice to redeem the outstanding bonds under the Norwegian Bond Debt at a redemption price of 102.475% of the nominal amount of each bond. Pursuant to the bond terms, the Company paid $185.6 million consisting of $176.0 million par value of the outstanding bonds, accrued interest of $5.2 million and $4.4 million of a call premium to repay the Norwegian Bond Debt in full on October 18, 2021. The repayment of the Norwegian Bond Debt was considered a debt extinguishment, and therefore, the call premium of $4.4 million and the unamortized debt discount and debt issuance costs of $1.6 million were recorded as Loss on debt extinguishment in the Consolidated Statement of Operations for the year ended December 31, 2021.

A summary of interest expense for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| Convertible Bond Debt | $ 5,206 | $ 5,547 | $ 5,738 |
| Global Ultraco Debt Facility – Term Facility [1] | 9,657 | 8,310 | 2,474 |
| Global Ultraco Debt Facility – Revolving Facility | 5,141 | — | — |
| Norwegian Bond Debt | — | — | 11,710 |
| New Ultraco Debt Facility [2] | — | — | 4,335 |
| Holdco Revolving Credit Facility | — | — | 314 |
| Super Senior Facility | — | — | 30 |
| Commitment fees on revolving credit facilities | 860 | 994 | 573 |
| Amortization of debt discount and debt issuance costs | 2,738 | 2,130 | 7,083 |
| | $ 23,602 | $ 16,981 | $ 32,257 |

[1] Interest expense on the Global Ultraco Debt Facility includes a reduction of $9.6 million, and $1.9 million of interest for the years ended December 31, 2023 and 2022, respectively, and includes $0.5 million of interest from interest rate derivatives designated as hedging instruments for the year ended December 31, 2021. See Note 8. Derivative Instruments for additional information.

[2] Interest expense on the New Ultraco Debt Facility includes $0.5 million of interest from interest rate derivatives designated as hedging instruments for the year ended December 31, 2021. See Note 8. Derivative Instruments for additional information.

The following table presents the weighted average effective interest rate on the Company's debt obligations, including the amortization of debt discounts and debt issuance costs and costs associated with commitment fees on revolving facilities for the years ended December 31, 2023, 2022 and 2021, but excludes the impact on interest from interest rate derivatives designated as hedging instruments. In addition, the following table presents the range of contractual interest rates on the Company's debt obligations, excluding the impact of costs associated with commitment fees on revolving facilities for the years ended December 31, 2023, 2022 and 2021.

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Weighted average effective interest rate | 7.76 % | 5.00 % | 6.31 % |
| Range of interest rates (from) | 5.00% to 8.02% | 2.35% to 6.87% | 2.24% to 8.25% |

The following table presents the weighted average effective interest rate on the Company's debt obligations, including the impact on interest from interest rate derivatives designated as hedging instruments as well as amortization of debt discounts and debt issuance costs and costs associated with commitment fees on revolving facilities for the years ended December 31, 2023, 2022 and 2021.

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Weighted average effective interest rate, including hedging instruments | 5.52 % | 4.49 % | 6.50 % |

*Scheduled Debt Maturities*

The following table presents the scheduled maturities of principal amounts of our debt obligations for the next five years.

| | Convertible Bond Debt (1) | Global Ultraco Debt Facility – Revolving Facility (2) | Global Ultraco Debt Facility – Term Facility | Total |
|---|---|---|---|---|
| 2024 | $ 104,119 | $ — | $ 49,800 | $ 153,919 |
| 2025 | — | — | 49,800 | 49,800 |
| 2026 | — | 16,230 | 49,800 | 66,030 |
| 2027 | — | 21,780 | 49,800 | 71,580 |
| 2028 | — | 86,990 | 63,750 | 150,740 |
| | $ 104,119 | $ 125,000 | $ 262,950 | $ 492,069 |

(1) This amount represents the aggregate principal amount of the Convertible Bond Debt outstanding that would be payable in cash upon maturity if no holder of the Convertible Bond Debt elects conversion pursuant to the Indenture.

(2) Represents amounts payable based on the amount outstanding under the Revolving Facility as of December 31, 2023 and the timing of contractual reduction in capacity of the Revolving Facility. The amount and timing of actual repayments may change as a result of additional future borrowings or repayments under the Revolving Facility.

**Note 8. Derivative Instruments**

The Company uses interest rate swaps to manage its exposure to interest rate risk on its debt. Generally, the Company enters into interest rate swaps with the objective of effectively converting debt from a floating-rate to a fixed-rate obligation. As of December 31, 2023, the Company's outstanding interest rate swaps were designated as hedging instruments and qualified as cash flow hedges.

For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative instrument is reported as a component of Other comprehensive (loss)/income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings and is presented in the same line item in the Consolidated Statements of Operations as the earnings effect of the hedged item.

The Company uses forward freight agreements ("FFAs"), bunker swaps and EU Emission Allowance ("EUA") futures to manage its exposure to changes in charter hire rates, market bunker prices and market EUA prices, respectively. Generally, the Company enters into FFAs with the objective of effectively fixing charter hire rates for future charter transactions, bunker swaps with the objective of effectively fixing forecasted bunker transactions and EUA futures with the objective of fixing forecasted EUA obligations under the EU Emissions Trading System. The Company utilizes these derivative instruments to economically hedge these risks and does not designate them as hedging instruments.

For derivative instruments that are not designated as hedging instruments, changes in the fair value of the instruments and the gain or loss ultimately realized upon settlement of the derivative are reported in Realized and unrealized (gain)/loss on derivative instruments, net in the Consolidated Statements of Operations.

As of December 31, 2023, the Company has International Swaps and Derivatives Association agreements with five financial institutions which contain netting provisions. In addition to a master agreement with the Company supported by a primary parent guarantee on either side, the Company also has associated credit support agreements in place with the one counterparty which, among other things, provide the circumstances under which either party is required to post eligible collateral when the market value of transactions covered by these agreements exceeds specified thresholds. The Company does not expect non-performance by any of these counterparties.

*Interest rate swaps*

In June 2023, the Company modified its then outstanding interest rate swap agreements to replace the underlying benchmark interest rate from LIBOR to SOFR with all other material terms remaining unchanged. As discussed in Note 2. Significant Accounting Policies, the Company utilized certain expedients under ASU 2020-04 to account for these modifications as continuations of existing agreements which had no impact on our consolidated financial statements.

As of December 31, 2023, the Company had the following outstanding interest rate swaps that were designated and qualified as cash flow hedges.

| Range of Fixed Rates | Weighted Average Fixed Rate | Notional Amount Outstanding |
|---|---|---|
| 0.62% to 4.47% | 1.74% | $ 262,950 |

The effect of these derivative instruments on the Consolidated Balance Sheets as of December 31, 2023 and 2022 is as follows:

| | Fair Value of Derivative Assets/(Liabilities) | | |
|---|---|---|---|
| | Balance Sheet Location | December 31, 2023 | December 31, 2022 |
| Derivatives designated as hedging instruments | | | |
| Interest rate contracts – interest rate swaps | | | |
| | Fair value of derivative assets – current | $ 6,824 | $ 8,479 |
| | Fair value of derivative assets – noncurrent | 3,136 | 8,184 |
| | | $ 9,960 | $ 16,663 |
| | | | |
| | Fair value of derivative liabilities – noncurrent | $ (1,505) | $ — |
| | | $ (1,505) | $ — |

The effect of these instruments on the Consolidated Statements of Operations and the Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021 is as follows:

| Derivatives in Cash Flow Hedging Relationships | Gain/(Loss) Recognized in Other Comprehensive (Loss)/Income for the Year Ended | | | Location of Gain/(Loss) Reclassified from Accumulated Other Comprehensive Income into Earnings | Gain/(Loss) Reclassified from Accumulated Other Comprehensive Income into Earnings for the Year Ended | | |
|---|---|---|---|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 | | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Interest rate contracts | | | | | | | |
| Interest rate swaps | $ 1,523 | $ 16,609 | $ 2,106 | Interest expense | $ 9,621 | $ 1,947 | $ (913) |

Further information on the effect of these instruments on the Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Accumulated other comprehensive income/(loss), beginning balance | $ 16,549 | $ 1,886 | $ (1,132) |
| Gain recognized in other comprehensive (loss)/income | 1,523 | 16,609 | 2,106 |
| (Gain)/loss reclassified from other comprehensive (loss)/income into earnings | (9,621) | (1,947) | 913 |
| Accumulated other comprehensive income, ending balance | $ 8,451 | $ 16,549 | $ 1,886 |

Of the amount recorded in Accumulated other comprehensive income as of December 31, 2023, $7.0 million is expected to be reclassified into earnings within the next twelve months.

*Forward freight agreements, bunker swaps and EU emission allowance futures*

As of December 31, 2023, $2.1 million, $0.1 million and less than $0.1 million of collateral was pledged related to outstanding FFAs, bunker swaps and EUA futures, respectively. See Note 2. Significant Accounting Policies for a discussion of the Company's policy on collateral on derivatives.

As of December 31, 2023, the Company had outstanding bunker swap agreements to purchase 1,270 metric tons of low sulphur fuel oil for prices ranging between $527 and $532 per metric ton that will expire during the first quarter of 2024.

As of December 31, 2023, the Company had outstanding EUA futures to purchase 3,000 allowances for $80 thousand per thousand allowances that will settle in December 2024.

A summary of outstanding FFAs as of December 31, 2023 is as follows:

| FFA Period | Average FFA Contract Price[1] | Number of Days Hedged |
|---|---|---|
| Quarter ending March 31, 2024 – Buy Positions | $ — | — |
| Quarter ending March 31, 2024 – Sell Positions | $ 13,479 | 540 |

(1) Presented in whole dollars.

The effect of these derivative instruments on the Consolidated Balance Sheets as of December 31, 2023 and 2022 is as follows:

| | Fair Value of Derivative Assets/(Liabilities) | | |
|---|---|---|---|
| | Balance Sheet Location | December 31, 2023 | December 31, 2022 |
| Derivatives not designated as hedging instruments | | | |
| Commodity contracts – FFAs | | | |
| | Fair value of derivative liabilities – current | $ (464) | $ (70) |
| | | | |
| Commodity contracts – Bunker swaps | | | |
| | Fair value of derivative liabilities – current | $ (14) | $ (93) |
| | | | |
| Commodity contracts – EUA futures | | | |
| | Fair value of derivative liabilities – current | $ (1) | $ — |

The effect of these instruments on the Consolidated Statements of Operations, which is presented in Realized and unrealized (gain)/loss on derivative instruments, net for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | (Gain)/Loss Recognized in Earnings for the Year Ended | | |
|---|---|---|---|
| Derivatives not designated as hedging instruments | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Commodity contracts | | | |
| FFAs – realized (gain)/loss | $ (1,880) | $ (11,433) | $ 41,139 |
| Bunker swaps – realized gain | (568) | (4,358) | (2,963) |
| | (2,448) | (15,791) | 38,176 |
| FFAs – unrealized loss | 574 | 1,464 | 59 |
| Bunker swaps – unrealized (gain)/loss | (79) | 468 | 9 |
| EU Allowance futures – unrealized loss | 1 | — | — |
| | 496 | 1,932 | 68 |
| Realized and unrealized (gain)/loss on derivative instruments, net | $ (1,952) | $ (13,859) | $ 38,244 |

**Note 9. Stockholders' Equity**

*Shareholder Rights Agreement*

On June 22, 2023, the Company entered into a Rights Agreement (the "Rights Agreement") with Computershare Trust Company, N.A., a national banking corporation, as rights agent. In connection therewith, the Company's Board of Directors (the "Board") declared a dividend of one preferred share purchase right ("Right") for each outstanding share of the Company's Common Stock, $0.01 par value. The dividend was payable on July 3, 2023 to shareholders of record as of the close of business on such date (the "Right Record Date"). In addition, one Right will automatically attach to each share of Common Stock issued between the Right Record Date and the date when the Rights become exercisable. The Rights will expire at the earlier of (i) 5:00 P.M., New York City time, on the third anniversary of the date of the declaration of the dividend of Rights and (ii) 5:00 P.M., New York City time, on the first anniversary of the date of the declaration of the dividend of Rights if Shareholder Approval (as defined in the Rights Agreement) has not been received prior to such time, unless such date is advanced or extended or unless the Rights are earlier redeemed or exchanged by the Board.

Each Right will allow its holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock, $0.01 par value ("Preferred Shares"), for $180.00, subject to adjustment under certain conditions, once the Rights become exercisable.

Each one one-thousandth of a Preferred Share, if issued:

- will not be redeemable;
- will entitle the holder to quarterly dividend payments equal to the dividend paid on one share of Common Stock;
- will entitle the holder upon liquidation to receive either $1.00 or an amount equal to the payment made on one share of Common Stock;
- will have one vote and vote together with the Common Stock, except as required by law; and
- if shares of Common Stock are exchanged via merger, consolidation or a similar transaction, will entitle the holder to a payment equal to the payment made on one share of Common Stock.

The Rights will not be exercisable until:

- 10 business days after the public announcement that a person or group has become an "Acquiring Person" by obtaining beneficial ownership of 15% or more of the outstanding Common Stock, or, if earlier;
- 10 business days (or a later date determined by the Board before any person or group becomes an Acquiring Person) after a person or group Commences (as defined in the Rights Agreement) a tender or exchange offer which, if completed, would result in that person or group becoming an Acquiring Person.

On December 10, 2023, the Board approved an amendment (the "Rights Agreement Amendment") to the Rights Agreement. The Rights Agreement Amendment prevents the approval, execution, delivery or performance of the Merger Agreement, the Voting Agreements (as defined in the Merger Agreement), or the consummation of the Proposed Merger, from, among other things (i) resulting in Star Bulk being an Acquiring Person (as defined in the Rights Agreement) or (ii) resulting in the occurrence of a Distribution Date (as defined in the Rights Agreement) or a Shares Acquisition Date (as defined in the Rights Agreement). The Rights Agreement Amendment also exempts the transactions contemplated by the Merger Agreement and the Voting Agreements (as defined in the Merger Agreement) from the provisions of the Right Agreement relating to a Qualifying Offer (as defined in the Rights Agreement). The Rights Agreement Amendment further provides that the Rights (as defined in the Rights Agreement) will expire in their entirety immediately prior to the effective time of the Proposed Merger without any payment being made in respect thereof.

*Common Stock Repurchase – Related Party*

On June 22, 2023, the Company entered into an agreement to purchase 3,781,561 shares of Common Stock from OCM Opps EB Holdings Ltd. ("EB Holdings", or, the "Seller"), a related party, for $58.00 per share, or an aggregate purchase price of $219.3 million (the "Share Repurchase"). The Share Repurchase closed on June 23, 2023. The shares purchased, which comprised the Seller's entire ownership position of Common Stock as of the date of the Share Repurchase, represented 28% of the outstanding Common Stock as of that date and were immediately retired. The Company incurred $3.6 million of fees and transaction costs with third parties in direct connection with the Share Repurchase.

*Common Stock Repurchase Program*

On October 4, 2021, the Company announced a share repurchase program under which the Company may purchase up to $50.0 million of the Company's Common Stock. The timing, volume and nature of transactions under this program will be at the Board's discretion and may be made through open market transactions or privately negotiated transactions, including under plans complying with Rule 10b5-1 under the Exchange Act. This program has no expiration date and may be suspended or terminated by the Company at any time without prior notice. As of December 31, 2023, no shares have been repurchased under this program.

*Dividends*

On March 2, 2023, the Board declared a cash dividend of $0.60 per share to be paid on March 23, 2023 to shareholders of record at the close of business on March 15, 2023.

On May 4, 2023, the Board declared a cash dividend of $0.10 per share to be paid on May 25, 2023 to shareholders of record at the close of business on May 17, 2023.

On August 3, 2023, the Board declared a cash dividend of $0.58 per share to be paid on August 24, 2023 to shareholders of record at the close of business on August 16, 2023.

On November 2, 2023, the Board declared a cash dividend of $0.10 per share to be paid on November 22, 2023 to shareholders of record at the close of business on November 14, 2023.

For the year ended December 31, 2023, the Company paid $16.8 million in dividends.

*ATM Offering*

In March 2021, the Company entered into an at market issuance sales agreement with B. Riley Securities, Inc., BTIG, LLC and Fearnley Securities, Inc., as sales agents (each, a "Sales Agent" and collectively, the "Sales Agents"), to sell shares of common stock, par value $0.01 per share, of the Company with aggregate gross sales proceeds of up to $50.0 million, from time to time through an "at-the-market" offering program (the "ATM Offering"). During the second quarter of 2021, the Company sold and issued an aggregate of 581,385 shares at a weighted-average sales price of $47.97 per share under the ATM Offering for aggregate net proceeds of $27.1 million after deducting sales agent commissions and other offering costs. The proceeds were used for partial financing of vessel acquisitions and other corporate purposes.

**Note 10. Fair Value Measurements**

Assets and liabilities measured at fair value on a recurring basis with their corresponding level of the fair value hierarchy as of December 31, 2023 and 2022 is as follows:

| | December 31, 2023 | December 31, 2022 | Fair Value Level |
|---|---|---|---|
| Cash, cash equivalents and restricted cash | $ 121,190 | $ 189,754 | Level 1 |
| Collateral on derivatives | 2,219 | 909 | Level 1 |
| Fair value of derivative assets – current | 6,824 | 8,479 | Level 2 |
| Fair value of derivative assets – noncurrent | 3,136 | 8,184 | Level 2 |
| Fair value of derivative liabilities – current | 479 | 163 | Level 2 |
| Global Ultraco Debt Facility – Term Facility (1) | 262,950 | 237,750 | Level 2 |
| Global Ultraco Debt Facility – Revolving Facility (1) | 125,000 | — | Level 2 |
| Convertible Bond Debt (2) | 181,542 | 172,661 | Level 2 |
| Fair value of derivative liabilities – noncurrent | 1,505 | — | Level 2 |

(1) The fair value of floating-rate debt is estimated to be equal to its outstanding principle amount since it bears a variable interest rate that resets every three months.

(2) The fair value of the Convertible Bond Debt is estimated based on pricing data (including observable trade information) sourced from Bloomberg.com.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

*Cash and cash equivalents and restricted cash*—Carrying values reported in the Consolidated Balance Sheets approximate fair value due to their highly liquid and short-term nature.

*Collateral on derivatives*—Carrying values reported in the Consolidated Balance Sheets approximate fair value due to their short-term nature.

*Long-term debt*—The fair value of the Convertible Bond Debt, which is traded in the over-the-counter market, is estimated based on quoted prices for identical instruments in markets that are not active. The aggregate outstanding principal amounts of the Term Facility and Revolving Facility under the Global Ultraco Debt Facility approximates their fair value, due to their variable interest rates.

*Derivative assets and liabilities*—The fair value of derivative assets and liabilities, which includes interest rate swaps, FFAs, bunker swaps and EUA futures, is estimated using observable inputs for similar instruments as of the measurement date and standard valuation techniques to convert future amounts to a single present amount assuming that participants are motivated, but not compelled to transact.

The carrying value of other financial assets and liabilities (primarily accounts receivable, accounts payable and other accrued expenses) approximate their fair value due to the relative short-term nature of the instruments.

The Company applies the fair value measurement framework under ASC 820, *Fair Value Measurement*, which established a fair value hierarchy for inputs to valuation techniques used to measure fair value. The three levels of inputs used in measuring fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in markets that are not active or other observable inputs.
- Level 3 – Inputs that are unobservable.

**Note 11. Commitments and Contingencies**

*Legal Proceedings*

The Company is involved in legal proceedings and may become involved in other legal matters arising in the ordinary course of its business, principally personal injury and property casualty claims. Generally, we expect that such claims would be covered by insurance, subject to customary deductibles. The Company evaluates these legal matters on a case-by-case basis to make a determination as to the impact, if any, on its business, liquidity, results of operations, financial condition or cash flows.

Certain routine commercial claims have been asserted against the Company that relate to contractual disputes with certain of our charterers. The nature of these disputes involve disagreements over losses claimed by charterers during or as a result of the performance of certain voyage charters, including but not limited to delays in the performance of the charters and offhire during the charters. The related legal proceedings are at various stages of resolution.

In March 2021, the U.S. government began investigating an allegation that one of the Company's vessels may have improperly disposed of ballast water that entered the engine room bilges during a repair. The investigation of this alleged violation of environmental laws is ongoing, but at this time we do not believe that this matter will have a material impact on the Company, our financial condition or results of operations. We have posted a surety bond as security for any potential fines, penalties or associated costs that may be incurred, and the Company is cooperating fully with the U.S. government in its investigation of this matter.

We have not been involved in any legal proceedings, other than as disclosed above, which we believe 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, other than as described above, which we believe may have a significant effect on our business, financial position and results of operations or liquidity. However, these proceedings, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

In accordance with U.S. GAAP, the Company accrues for contingent liabilities when it is probable that such a liability has been incurred and the amount of loss can be reasonably estimated. The Company evaluates its outstanding legal proceedings each quarter to assess its contingent liabilities and adjusts such liabilities, as appropriate, based on management's best judgment after consultation with counsel. For the year ended December 31, 2023, the Company recorded a reversal of $0.6 million of costs associated with contingent liabilities. The Company's costs associated with contingent liabilities for the years ended December 31, 2022 and 2021 were $4.8 million and $2.8 million, respectively. There is no assurance that the Company's contingent liabilities will not need to be adjusted in the future.

**Note 12. Leases**

The Company has two primary types of contracts that are accounted for as leases: time charter agreements and office lease agreements.

*Time charter-out contracts*

The Company's shipping revenues are principally generated from time charters and voyage charters. In a time charter contract, the vessel is hired by the charterer for a specified period of time in exchange for consideration which is based on a daily hire rate. The charterer has the full discretion over the ports visited, shipping routes and vessel speed. The contract (also referred to as a charter party) generally provides typical warranties regarding the speed and performance of the vessel. The charter party also provides the vessel's owner certain protective restrictions (e.g., the vessel is sent only to safe ports, the operation of the vessel maintain compliance with applicable sanction laws and the vessel carries only lawful or non-hazardous cargo). In a time charter-out contract, the Company is responsible for costs incurred for running the vessel (e.g., crew costs, vessel insurance, repairs and maintenance and lubes) and the charterer is responsible for voyage-related costs (e.g., bunker costs, port charges and canal tolls) during the hire period. Lease terms for time charter-out contracts generally range from 30 days to 2 years, however, typically include options to extend the lease term. Time charter-out contracts are accounted for as operating leases. The Company records revenue generated from time charter-out contracts on a straight-line basis over the term of the related time charter agreement as Revenues, net in the Consolidated Statements of Operations. See Note 13. Revenue for additional information.

A summary of lease payments expected to be received on fixed time charter-out contracts, net of commission, assuming no off-hire days, other than those related to scheduled interim or special surveys of the related vessel and excluding any voyage expenses associated with such contracts, as of December 31, 2023 is as follows:

| **Year:** | **Time Charter-Out Contracts** |
|---|---|
| 2024 | $ 16,401 |
| 2025 | — |
| 2026 | — |
| 2027 | — |
| 2028 | — |
| Thereafter | — |
| | $ 16,401 |

*Time charter-in contracts*

The Company charters in vessels to supplement our own fleet and employs them on both time charters and voyage charters. Lease terms for time charter-in contracts generally range from 30 days to 2 years, however, typically include options to extend the lease term. Lease terms typically commence upon delivery of the vessel to the lessee. Time charter-in contracts are accounted for as operating leases. The Company records operating lease cost for time charter-in contracts as Charter hire expenses in the Consolidated Statements of Operations on a straight-line basis over the lease term. Due to the volatility of freight rates, the Company generally concludes that it is not reasonably certain to exercise any options to extend the lease term at lease commencement.

Generally, the implicit borrowing rate within time charter-in contracts cannot be readily determined; therefore, the Company uses its incremental borrowing rate in initially measuring operating lease liabilities and related right-of-use assets. The Company utilizes its implied credit rating and related yield curve data to determine its incremental borrowing rate at lease commencement based on the related lease term.

A summary of time charter-in contracts with lease terms greater than twelve months outstanding as of December 31, 2023 is as follows:

| Vessel | Description | Dwt (in thousands) | Hire Rate | End of Minimum Period | Available Options [1] |
|---|---|---|---|---|---|
| Tai Stamina | 2021-built Ultramax | 64.5 | $6,300 plus 58% of the BSI | July 2024 | 10 to 12 months at $7,500 plus 58% of the BSI |
| Tai Star | 2016-built Ultramax | 62.5 | $17,500 | May 2024 | 11 to 13 months at $19,500 |
| Tai Stride | 2022-built Ultramax | 64.5 | $8,500 plus 57.5% of the BSI | April 2024 | 11 to 13 months at $9,500 plus 57.5% of the BSI |

[1] Options available under time charter-in contracts are solely the Company's as charterer, however, due to the volatility of freight rates, the Company generally concludes that it is not reasonably certain to exercise any options to extend the lease term at lease commencement, and therefore, does not include these option periods in the measurement of lease liabilities and right-of-use assets until such options are exercised.

For the years ended December 31, 2023 and 2022, the Company recorded impairment losses on operating lease right-of-use assets of $0.7 million and $2.2 million, respectively. These losses were driven by declines in the freight rate environment as compared to certain operating leases with relatively higher fixed hire rates.

*Office leases*

The Company leases office space at 300 First Stamford Place, Stamford, Connecticut 06902. In addition, we lease offices in Singapore and Copenhagen, Denmark. Our office lease in Stamford, Connecticut expires in December 2028. Our office leases in Singapore expire in March 2027.

The Company records operating lease cost for office leases as General and administrative expenses in the Consolidated Statements of Operations on a straight-line basis over the lease term.

A summary of the components of the Company's operating lease cost for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Operating lease cost | | | |
| Time charter-in contracts greater than 12 months | $ 21,819 | $ 28,282 | $ 16,548 |
| Office leases | 797 | 748 | 642 |
| Short-term lease cost | | | |
| Time charter-in contracts less than 12 months | 14,724 | 52,821 | 20,553 |
| Total lease cost | $ 37,340 | $ 81,851 | $ 37,743 |
| | | | |
| Sublease income | | | |
| Time charter-in contracts greater than twelve months [1] | $ 23,057 | $ 32,980 | $ 25,372 |

[1] Sublease income (time charter-out revenues) generated from time charter-in vessels is recorded in Revenues, net in the Consolidated Statements of Operations. Amounts do not include voyage charter revenues generated from time charter-in vessels.

A summary of operating lease right-of-use assets and operating lease liabilities balances, by asset type, and certain additional quantitative information related to the Company's operating leases as of December 31, 2023 and 2022 is as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Operating lease right-of-use assets | | |
| Time charter-in contracts greater than 12 months | $ 4,810 | $ 19,116 |
| Office leases | 2,372 | 3,890 |
| | $ 7,182 | $ 23,006 |
| Current portion of operating lease liabilities | | |
| Time charter-in contracts greater than 12 months | $ 5,405 | $ 21,328 |
| Office leases | 748 | 717 |
| | $ 6,153 | $ 22,045 |
| Noncurrent portion of operating lease liabilities | | |
| Time charter-in contracts greater than 12 months | $ — | $ — |
| Office leases | 2,576 | 3,173 |
| | $ 2,576 | $ 3,173 |
| Weighted average remaining lease term (in years) | | |
| Time charter-in contracts greater than 12 months | 0.4 | 0.6 |
| Office leases | 4.4 | 4.7 |
| Weighted average discount rate | | |
| Time charter-in contracts greater than 12 months | 6.6 % | 6.0 % |
| Office leases | 7.2 % | 6.9 % |

A summary of cash flow information related to the Company's leases for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Cash paid for operating leases with lease terms greater than twelve months | $ 25,339 | $ 29,130 | $ 18,051 |
| | | | |
| Non-cash activities | | | |
| Operating lease right-of-use assets obtained in exchange for lease liabilities | $ 11,685 | $ 38,956 | $ 22,499 |

A summary of total lease payments on an undiscounted basis for operating lease liabilities, by asset type, as of December 31, 2023 is as follows:

| | Time charter-in contracts greater than 12 months | Office leases | Total Operating leases |
|---|---|---|---|
| **Year:** | | | |
| 2024 | $ 5,412 | $ 897 | $ 6,309 |
| 2025 | — | 909 | 909 |
| 2026 | — | 922 | 922 |
| 2027 | — | 638 | 638 |
| 2028 | — | 577 | 577 |
| Thereafter | — | — | — |
| | 5,412 | 3,943 | 9,355 |
| Implied interest | (7) | (619) | (627) |
| Total operating lease liabilities | $ 5,405 | $ 3,324 | $ 8,728 |

**Note 13. Revenue**

*Voyage charters*

In a voyage charter contract, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage which may contain multiple load ports and discharge ports. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried or occasionally on a lump sum basis. The charter party generally has a minimum amount of cargo. The charterer is liable for any short loading of cargo or "dead" freight. A voyage charter contract generally has standard payment terms of 95% freight paid within three days after completion of loading. A voyage charter contract generally has a "demurrage" or "despatch" clause. As per this clause, the charterer reimburses the Company for any potential delays exceeding the allowed laytime at the ports visited which is recorded as demurrage revenue. Conversely, the charterer is given credit if the loading/discharging activities happen within the allowed laytime known as despatch, resulting in a reduction in revenue.

Voyage charter contracts are considered service contracts which fall under the provisions of ASC 606, *Revenue Recognition*, because the Company, as the shipowner, retains the control over the operations of the vessel (e.g., directing the routes taken or the vessel's speed). Voyage charter contracts generally have variable consideration in the form of demurrage or despatch. The amount of revenue earned as demurrage, net of despatch incurred, for the years ended December 31, 2023, 2022 and 2021 was $7.7 million, $33.7 million and $20.7 million, respectively.

The following table shows the revenues earned from time charters and voyage charters for the years ended December 31, 2023, 2022 and 2021:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Time charters[1] | $ 207,254 | $ 343,084 | $ 299,614 |
| Voyage charters | 186,545 | 376,763 | 294,924 |
| | $ 393,799 | $ 719,847 | $ 594,538 |

(1) See Note 12. Leases, for additional information on revenues earned from time charters.

*Contract costs*

In a voyage charter contract, the Company bears all voyage related costs such as fuel costs, port charges and canal tolls. Costs directly related to a voyage charter contract that are incurred prior to commencement of loading cargo, primarily bunkers, are recognized as an asset and expensed on a straight-line basis as the related performance obligation is satisfied. As of December 31, 2023 and 2022, the Company recorded $0.4 million and $0.5 million, respectively, of contract fulfillment costs in Other current assets in the Consolidated Balance Sheets.

**Note 14. Net Income per Common Share**

For each of the years ended December 31, 2023, 2022 and 2021, Net income is equal to Net income available to common shareholders.

For each of the years ended December 31, 2023, 2022 and 2021, the Convertible Bond Debt is not considered a participating security and is therefore not included in the computation of Basic net income per share. Additionally, the Company determined that as it relates to the Convertible Bond Debt, it does not overcome the presumption of share settlement, and therefore, the Company applied the if-converted method and included the potential shares to be issued upon conversion of Convertible Bond Debt in the calculation of Diluted net income per share, unless the impact of such potential shares is anti-dilutive.

The following table presents Basic and Diluted net income per share for the years ended December 31, 2023, 2022 and 2021:

| | Year Ended | | |
|---|---|---|---|
| (In thousands, except for share and per share data) | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| Net income | $ 22,728 | $ 248,009 | $ 184,898 |
| Weighted Average Shares - Basic | 11,090,064 | 12,989,951 | 12,399,509 |
| Effect of dilutive securities: | | | |
| Convertible Bond Debt | 3,292,316 | 3,195,901 | 3,052,352 |
| Stock awards and options | 91,251 | 127,595 | 232,531 |
| Dilutive potential common shares | 3,383,567 | 3,323,496 | 3,284,883 |
| Weighted Average Shares - Diluted | 14,473,631 | 16,313,447 | 15,684,392 |
| Basic net income per share | $ 2.05 | $ 19.09 | $ 14.91 |
| Diluted net income per share | $ 1.96 | $ 15.57 | $ 11.79 |

The following table presents a summary of potentially dilutive securities that were not included in the computation of Diluted net income per share for the years ended December 31, 2023, 2022 and 2021 because to do so would have been anti-dilutive:

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2023** | **December 31, 2022** | **December 31, 2021** |
| Stock awards and options | 39,527 | 21,716 | — |

**Note 15. Stock Incentive Plans**

*2016 Equity Compensation Plan*

On December 15, 2016, the Company's shareholders approved the Eagle Bulk Shipping Inc. 2016 Equity Compensation Plan (the "2016 Plan") and the Company registered 764,087 shares of common stock for potential issuance under the 2016 Plan. On June 7, 2019, the Company's shareholders approved an amendment and restatement of the 2016 Plan, which increased the number of shares reserved under the 2016 Plan by an additional 357,142 shares to a maximum of 1,121,229 shares of common stock. On June 14, 2022, the Company's shareholders approved a second amendment and restatement of the 2016 Plan, which increased the number of shares reserved under the 2016 Plan by an additional 300,000 shares to a maximum of 1,421,229 shares of common stock. The 2016 Plan permits the granting of restricted stock, unrestricted stock, restricted stock units ("RSUs"), performance condition awards, incentive stock options, non-qualified stock options, stock appreciation rights, dividend equivalents and other equity-based or equity-related awards (collectively, "Awards"). As of December 31, 2023, 223,251 shares were eligible to be granted under the 2016 Plan.

Under the terms of the 2016 Plan, awards for up to a maximum of 428,571 shares of common stock, in the form of Awards, may be granted to any one employee of the Company and its subsidiaries during any one calendar year, subject to adjustment as provided in the 2016 Plan. In addition, awards for up to a maximum of 71,428 shares of common stock, in the form of Awards, may be granted under the 2016 Plan to any non-employee director of the Company during any one calendar year, subject to adjustment as provided in the 2016 Plan. Any director, officer, employee or consultant of the Company or any of its subsidiaries (including any prospective officer or employee) is eligible to be designated to participate in the 2016 Plan. The Company, in its sole discretion, may withhold shares with a fair market value equivalent to the maximum statutory withholding liability when an award holder elects to have the Company withhold from delivery shares of common stock and remit that amount in cash to the appropriate taxation authorities.

During the years ended December 31, 2023, 2022 and 2021, the Company granted restricted stock awards to certain employees. Generally, these restricted stock awards vest in three equal installments on January 2nd of each of the three years that follow the date of grant, however, certain of these awards vest in a single installment after a specified period of time following the date of grant. In addition, during the years ended December 31, 2023, 2022 and 2021, the Company granted unrestricted stock awards to the non-employee members of the Board. Generally, these unrestricted stock awards vest upon grant. The fair value of these restricted and unrestricted stock awards was estimated using the closing share price of the Company's common stock on the date of grant.

During the years ended December 31, 2023 and 2022, the Company granted performance-based RSU awards that were contingent upon the Company's earnings per share for a specified performance period. The total quantity of restricted RSUs eligible to vest under these awards range from zero to 200% of the target based on actual earnings per share during the performance period. The grant date fair value of these awards was estimated using the closing share price of the Company's common stock on the date of grant and compensation cost related to these awards is recognized based on the relative satisfaction of the performance condition as of the reporting date.

During the years ended December 31, 2023 and 2022, the Company granted performance based RSU awards that were contingent upon the Company's relative total shareholder return ("TSR") for a specified performance period. TSR is calculated based on the Company's total shareholder return compared to that of certain peer companies specified in the related award agreements over the performance period and is calculated based on the change in the average daily closing stock price over a 20-trading-day period from the beginning to the end of the performance period, plus dividends paid during the performance period. The total quantity of RSUs eligible to vest under these awards range from zero to 200% of the target based on actual relative TSR performance during the performance period. The grant date fair value of these awards was estimated using a Monte Carlo simulation model. Significant inputs used in the estimation of fair value of these awards granted during the years ended December 31, 2023 and 2022 are as follows:

| Significant Input | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Closing share price of our common stock | $45.50 to $53.77 | $53.24 to $65.88 |
| Risk-free rate of return | 4.73% to 5.05% | 1.05% to 4.23% |
| Expected volatility of our common stock | 49.07% to 54.08% | 54.74% to 71.40% |
| Holding period discount | 12.43% to 12.83% | 0.00% to 11.41% |
| Simulation term (in years) | 0.75 to 0.82 | 0.81 to 3.5 |
| Range of target | 0% to 200% | 0% to 200% |

A summary of restricted stock and RSU activity under the 2016 Plan for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Number of Restricted shares and RSUs | Weighted Average Grant Date Fair Value | Aggregate Fair Value (in millions) |
|---|---|---|---|
| Unvested awards as of December 31, 2020 | 218,013 | $ 27.48 | |
| Granted | 160,878 | $ 36.58 | |
| Vested | (124,447) | $ 29.62 | |
| Forfeited | (7,818) | $ 31.33 | |
| Unvested awards as of December 31, 2021 | 246,626 | $ 32.72 | |
| Granted | 205,131 | $ 52.90 | |
| Vested | (125,033) | $ 33.78 | |
| Forfeited | (3,596) | $ 34.46 | |
| Unvested awards as of December 31, 2022 | 323,128 | $ 45.10 | |
| Granted | 96,577 | $ 55.73 | |
| Vested | (146,959) | $ 42.54 | |
| Forfeited | (807) | $ 43.03 | |
| Unvested awards as of December 31, 2023 | 271,939 | $ 50.26 | $ 15.1 |

The fair value as of the respective vesting dates of restricted stock and RSUs for the years ended December 31, 2023, 2022 and 2021 was $7.3 million, $5.6 million and $2.7 million, respectively. The majority of restricted stock and RSUs that vested during the years ended December 31, 2023, 2022 and 2021 were net share settled. For the years ended December 31, 2023, 2022 and 2021, 43 thousand, 46 thousand and 43 thousand shares were withheld by the Company and $2.3 million, $2.4 million and $1.9 million was paid to taxing authorities for employee tax obligations, respectively.

As of December 31, 2023 and 2022, there were no vested or unvested options outstanding under the 2016 Plan.

Stock-based compensation expense for all stock awards, which is recognized in General and administrative expenses in the Consolidated Statements of Operations, for the years ended December 31, 2023, 2022 and 2021 is as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Stock-based compensation expense | $ 7,492 | $ 6,108 | $ 3,481 |

Stock-based compensation expense related to unvested awards yet to be recognized as of December 31, 2023 totaled $5.6 million and is expected to be recognized, on a weighted average basis, over 1.8 years.

**Note 16. Employee Benefit Plan**

In October 2010, the Company established a safe harbor 401(k) plan, which is available to full-time U.S.-based office employees who meet the plan's eligibility requirements. The plan allows participants to contribute to the plan a percentage of pre-tax compensation, but not in excess of the maximum allowed under the Internal Revenue Code. The Company matches 100% of each participant's contributions, up to 6% of each participant's salary. Matching contributions vest immediately. Total matching contributions incurred and included in General and administrative expenses for the years ended December 31, 2023, 2022 and 2021 was $0.5 million, $0.4 million and $0.4 million, respectively.

The Company has a discretionary profit-sharing contribution program under which employees may receive profit sharing contributions based on the Company's annual operating performance. For the years ended December 31, 2023, 2022 and 2021, the Company did not make a profit-sharing contribution.

**Note 17. Subsequent Events**

On January 25, 2024, the Company signed a memorandum of agreement to sell the vessel Stellar Eagle (a 2009-built Supramax) for total consideration of $14.7 million. The Stellar Eagle is expected to be delivered to the buyer in the second quarter of 2024.

On February 5, 2024, EB Holdings provided the Company with a Notice of Conversion pursuant to the Indenture with respect to $34.75 million in aggregate principal amount of Convertible Bond Debt. The Company elected to settle this obligation by issuing 1,098,819 shares of Common Stock on February 7, 2024, which represented 9.96% of outstanding Common Stock following such issuance.

On February 21, 2024, the Company signed a memorandum of agreement to sell the vessel Crested Eagle (a 2009-built Supramax) for total consideration of $14.4 million. The Crested Eagle is expected to be delivered to the buyer in the second quarter of 2024.

On March 1, 2024, the Company's Board declared a cash dividend of $0.60 per share to be paid on March 21, 2024 to shareholders of record at the close of business on March 13, 2024. The aggregate amount of the dividend is expected to be approximately $6.4 million, which the Company anticipates will be funded from cash on hand.

**Exhibit 4.2**

# DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description of the terms of the capital stock of Eagle Bulk Shipping Inc. (the "Company," "we," "us" and "our") is not complete and is qualified in its entirety by reference to our Third Amended and Restated Articles of Incorporation, as amended (our "Charter"), our Second Amended and Restated Bylaws, as amended (our "Bylaws" and, together with our Charter, our "Governing Documents"), both of which are exhibits to our Annual Reports on Form 10-K, and the Business Corporations Act of 1990, as amended, of the Republic of the Marshall Islands (the "BCA"). Our Common Stock (as defined below) is listed on the New York Stock Exchange under the symbol "EGLE."

## Authorized Capital Stock

Under our Charter, our authorized capital stock consists of 700 million shares of Common Stock, par value $0.01 per share (our "Common Stock"), and 25 million shares of preferred stock, par value $0.01 per share (the "Preferred Stock" and, together with Common Stock, "Capital Stock"). There are no shares of Preferred Stock issued and outstanding. All of our shares of stock are in registered form. Holders of Common Stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of Common Stock are subject to the rights of the holders of any shares of Preferred Stock, which we may issue in the future.

## Dividend Rights

Subject to preferences that may be applicable to any outstanding shares of Preferred Stock, if any, holders of shares of Common Stock are entitled to receive ratably all dividends, if any, declared by our Board out of assets or funds legally available for dividends.

## Voting Rights

Our Governing Documents provide that, except as may otherwise be provided in the Governing Documents (including any designation relating to any outstanding series of Preferred Stock) or by applicable law, each holder of shares of our Common Stock, as such, shall be entitled to one vote for each share of our Common Stock held of record by such holder on all matters on which shareholders generally are entitled to vote. Under our Bylaws, those nominees who, in an election of directors, receive a plurality of the votes cast by the shareholders present in person or represented by proxy at the meeting and entitled to vote thereon shall be elected. All other matters properly submitted to a vote of the shareholders shall be decided by the vote of the holders of a majority of the voting power of the shares entitled to vote thereon present in person or by proxy at the meeting, unless otherwise provided by law, rule or regulation, including any stock exchange rule or regulation, applicable to the Company. Under the Charter, holders of our Common Stock are prohibited from having cumulative voting rights.

### Liquidation Rights

Upon our liquidation, dissolution or winding up, after payment in full of all amounts required to be paid to creditors and to the holders of Preferred Stock having liquidation preferences, if any, the holders or our Common Stock will be entitled to receive pro rata our remaining assets and funds available for distribution.

### Preferred Stock

Our Charter authorizes our Board to establish one or more series of Preferred Stock and to determine, with respect to any series of Preferred Stock, the terms and rights of that series, including:

- the designation of the series;
- the number of shares in the series;
- the designations, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions of such series; provided that the total shares of Preferred Stock shall in no event have an aggregate liquidation preference of more than $300 million; and
- the voting rights, if any, of the holders of the series.

It is not possible to state the actual effect of the authorization and issuance of one or more series of Preferred Stock upon the rights of holders of Common Stock until our Board determines the specific terms, rights and preferences of a series of Preferred Stock.

### Convertible Notes

In July 2019, the Company issued $114.12 million in aggregate principal amount of 5.00% Convertible Senior Notes due 2024 (the "Convertible Bond Debt") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in offshore transactions outside of the United States in reliance on Regulation S under the Securities Act, pursuant to an indenture (the "Indenture"), dated as of July 29, 2019, between the Company and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"). Each holder of Convertible Bond Debt has the right to convert any portion of the Convertible Bond Debt, provided such portion is of $1,000 or a multiple thereof, at any time prior to the close of business on the business day immediately preceding the Maturity Date (as defined in the Indenture). The conversion rate is subject to adjustment upon the occurrence of certain specified corporate events, but will not be adjusted for any accrued and unpaid interest. As of March 4, 2024, the conversion rate of the Convertible Bond Debt is 31.6207 shares of our Common Stock per $1,000 principal amount of Convertible Bond Debt (which is equivalent to a conversion price of approximately $31.62 per share of our Common Stock).

Upon conversion, the Company will pay or deliver, as the case may be, either cash, shares of Common Stock or a combination of cash and shares of Common Stock, at the Company's election, to the holder. However, without first obtaining shareholder approval in accordance with the listing standards of the New York Stock Exchange, the Company may not issue shares of Common Stock in excess of 19.9% of Common Stock outstanding at the time the Convertible Bond Debt was initially issued.

**Directors**

Our directors are elected by a majority of the votes cast by shareholders entitled to vote.

Our Board is elected annually, and each director elected holds office for a one-year term and until his successor shall have been duly elected and qualified, except in the event of his death, resignation, removal, or the earlier termination of his term of office. Our Board has the authority to fix the amounts which shall be payable to the members of the Board for attendance at any meeting or for services rendered to us and for the reimbursement of reasonable and documented expenses.

**Shareholder Meetings**

Under our Bylaws, annual shareholder meetings will be held at a time and place selected by our Board. The meetings may be held in or outside of the Marshall Islands. Our Governing Documents provide that, except as otherwise required by law, special meetings of shareholders may be called at any time only by (i) the lead director (if any), (ii) the chairman of the Board, (iii) the Board pursuant to a resolution duly adopted by a majority of the board stating the purpose or purposes thereof, or (iv) any one or more shareholders who beneficially owns, in the aggregate, 15% or more of the aggregate voting power of all then-outstanding shares of Common Stock and any other class or series of capital stock of the Company entitled to vote generally in the election of directors. The notice of any such special meeting is to include the purpose or purposes thereof, and the business transacted at the special meeting is limited to the purpose or purposes stated in the notice (or any supplement thereto). These provisions may impede the ability of shareholders to bring matters before a special meeting of shareholders. Our Board may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

**Dissenters' Rights of Appraisal and Payment**

Under the BCA, our shareholders have the right to dissent from various corporate actions, including any merger or consolidation sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares. In the event of any further amendment of our Charter, a shareholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in the high court of the Marshall Islands or in any appropriate court in any jurisdiction in which the Company's shares are primarily traded on a local or national securities exchange.

**Shareholders' Derivative Actions**

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of Common Stock both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

**Anti-Takeover Provisions**

Several provisions of our Governing Documents, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our Board to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions could also discourage, delay or prevent (1) the merger or acquisition of the Company by means of a tender offer, a proxy contest or otherwise that a shareholder may consider to be in its best interest and (2) the removal of incumbent officers and directors.

***Election and Removal of Directors***

Our Bylaws require parties other than the Board to give advance written notice of nominations for the election of directors. Our Charter also provides that our directors may only be removed for cause upon the affirmative vote of a majority of the outstanding shares of our capital stock entitled to vote for the election of directors. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in our Board for any reason may only be filled by a vote of a majority of the directors then in office, even if less than a quorum (except that a quorum is required if the vacancy results from an increase in the number of directors).

***Certain Voting Requirements***

Our Charter provides that a two-thirds vote is required to amend or repeal certain provisions of our Charter and Bylaws, including those provisions relating to: the number and election of directors; filling of board vacancies; resignations and removals of directors; director liability and indemnification of directors; the power of shareholders to call special meetings; advance notice of director nominations and shareholders proposals; and amendments to our Charter and Bylaws. These supermajority provisions may discourage, delay or prevent the changes to our Charter or Bylaws.

***Advance Notice Requirements for Shareholder Proposals and Director Nominations***

Our Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a shareholder's notice will have to be received at our principal executive office not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever occurs first, in order for such notice by a shareholder to be timely. Our Bylaws also specify requirements as to the form and content of a shareholder's notice. These advance notice requirements, particularly the 60 to 90 day requirement, may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

***Blank Check Preferred Stock***

Under the terms of our Charter, our Board has authority, without any further vote or action by our shareholders, to issue shares of blank check Preferred Stock; provided that the total shares of blank check Preferred Stock shall in no event have an aggregate liquidation preference of more than $300 million. Our Board may issue shares of Preferred Stock on terms calculated to discourage, delay or prevent a change of control of our Company or the removal of our management.

The BCA does not require shareholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange, which will apply so long as our Common Stock is listed on the New York Stock Exchange, require shareholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of our Common Stock.

***Action by Written Consent***

Our Bylaws provide that any action required or permitted to be taken by the shareholders may be effected only at a duly called annual or special meeting of the shareholders. Except as otherwise mandated by law, the ability of shareholders to consent in writing to the taking of any action is specifically denied by our Bylaws.

***Limitations on Liability and Indemnification of Officers and Directors***

The BCA authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our Bylaws include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent permitted by law.

Our Bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly authorized to advance certain expenses (including attorneys' fees) to our directors and offices and carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive offices.

The limitation of liability and indemnification provisions in our Governing Documents may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, our shareholders investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the claim has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

**EXHIBIT 21.1**

The following is a list of the subsidiaries of Eagle Bulk Shipping Inc. as of March 4, 2024.

| Name of Significant Subsidiary | Jurisdiction of Incorporation |
|---|---|
| Eagle Bulk Delaware LLC | Delaware |
| Eagle Bulk Europe A/S | Denmark |
| Eagle Bulk Holdco LLC | Marshall Islands |
| Eagle Bulk Management LLC | Marshall Islands |
| Eagle Bulk Pte. Ltd. | Singapore |
| Eagle Bulk Ship Management (Singapore) Pte. Ltd. | Singapore |
| Eagle Bulk Shipco LLC | Marshall Islands |
| Eagle Bulk Ultraco LLC | Marshall Islands |
| Eagle Ship Management LLC | Delaware |
| Eagle Shipping International (USA) LLC | Marshall Islands |
| Antwerp Eagle LLC | Marshall Islands |
| Avocet Shipping LLC | Marshall Islands |
| Bittern Shipping LLC | Marshall Islands |
| Canary Shipping LLC | Marshall Islands |
| Cape Town Eagle LLC | Marshall Islands |
| Cardinal Shipping LLC | Marshall Islands |
| Copenhagen Eagle LLC | Marshall Islands |
| Crane Shipping LLC | Marshall Islands |
| Crested Eagle Shipping LLC | Marshall Islands |
| Crowned Eagle Shipping LLC | Marshall Islands |
| Dublin Eagle LLC | Marshall Islands |
| Egret Shipping LLC | Marshall Islands |
| Fairfield Eagle LLC | Marshall Islands |
| Gannet Shipping LLC | Marshall Islands |
| Gibraltar Eagle LLC | Marshall Islands |
| Golden Eagle Shipping LLC | Marshall Islands |
| Grebe Shipping LLC | Marshall Islands |
| Greenwich Eagle LLC | Marshall Islands |
| Groton Eagle LLC | Marshall Islands |
| Halifax Eagle LLC | Marshall Islands |
| Hamburg Eagle LLC | Marshall Islands |
| Helsinki Eagle LLC | Marshall Islands |
| Hong Kong Eagle LLC | Marshall Islands |
| Ibis Shipping LLC | Marshall Islands |
| Imperial Eagle Shipping LLC | Marshall Islands |
| Jaeger Shipping LLC | Marshall Islands |
| Jay Shipping LLC | Marshall Islands |
| Kingfisher Shipping LLC | Marshall Islands |
| Madison Eagle LLC | Marshall Islands |
| Martin Shipping LLC | Marshall Islands |
| Montauk Eagle LLC | Marshall Islands |
| Mystic Eagle LLC | Marshall Islands |
| New London Eagle LLC | Marshall Islands |
| Newport Eagle LLC | Marshall Islands |

| | |
|---|---|
| Nighthawk Shipping LLC | Marshall Islands |
| Oriole Shipping LLC | Marshall Islands |
| Oslo Eagle LLC | Marshall Islands |
| Owl Shipping LLC | Marshall Islands |
| Petrel Shipping LLC | Marshall Islands |
| Puffin Shipping LLC | Marshall Islands |
| Roadrunner Shipping LLC | Marshall Islands |
| Rotterdam Eagle LLC | Marshall Islands |
| Rowayton Eagle LLC | Marshall Islands |
| Sandpiper Shipping LLC | Marshall Islands |
| Sankaty Eagle LLC | Marshall Islands |
| Santos Eagle LLC | Marshall Islands |
| Shanghai Eagle LLC | Marshall Islands |
| Singapore Eagle LLC | Marshall Islands |
| Skua Shipping LLC | Marshall Islands |
| Southport Eagle LLC | Marshall Islands |
| Stamford Eagle LLC | Marshall Islands |
| Stellar Eagle Shipping LLC | Marshall Islands |
| Stockholm Eagle LLC | Marshall Islands |
| Stonington Eagle LLC | Marshall Islands |
| Sydney Eagle LLC | Marshall Islands |
| Tern Shipping LLC | Marshall Islands |
| Tokyo Eagle LLC | Marshall Islands |
| Valencia Eagle LLC | Marshall Islands |
| Vancouver Eagle LLC | Marshall Islands |
| Westport Eagle LLC | Marshall Islands |

**Exhibit 23.1**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-270841 on Form S-3 and Registration Statement No. 333-273763 on Form S-8 of our report dated March 4, 2024, relating to the financial statements of Eagle Bulk Shipping Inc. and the effectiveness of Eagle Bulk Shipping Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

New York, New York

March 4, 2024

**Exhibit 23.2**

**Consent of Counsel**

Reference is made to the annual report on Form 10-K of Eagle Bulk Shipping Inc. (the "Company") for the year ended December 31, 2023 (the "Annual Report") and the registration statement on Form S-8 (Registration No. 333-273763) and Form S-3 (Registration No. 333-270841) of the Company, including the prospectuses contained therein (the "Registration Statements"). We hereby consent to (i) the filing of this letter as an exhibit to the Annual Report, which is incorporated by reference into the Registration Statements and (ii) each reference to us and the discussions of advice provided by us in the Annual Report under the section "Item 1. Business-Tax Considerations" and to the incorporation by reference of the same in the Registration Statements, in each case, without admitting we are "experts" within the meaning of the Securities Act of 1933, as amended, or the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder with respect to any part of the Registration Statements.

/s/ Seward & Kissel LLP
New York, New York
March 4, 2024

**Exhibit 31.1**

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER**

I, Gary Vogel, certify that:

1. I have reviewed this annual report on Form 10-K of Eagle Bulk Shipping Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2024

/s/ Gary Vogel
Gary Vogel
Chief Executive Officer
(Principal executive officer of the registrant)

**Exhibit 31.2**

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER**

I, Constantine Tsoutsoplides, certify that:

1. I have reviewed this annual report on Form 10-K of Eagle Bulk Shipping Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2024

/s/ Constantine Tsoutsoplides
Constantine Tsoutsoplides
Chief Financial Officer
(Principal financial officer of the registrant)

**Exhibit 32.1**

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION**
**PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the annual report of Eagle Bulk Shipping Inc. (the "Company") on Form 10-K for the year ending December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Gary Vogel, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: March 4, 2024

/s/ Gary Vogel
Gary Vogel
Chief Executive Officer
(Principal executive officer of the registrant)

**Exhibit 32.2**

**PRINCIPAL FINANCIAL OFFICER CERTIFICATION**
**PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the annual report of Eagle Bulk Shipping Inc. (the "Company") on Form 10-K for the year ending December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Constantine Tsoutsoplides, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: March 4, 2024

/s/ Constantine Tsoutsoplides
Constantine Tsoutsoplides
Chief Financial Officer
(Principal financial officer of the registrant)

**EAGLE BULK SHIPPING INC.**

**Clawback Policy**

**Effective as of October 26, 2023**

***Section 1. Purpose***

This Clawback Policy (this "Policy") has been adopted by the Board of Directors (the "Board") of Eagle Bulk Shipping Inc. (the "Company") effective as of October 26, 2023.

This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act") and with New York Stock Exchange ("NYSE") Rule 303A.14, and provides for the recoupment of certain Incentive Compensation (as defined below).

***Section 2. Administration***

This Policy shall be administered by the Compensation Committee of the Board (the "Committee").

Subject to the provisions of this Policy, the Committee shall make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary or advisable. All determinations and interpretations made by the Committee shall be final, binding and conclusive.

***Section 3. Definitions***

i. "Accounting Restatement" means a restatement of the Company's financial statements due to material noncompliance of the Company with any financial reporting requirement under applicable securities laws, including: (A) a restatement to correct a material error in a previously issued financial statement; or (B) a restatement to correct an immaterial error from a previously issued financial statement would result in a material misstatement in the current-period financial statement.

ii. "Covered Employee" means any current and former Executive Officers and such other senior executives who are designated as subject to the Policy by the Committee in connection with the annual incentive award process each year.

iii. "Excess Incentive Compensation" means the amount of Incentive Compensation received by the Covered Employee that exceeds the amount of Incentive Compensation that would have otherwise been received by the Covered Employee had it been determined based on the results of the Accounting Restatement, computed without regard to any taxes paid.

iv. "Executive Officer" shall have the meaning set forth in NYSE Rule 303A.14.

v. "Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, whether presented in or outside of the Company's financial statements, any measure derived wholly or in part from such measures (including non-GAAP measures and other measures, metrics, and ratios that are non-GAAP measures). Stock price and total shareholder return are also financial reporting measures.

vi. "Incentive Compensation" means any compensation including, but not limited to: (i) annual bonuses and other short-term and long-term cash incentives; (ii) stock options;

(iii) stock appreciation rights; (iv) restricted stock; (v) restricted stock units; (vi) performance shares; and (vii) performance units, in each case, that is granted, earned, or vested based wholly or in part on the attainment of any of the Financial Reporting Measures.

vii. "Recovery Period" means the three (3) completed fiscal years immediately preceding the Required Accounting Restatement Date. In addition, the Recovery Period shall include any transition period (that results from a change in the Company's fiscal year) within or immediately following the aforementioned three (3) completed fiscal years; *provided, however*, that a transition period between the last day of the Company's previous fiscal year end and the first of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.

viii. "Required Accounting Restatement Date" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officers of the Company authorized to take such action if the Board is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement or (ii) the date a court, regulatory, or other legally authorized body directs to the Company to prepare an Accounting Restatement.

***Section 4. Persons Subject to this Policy***

This Policy shall apply to all Incentive Compensation received by a Covered Employee: (i) after beginning service as an Executive Officer; (ii) who served as an Executive Officer during the Recovery Period; and (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association. Notwithstanding the foregoing, the Committee may choose to apply this Policy, in its discretion, to Incentive Compensation received by a Covered Person during the Recovery Period even if such person did not serve as an Executive Officer during all or part of the Recovery Period.

***Section 5. Erroneously Awarded Incentive Compensation and Amount Subject to Clawback.***

In the event the Company is required to prepare an Accounting Restatement, the amount to be recovered from the Covered Employee shall be the Excess Incentive Compensation paid or awarded to a Covered Employee during the Recovery Period. For purposes of calculating the Excess Incentive Compensation amount, Incentive Compensation will be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the incentive-based compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

Notwithstanding the foregoing, if the Committee cannot determine the amount of Excess Incentive Compensation received by the Covered Employee directly from the information in the Accounting Restatement, the Committee will make a determination as to the amount of Excess Incentive Compensation based on a reasonable estimate of the effect of the Accounting Restatement.

***Section 6. Method of Recoupment***

The Committee shall determine, in its sole discretion, the method of recovering or cancelling, as the case may be, Excessive Incentive Compensation, which may include, without limitation, any one or more of the following:

i. requiring reimbursement of cash Excessive Incentive Compensation previously paid within ninety days after a Covered Employee is given written notice thereof by the Committee;

ii. seeking the recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity or equity-based awards;

iii. offsetting the Excess Incentive Compensation from any compensation otherwise owed by the Company to the Covered Employee;

iv. cancelling outstanding vested or unvested equity awards; and/or

v. taking any other remedial recovery action permitted by law, as determined by the Committee.

***Section 7. Impracticability***

The Committee shall recover any Excess Incentive Compensation in accordance with this Policy unless the Committee concludes such recovery would be impracticable, as determined by the Committee pursuant to and in accordance with Rule 10D-1 of the Exchange Act and NYSE Rule 303A.14.

***Section 8. No Indemnification and Liability of Covered Employee***

The Company shall not indemnify any Covered Employee, directly or indirectly, for any losses that such Covered Employee may incur in connection with the recovery of any compensation set forth in this Policy. If a Covered Employee does not comply with any recoupment pursuant to Section 6 hereof, such Covered Employee shall be liable for, and the Company shall be entitled to recover, any costs, fees and expenses (including, without limitation, any legal fees) incurred by the Company in seeking to effect recoupment pursuant to Section 6 hereof.

***Section 9. Other Recoupment Rights***

Any applicable employment agreement, award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. To the extent that any applicable law or stock market or exchange rules or regulations permit or require recovery of compensation in circumstances in addition to those specified herein, nothing in this Policy will be deemed to limit or restrict the right or obligation of the Company to recover such compensation to the fullest extent permitted or required by such law, rules or regulations.

The Committee shall provide notice and seek written acknowledgement of this Policy from each Covered Employee as soon as practicable after the later of (i) the Effective Date and (ii) the date on which the employee is designated as a Covered Officer; provided, however, that failure to obtain such acknowledgement shall have no impact on the enforceability of this Policy.

***Section 10. Interpretation; Amendment; Termination***

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the Securities and

Exchange Commission under Section 10D of the Exchange Act and with NYSE Rule 303A.14, or any successor regulations or rules. The Board may terminate this Policy at any time.

***Section 11. Enforceability***

If any provision of this Clawback Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

***Section 12. Successors***

This Policy shall be binding and enforceable against all Covered Employees and their beneficiaries, heirs, executors, administrators or other legal representatives.