Registration Document

Diana Shipping Inc.

Registration number 13671

(Marshall Islands)

Listing on Oslo Stock Exchange

Arrangers:

As Joint Lead Managers

Athens, Greece 28 January 2022

This Registration Document does not constitute an offer to buy, subscribe or sell the securities described herein.

This Registration Document combined with the relevant Securities Note and Summary serves as a listing Prospectus as required by applicable laws and no securities are being offered or sold pursuant to this Prospectus.

IMPORTANT NOTICE

This registration document dated 28 January 2022 (the "Registration Document") has been prepared by Diana Shipping Inc. ("Diana", "the Company" or the "Issuer", and together with its subsidiaries the "Group") for use in connection with the listing of the Company's 8.375% senior unsecured USD 125,000,000 bonds 2021/2026 with ISIN NO0011021974 (the "Bonds") on the Oslo Stock Exchange (the "Listing").

This Registration Document combined with the securities note and summary dated 28 January 2022 (the "Securities Note" and the "Summary", respectively) constitutes a prospectus (the "Prospectus") in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "EU Prospectus Regulation").

This Registration Document has been prepared to comply with chapter 7 of the Norwegian Securities Trading Act of 29 June 2007 No. 75 (Nw: *Verdipapirhandelloven*) (the "Norwegian Securities Trading Act") and related secondary legislation including the EU Prospectus Regulation. The Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) (the "NFSA") has reviewed and approved the Prospectus, including this Registration Document, as competent authority under the EU Prospectus Regulation. The Prospectus is valid 12 months from the NFSA's approval. The NFSA only approves the Prospectus, including this Registration Document, as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Registration Document has been prepared in the English language only.

The information contained herein is current as of the date of this Registration Document and subject to change, completion or amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Registration Document which may affect the assessment of the Listing of the Bonds contemplated hereby and emerges between the time of the approval of this Registration Document by the NFSA and the Listing, will be included in a supplement to the Registration Document. Neither the approval nor distribution or use of this Registration Document shall under any circumstances create any implication that the information herein is correct as of any date subsequent to the date of the Registration Document.

All inquiries relating to this Registration Document should be directed to the Company. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Listing and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company.

Unless otherwise indicated, the source of the information in this Registration Document is the Company. The contents of this Registration Document are not to be construed as legal, business or tax advice. Each reader of this Registration Document should consult with its own professional advisors for legal, business and tax advice. If you are in any doubt about the contents of this Registration Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

An investment in bonds involves inherent risks. Prospective investors in Bonds issued by the Company should carefully consider the risks associated with the investment when reading the information contained in this Registration Document, and be aware of the risk of losing such investment in its entirety, before deciding to invest. Prospective investors should read the entirety of the information contained in this Registration Document in connection with the Summary and the Securities Note, especially section 1 "Risk Factors" of the Securities Note and the summary of risk factors set out in Section 1 "Risk Factors" below before deciding to invest in the Bonds. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Registration Document and/or Securities Note or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Bonds and be familiar with the behavior of the financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Offering restrictions

The distribution of this Registration Document may in certain jurisdictions be restricted by law (including, but not limited to, the United States, Canada, Australia, Japan and South Africa). Persons in possession of this Registration Document are required to inform themselves about and to observe any such restrictions. This Registration Document does not constitute an offer of, or an invitation to subscribe or purchase, any bonds or other securities.

The securities described in this Registration Document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold absent registration or an applicable exemption from registration under the U.S. Securities Act.

Furthermore, the bonds may not be offered or sold in or into Canada, Japan, the Republic of South Africa or Australia.

In relation to the United Kingdom, this Registration Document is only directed at, and may only be distributed to, investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who are persons to whom the document may otherwise be lawfully distributed. This Registration Document may only be distributed in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995 (as amended). The distribution (which term shall include any form of communication) of this Registration Document may be restricted pursuant to Section 21 (Restrictions on Financial Promotion) of the Financial Services and Markets Act 2000 (as amended).

Except for the approval by NFSA as described above, no action has been taken or will be taken in any jurisdiction by the Company or the Joint Lead Managers that would permit a public offering of Bonds issued by the Company, or the possession or distribution of any documents relating to the Listing, or any amendment or supplement thereto, hereunder but not limited to this Registration Document, in any country or jurisdiction where specific action for that purpose is required. Any person receiving this Registration Document is required by the Company and the Joint Lead Managers to inform themselves about and to observe such restrictions.

The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations that are not known or identified by the Company or the Joint Lead Managers at the date of this Registration Document may apply in various jurisdictions as they relate to the Listing and this Registration Document.

This Registration Document is subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect of this Listing or this Registration Document is subject to the exclusive jurisdiction of the Norwegian courts, with Oslo District Court as exclusive venue.

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1 RISK FACTORS

Investing in the Bonds and other securities issued by the Issuer involves inherent risks. As the Issuer is the parent company of the Group, the risk factors for the Issuer and the Group are deemed to be equal for the purpose of this Registration Document. Prior to any decision to invest in the Bonds, potential investors should carefully read and assess the following specific risks and the other information contained in this Registration Document, in addition to the information in the Securities Note and related documents, including the risks described in section 1 "Risk Factors" of the Securities Note. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. The risks and uncertainties described in this section "Risk Factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Issuer believes are the material risks associated with this type of investment.

If any of the risks presented below materializes, individually or together with other circumstances, the business, financial position and operating results of the Issuer and the Group could be materially and adversely affected, and the price of the Bonds may decline, causing investors to lose all or part of their invested capital.

The primary risk factors in connection with an investment in the bonds are described below. The risk factors included in this section "Risk Factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material, taking into account their potential negative effects, and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision.

A prospective investor should carefully consider the factors set out below and elsewhere in this Registration Document.

The below described risk factors are supplemented by the risks described under the heading "Risk Factors" in the Issuer's Annual Report on Form 20-F for the year ended December 31, 2020 that summarize the risks that may materially affect the Issuer's business.

1.1 Industry Specific Risk Factors

Charter hire rates for dry bulk carriers are volatile, which may adversely affect the Group's earnings, revenue and profitability and the Group's ability to comply with its loan covenants

The dry bulk shipping industry is cyclical with attendant volatility in charter hire rates and profitability, and the dry bulk charter market remains significantly below its high in 2008. The degree of charter hire rate volatility among different types of dry bulk carriers has varied widely, and charter hire rates for Panamax and Capesize dry bulk carriers have declined significantly from historically high levels. Because the Group charters some of its vessels pursuant to short-term time charters, the Group is exposed to changes in spot market and short-term charter rates for dry bulk carriers and such changes may affect the Group's earnings and the value of its dry bulk carriers at any given time. In addition, all of the Group's vessels, except for four, are scheduled to come off of their current charters in 2022, based on their earliest redelivery date, for which they may be seeking new employment. Fluctuations in charter rates result from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for the major commodities carried by water internationally. Because the factors affecting the supply of and demand for vessels are outside of the Group's control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. A significant decrease in charter rates would affect asset values and adversely affect the Group's profitability, cash flows and may cause asset values to decline, and the Group may have to record impairment charges in its consolidated financial statements which could adversely affect the Group's financial results.

The global financial markets and economic conditions may adversely impact the Group's results of operation, financial condition, cash flows, and ability to obtain additional financing or refinance its existing and future credit facilities on acceptable terms which may negatively impact the Group's business

Global financial markets and economic conditions have been, and continue to be, volatile. The world economy faces a number of challenges, including the effects of volatile oil prices, trade tensions between the United States and China and between the United States and the European Union, continuing turmoil and hostilities in the Middle East, the Korean Peninsula, North Africa, Venezuela, Iran and other geographic areas and countries, continuing threat of terrorist attacks around the world, continuing instability and conflicts and other recent occurrences in the Middle East and in other geographic areas and countries, continuing economic weakness in the European Union, or the E.U., and stabilizing growth in China, as well as continued uncertainty regarding global economic impacts of the ongoing COVID-19 pandemic. Beginning in February 2020, due in part to COVID-19, global financial markets, and starting in late February 2020, financial markets in the U.S., experienced even greater relative volatility and a steep and abrupt downturn, which may continue as COVID-19 pandemic and governmental responses continues to develop. Credit markets and the debt and equity capital markets have been distressed and the uncertainty surrounding the future of the global credit markets has resulted in reduced access to credit worldwide, particularly for the shipping industry. These issues, along with significant write-offs in the financial services sector, the repricing of credit risk and the current weak economic conditions, have made, and will likely continue to make, it difficult to obtain additional financing for the Issuer, if required. Economic conditions may also adversely affect the market price of the Issuer's securities.

Also, as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the availability and cost of obtaining money from the public and private equity and debt markets has become more difficult. Many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers and other market participants, including equity and debt investors, and some have been unwilling to invest on attractive terms or even at all. Due to these factors, the Group cannot be certain that additional financing will be available if needed and to the extent required, or that the Group will be able to refinance its existing and future credit facilities, on acceptable terms or at all. If financing or refinancing is not available when needed, or is available only on unfavorable terms, the Group may be unable to meet its obligations as they come due or the Group may be unable to enhance its existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

An over-supply of dry bulk carrier capacity may depress the charter rates and, in turn, adversely affect the Group's profitability

The market supply of dry bulk carriers has increased materially since 2009 due to a high level of new deliveries in the last few years. Although dry bulk newbuilding deliveries have tapered off since 2014, newbuildings continued to be delivered through the end of 2020. While vessel supply will continue to be affected by the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or accidental losses, an over-supply of dry bulk carrier capacity could depress charter rates. Currently, all of the Group's vessels, except for four, are scheduled to come off of their current charters in 2022, based on their earliest redelivery date, for which the Group may be seeking new employment.

Risks associated with operating ocean-going vessels could affect the Group's business and reputation, which could adversely affect its revenues and stock price

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

- marine disaster;
- acts of God;
- terrorism;
- environmental accidents;
- cargo and property losses or damage;
- business interruptions caused by mechanical failures, grounding, fire, explosions and collisions, human error, war, terrorism, piracy and other circumstances or events. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes or adverse weather conditions; and
- piracy

These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to the Group's customer relationships, and market disruptions, delay or rerouting, which may also subject the Group to litigation. If the Group's vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs and maintenance are unpredictable and may be substantial. The Group may have to pay drydocking costs that the Group's insurance does not cover in full. The loss of revenues while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect the Group's business and financial condition. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. The Group may be unable to find space at a suitable drydocking facility or the Group's vessels may be forced to travel to a drydocking facility that is not conveniently located to the Group's vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant drydocking facilities may adversely affect the Group's business and financial condition. Further, the total loss of any of the Group's vessels in an environmental disaster may also harm the Group's reputation as a safe and reliable vessel owner and operator. If the Group is unable to adequately maintain or safeguard its vessels, the Group may be unable to prevent any such damage, costs, or loss which could negatively impact the Group's business, financial condition, results of operations and available cash

Outbreaks of epidemic and pandemic diseases, including COVID-19, and governmental responses thereto could adversely affect the Group's business

Global public health threats, such as COVID-19, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which the Group operates, including China, could adversely impact the Group's operations, as well as the operations of the Group's customers. The ongoing outbreak of COVID-19 has, among other things, caused delays and uncertainties relating to newbuildings, drydockings and other functions of shipyards.

The COVID-19 pandemic and measures to contain its spread have negatively impacted regional and global economies and trade patterns in markets in which the Group operates, the way the Group operates, the Group’s business, and the businesses of the Group's charterers and suppliers. These negative impacts could continue or worsen, even after the pandemic itself diminishes or ends. Measures against COVID-19 in a number of countries have restricted crew rotations on the Group's vessels, which may continue or become more severe. As a result, in 2020 and 2021, the Group experienced and may continue to experience disruptions to its normal vessel operations caused by increased deviation time associated with positioning the Group's vessels to countries in which the Group can undertake a crew rotation in compliance with such measures.

The extent of the COVID-19 outbreak’s effect on the Group's operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, any resurgence or mutation of the virus, the continued availability of vaccines and their global deployment, the development of effective treatments, the imposition of effective public safety and other protective measures and the public’s response to such measures. There continues to be a high level of uncertainty relating to how the pandemic will evolve, how governments and consumers will react and progress on the approval and distribution of vaccines, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, the ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the Issuer cannot predict the impact it may have on the Group future operations, which impact could be material and adverse, particularly if the pandemic continues to evolve into a severe worldwide health crisis.

Acts of piracy on ocean-going vessels could adversely affect the Group's business
Acts of piracy could result in harm or danger to the crews that man the Group's vessels. In addition, if these piracy attacks occur in regions in which the Group's vessels are deployed that insurers characterized as "war risk" zones or Joint War Committee "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including due to employing onboard security guards, could increase in such circumstances. In addition, any detention hijacking as a result of an act of piracy against the Group's vessels, or an increase in cost, or unavailability, of insurance for the Group's vessels, could have a material adverse impact on the Group's business, financial condition and earnings.

The Group's operating results are subject to seasonal fluctuations
The Group operates its vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. The dry bulk carrier market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, the Group's revenues may be weaker during the spring and summer, and conversely, be stronger during the fall and winter, which could materially affect the Group's operating results to the extent the Group's vessels are employed in the spot market in the future.

An increase in the price of fuel may adversely affect the Group's profits
While the Group generally will not bear the cost of fuel or bunkers for vessels operating on time charters, fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel beyond the Group's expectations may adversely affect the Group's profitability at the time of charter negotiation. An increase in oil price in the future may reduce the profitability and competitiveness of the Group's business versus other forms of transportation, such as truck or rail. Other future regulations may have a similar impact.

The operation of dry bulk carriers has certain unique operational risks which could affect the Group's earnings and cash flow
With a dry bulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, dry bulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, dry bulk 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.
No assurances can be given that the Group will be adequately insured against all risks or that the Group will be able to obtain adequate insurance coverage at reasonable rates for its vessels in the future. Additionally, the Group's insurers may refuse to pay particular claims. Any significant loss or liability for which the Group are not insured could have a material adverse effect on the Group's financial condition.

1.2 Company Specific Risk Factors

The market value of the Group's vessels has declined in recent years and may further decline, which could limit the amount of funds that the Group can borrow and could trigger breaches of certain financial covenants contained in its loan facilities
The market values of the Group's vessels, which are related to prevailing freight charter rates, have declined significantly in recent years. While the market values of vessels and the freight charter market have a very close relationship as the charter

market moves from trough to peak, the time lag between the effect of charter rates on market values of ships can vary.

The market values of the Group's vessels, although increased in 2021, are at low levels compared to historical averages and if the market values of the Group's vessels were to decline, the Group may not be in compliance with certain covenants contained in the Group's loan facilities and the Group may not be able to refinance its debt or obtain additional financing or incur debt on terms that are acceptable to the Group or at all. If the Group is not able to comply with the covenants in its loan facilities or is unable to obtain waivers or amendments or otherwise remedy the relevant breach, the Group's lenders could accelerate its debt and foreclose on the Group's vessels.

The Group charters some of its vessels on short-term time charters in a volatile shipping industry and a decline in charter hire rates could affect its results of operations

Although significant exposure to short-term time charters is not unusual in the dry bulk shipping industry, the short-term time charter market is highly competitive and spot market charter hire rates (which affect time charter rates) may fluctuate significantly based upon available charters and the supply of, and demand for, seaborne shipping capacity. While the short-term time charter market may enable the Group to benefit in periods of increasing charter hire rates, the Group must consistently renew its charters and this dependence makes the Group vulnerable to declining charter rates

Rising crew costs could adversely affect the Group's results of operations

Due to an increase in the size of the global shipping fleet, the limited supply of and increased demand for crew has created upward pressure on crew costs. Continued higher crew costs or further increases in crew costs could adversely affect the Group's results of operations.

A cyber-attack could materially disrupt the Group's business

The Group relies on information technology systems and networks in its operations and administration of its business. The Group's business operations could be targeted by individuals or groups seeking to sabotage or disrupt the Group's information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt the Group's operations, including the safety of the Group's operations, or lead to unauthorized release of information or alteration of information in the Group's systems. Any such attack or other breach of the Group's information technology systems could have a material adverse effect on the Group's business and results of operations.

Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to the Group's Environmental, Social and Governance ("ESG") policies may impose additional costs on the Group or expose it to additional risks

The Company may face increasing pressures from investors, lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce the Group's carbon footprint and promote sustainability. As a result, the Group may be required to implement more stringent ESG procedures or standards so that the Issuer's existing and future investors and lenders remain invested in the Issuer and make further investments in the Issuer. If the Group does not meet these standards, the Group's business and/or the Group's ability to access capital could be harmed.

The Group's earnings may be adversely affected if the Group is unable to take advantage of favorable charter rates

While the Group believes that long-term charters provides it with relatively stable cash flows and higher utilization rates than shorter-term charters, the Group's vessels that are committed to long-term charters may not be available for employment on short-term charters during periods of increasing short-term charter hire rates when these charters may be more profitable than long-term charters.

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

From time to time, the Group may take positions in derivative instruments including forward freight agreements, or FFAs. If the Group takes positions in FFAs or other derivative instruments and does not correctly anticipate charter rate movements over the specified route and time period, the Group could suffer losses in the settling or termination of the FFA. This could adversely affect the Group's results of operations and cash flows.

The Group may have difficulties effectively managing any growth, which may adversely affect the Group's earnings

The Group may grow its fleet further in the future and this may require the Group to increase the number of its personnel. No assurances can be given that the Group will be successful in executing any future growth plans or that the Group will not incur significant expenses and losses in connection with its future growth.

No assurances can be given that the Group will be able to borrow amounts under its loan facilities and restrictive covenants in the Group's loan facilities impose financial and other restrictions on it

The Group has entered into several loan agreements to finance vessel acquisitions and the construction of newbuildings. The Group's ability to borrow amounts under its facilities is subject to the execution of customary documentations. As such, the Group may need to seek permission from its lenders in order to engage in some corporate actions. The Group's lenders' interests may be different from the Group's and the Group cannot guarantee that it will be able to obtain its lenders' permission when needed. This may limit the Group's ability to finance its future operations, make acquisitions or pursue business opportunities.

No assurances can be given that the Group will be able to refinance indebtedness incurred under its loan facilities

If The Group cannot assure you that it will be able to refinance its indebtedness with equity offerings or otherwise, on terms that are acceptable to the Group or at all the Group is unable to meet its debt obligations, or if the Group otherwise default under its loan facilities or an alternative financing arrangement, the Group's lenders could declare the debt, together with accrued interest and fees, to be immediately due and payable and foreclose on the Group's fleet, which could result in the acceleration of other indebtedness that the Group may have at such time and the commencement of similar foreclosure proceedings by other lenders.

The Group is subject to certain risks with respect to its counterparties on contracts, and failure of such counterparties to meet their obligations could cause the Group to suffer losses or otherwise adversely affect the Group's business

. The ability and willingness of each of the Group's counterparties to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control. Should a counterparty fail to honor its obligations under agreements with the Group, the Group could sustain significant losses, which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

In the highly competitive international shipping industry, the Group may not be able to compete for charters with new entrants or established companies with greater resources

Due in part to the highly fragmented market, competitors with greater resources than the Group could enter the dry bulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and higher quality vessels than the Group is able to offer.

Technological innovation and quality and efficiency requirements from the Group's customers could reduce the Group's charter hire income and the value of its vessels

If new vessels are built that are more efficient or more flexible or have longer physical lives than the Group's vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter hire payments the Group receives for its vessels and the resale value of the Group's vessels could significantly decrease. This could have an adverse effect on the Group's results of operations, cash flows and financial condition.

The aging of the Group's fleet may result in increased operating costs in the future, which could adversely affect the Group's earnings

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As the Group's fleet ages, the Group will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. No assurances can be given that, as the Group's vessels age, market conditions will justify those expenditures or enable the Group to operate its vessels profitably during the remainder of their useful lives.

The Group depends upon a few significant customers for a large part of its revenues and the loss of one or more of these customers could adversely affect the Group's financial performance

The Group has historically derived a significant part of its revenues from a small number of charterers. During 2020, 2019, and 2018, approximately 34%, 60% and 56%, respectively, of the Group's revenues were derived from two, four and four charterers, respectively. If one or more of the Group's charterers chooses not to charter the Group's vessels or is unable to perform under one or more charters with the Group and the Group is unable to find a replacement charter, the Group could suffer a loss of revenues that could adversely affect the Group's financial condition and results of operations.

The Issuer is a holding company, and it depends on the ability of its subsidiaries to distribute funds to the Issuer in order to satisfy its financial obligations

The Issuer is a holding company and its subsidiaries conduct all of its operations and own all of its operating assets. The Issuer has no significant assets other than the equity interests in its subsidiaries. As a result, the Issuer's ability to satisfy its financial obligations depends on its subsidiaries and their ability to distribute funds to the Issuer. If the Issuer is unable to obtain funds from its subsidiaries, the Issuer may not be able to satisfy its financial obligations.

Because the Issuer is organized under the laws of the Marshall Islands, it may be difficult to serve the Issuer with legal process or enforce judgments against the Issuer, its directors or its management

The Issuer is organized under the laws of the Marshall Islands, and substantially all of its assets are located outside of the United States. In addition, the majority of the Issuer's directors and officers are non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for someone to bring an action against the Issuer or against these individuals in the United States if they believe that their rights have been infringed under securities laws or otherwise.

The Issuer may have to pay tax on U.S. source income, which would reduce the Group's earnings

If the Issuer or its subsidiaries are not entitled to tax exemptions under the U.S Internal Revenue Code of 1986, as amended, for any taxable year, the Issuer or its subsidiaries would be subject for those years to a 4% U.S. federal income tax on the gross U.S.-source shipping income. The imposition of this taxation could have a negative effect on the Group's business.

1.3 Regulatory and Legal Risks

The Group is subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business

The Group's business and the operations of the Group's vessels are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the Group's vessels operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the clean up of oil spills and other contamination, air emissions (including greenhouse gases), water discharges and ballast water management.

Increase Climate change and greenhouse gas restrictions may adversely impact the Group's operations and markets

Compliance with changes in laws, regulations and obligations relating to climate change could increase the Group's costs related to operating and maintaining its vessels and require the Group to install new emission controls, acquire allowances or pay taxes related to the Group's greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

If the Group's vessels call on ports located in countries or territories that are the subject of sanctions or embargoes it could lead to monetary fines or penalties and may adversely affect the Group's reputation and the market for the Issuer's securities

If the Group's vessels call on ports or operate in countries subject to sanctions and embargoes imposed by the U.S. government or other governmental authorities ("Sanctioned Jurisdictions") in violation of sanctions or embargoes laws, such activities may result in a sanctions violation and the Group could be subject to monetary fines, penalties, or other sanctions, and the Group's reputation and the market for the Group's securities could be adversely affected. Although the Group endeavor to take precautions reasonably designed to mitigate such risks, it is possible that, in the future, the Group's vessels may call on ports located in Sanctioned Jurisdictions on charterer's instructions and/or without the Group's consent.

Maritime claimants could arrest or attach the Group's vessels, which would interrupt the Group's business or have a negative effect on the Group's cash flows

The arrest or attachment of one or more of the Group's vessels could interrupt the Group's business or require the Group to pay large sums of funds to have the arrest or attachment lifted, which would have a negative effect on the Group's cash flows.

The Group conducts business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to the Group

Some of the Group's vessels may be chartered to Chinese customers and from time to time on the Group's charterers' instructions, the Group's vessels may call on Chinese ports. Changes in Chinese laws and regulations, including with regards to tax matters, or changes in their implementation by local authorities could affect the Group's vessels if chartered to Chinese customers as well as the Group's vessels calling to Chinese ports and could have a material adverse impact on the Group's business, financial condition and results of operations.

Governments could requisition the Group's vessels during a period of war or emergency, resulting in a loss of earnings

A government could requisition one or more of the Group's vessels for title or for hire. Although the Group would be entitled to compensation in the event of a requisition of one or more of the Group's vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of the Group's vessels may negatively impact the Group's revenues.

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

Any violation with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect the Group's business, earnings or financial condition. In addition, actual or alleged violations could damage the Group's 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 the Group's senior management.

2 RESPONSIBILITY STATEMENT

2.1 Responsibility Statement by Persons Responsible

This Registration Document has been prepared by Diana Shipping Inc. in connection with the Bond Issue and an investment therein. Diana Shipping Inc. confirms that it has taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of Diana Shipping Inc.'s knowledge, in accordance with the facts and make no omission likely to affect its import.

Athens, Greece 28 January 2022

Semiramis Paliou

Director and Chief Executive Officer

Ioannis Zafirakis

Director, Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary

Diana Shipping Inc.
c/o Diana Shipping Services S.A.
Pendelis 16
175 64 Palaio Faliro
Athens, Greece

3 THIRD PARTY INFORMATION

The Issuer confirms that no third party information has been reproduced in this Registration Document.

4 PRESENTATION OF THE GROUP

4.1 Overview

Diana Shipping Inc. is a holding company incorporated under the laws of Liberia in March 1999 as Diana Shipping Investments Corp (registration number: 13671 and legal entity identifier number: 549300XD7FHNJ0THIV12). In February 2005, the Company's articles of incorporation were amended. Under the amended and restated articles of incorporation, the Company was renamed Diana Shipping Inc. and was re-domiciled from the Republic of Liberia to the Republic of the Marshall Islands. Please refer to appendix A for the full Articles of Incorporation. The Company's executive offices are located at Pendelis 16, 175 64 Palaio Faliro, Athens, Greece. The Company's telephone number at that address is +30-210-947-0100 and its website is www.dianashippinginc.com (the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus). The Company's agent and authorized representative in the United States is its wholly-owned subsidiary, Bulk Carriers (USA) LLC, established in September 2006, in the State of Delaware, which is located at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

The Company's purpose, as stated in its amended and restated articles of incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Business Corporations Act of the Marshall Islands, or the BCA.

The objectives for which the Company is formed and incorporated are listed in the Company's Articles of Incorporation, which can be found in Appendix A.

4.2 Business objectives and strategy

Diana Shipping Inc. is a global provider of shipping transportation services through its ownership of dry bulk vessels. As of the date of this Registration Document, the Group's fleet consists of 33 dry bulk vessels (4 Newcastlemax, 11 Capesize, 5 Post-Panamax, 5 Kamsarmax and 8 Panamax). The Company also expects to take delivery of one Kamsarmax dry bulk vessel and one new-building Capesize dry bulk vessel by the end of February 2022 and by the end of the first quarter of 2022, respectively. As of the same date, the combined carrying capacity of the Group's fleet, excluding the two vessels not yet delivered, is approximately 4.3 million dwt with a weighted average age of 10.3 years.

The Company is the sole owner of the subsidiaries which own the vessels that comprise the Group's fleet. The Group's vessels are employed primarily on short to medium-term time charters and transport a range of dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes.

The commercial and technical management of the Groups' fleet, as well as the provision of administrative services relating to the Group's fleet's operations, are carried out by Diana Shipping Services S.A., the Company's wholly-owned subsidiary, and Diana Wilhelmsen Management Limited, a 50/50 joint venture with Wilhelmsen Ship Management.

The Group focuses on the ownership of dry bulk carriers with a capacity of 70,000 dwt and above. However, the Group will also consider purchasing other classes of dry bulk vessels, if the Company determine that those vessels would, in the Company's view, present favorable investment opportunities. The size of the Group's fleet may change through acquisitions or sales of vessels, however the Company has not engaged in any such new significant activities.

Competitive position

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

The company believes that the Group possess a number of strengths that provides it with a competitive advantage in the dry bulk shipping industry:

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

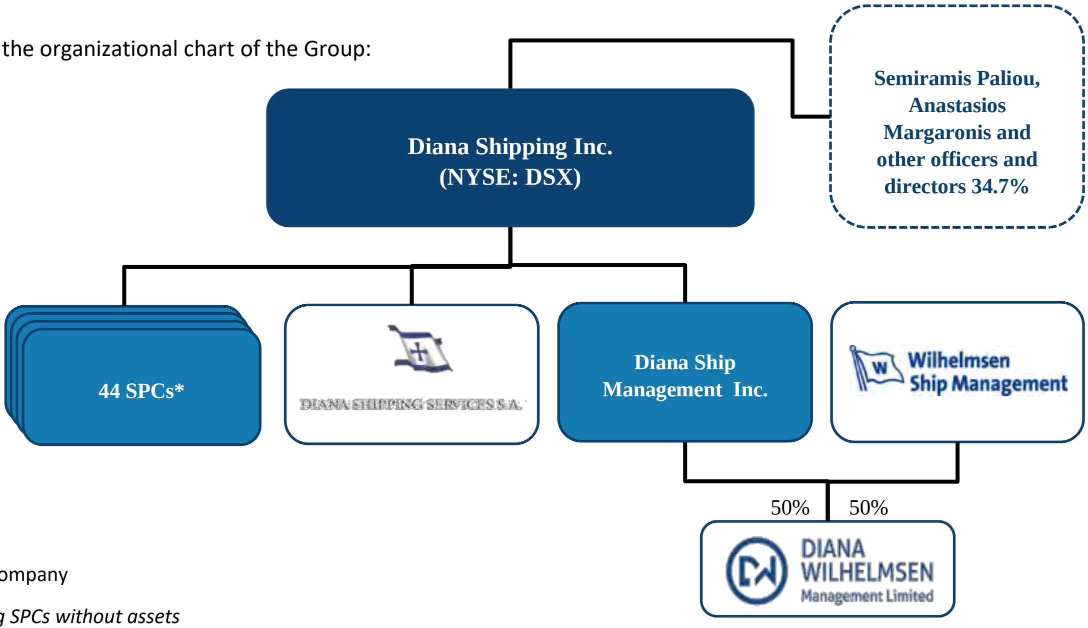
- The Group has an experienced management team. The management team consists of experienced executives who have, on average, more than 30 years of operating experience in the shipping industry and has demonstrated ability in managing the commercial, technical and financial areas of the Group's business.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

During 2020, 2019 and 2018, the Group had a fleet utilization of 97.9%, 98.6% and 99.1%, respectively, the Group's vessels achieved daily time charter equivalent rates of $10,910, $12,796 and $12,179, respectively, and have generated revenues of $169.7 million, $220.7 million and $226.2 million, respectively.

4.3 Organizational structure

The Company is the sole owner of all of the issued and outstanding shares of its subsidiaries. Each of the Group's vessels is owned through a separate wholly-owned subsidiary. Subsidiaries without a vessel are dormant and do not have any operations. Bulk Carriers (USA) LLC, the Company's agent and authorized representative in the United States, is also a wholly-owned subsidiary of the Company. The Company, as the parent company of the Group, is dependent upon its subsidiaries, as a significant part of the cash flow generation required to service the Company's obligations originate from these subsidiaries.

Below is the organizational chart of the Group:



Source: Company

**Including SPCs without assets*

4.4 Fleet list

The Company wholly owns the subsidiaries which own the vessels that comprise the Group's fleet as illustrated below:

Diana Shipping Inc. Fleet List					
Panamax Gearless Bulk Carriers					
Name of Vessel	**Size (deadweight tons)**	**Year Built**	**Company**	**Flag**	**Management Company**
Melia	76,225	2005	MANDARINGINA INC.	Marshall Islands	DSS
Artemis	76,942	2006	FAYO SHIPPING COMPANY INC.	Marshall Islands	DSS
Leto	81,297	2010	JEMO SHIPPING COMPANY INC.	Marshall Islands	DSS
Selina	75,700	2010	KABEN SHIPPING COMPANY INC.	Marshall Islands	DSS
Maera	75,403	2013	WAKE SHIPPING COMPANY INC.	Marshall Islands	DSS
Ismene	77,901	2013	TAROA SHIPPING COMPANY INC.	Marshall Islands	DSS
Crystalia	77,525	2014	ERIKUB SHIPPING COMPANY INC.	Greek	DSS
Atalandi	77,529	2014	WOTHO SHIPPING COMPANY INC.	Greek	DSS
Kamsarmax Bulk Carriers					
Name of Vessel	**Size (deadweight tons)**	**Year Built**	**Company**	**Flag**	**Management Company**
Maia	82,193	2009	JABAT SHIPPING COMPANY INC.	Marshall Islands	DSS
Myrsini	82,117	2010	MAKUR SHIPPING COMPANY INC.	Marshall Islands	DSS
Medusa	82,194	2010	RAIROK SHIPPING COMPANY INC.	Marshall Islands	DSS
Myrto	82,131	2013	TUVALU SHIPPING COMPANY INC.	Marshall Islands	DSS
Astarte	81,513	2013	EBADON SHIPPING COMPANY INC.	Marshall Islands	DSS
(tbr. Leonidias P.C.)	82,165	2011	KIRIBATI SHIPPING COMPANY INC.	Marshall Islands	DSS
Post-Panamax Bulk Carriers					
Name of Vessel	**Size (deadweight tons)**	**Year Built**	**Company**	**Flag**	**Management Company**
Alcmene	93,193	2010	MAJURO SHIPPING COMPANY INC.	Marshall Islands	DWM
Amphitrite	98,697	2012	GUAM SHIPPING COMPANY INC.	Marshall Islands	DSS
Polymnia	98,704	2012	PALAU SHIPPING COMPANY INC.	Marshall Islands	DSS
Electra	87,150	2013	RAKARU SHIPPING COMPANY INC.	Marshall Islands	DSS
Phaidra	87,146	2013	MEJATO SHIPPING COMPANY INC.	Marshall Islands	DSS
Capesize Bulk Carriers					
Name of Vessel	**Size (deadweight tons)**	**Year Built**	**Company**	**Flag**	**Management Company**
Aliki	180,235	2005	KNOX SHIPPING COMPANY INC.	Marshall Islands	DSS
Baltimore	177,243	2005	BOKAK SHIPPING COMPANY INC.	Marshall Islands	DSS
Semirio	174,261	2007	KILI SHIPPING COMPANY INC.	Marshall Islands	DWM
Boston	177,828	2007	LIB SHIPPING COMPANY INC.	Marshall Islands	DSS
Houston	177,729	2009	GALA PROPERTIES INC.	Marshall Islands	DSS
New York	177,773	2010	BIKINI SHIPPING COMPANY INC.	Marshall Islands	DSS

Seattle	179,362	2011	TOKU SHIPPING COMPANY INC.	Marshall Islands	DSS
P. S. Palios	179,134	2013	PULAP SHIPPING COMPANY INC.	Marshall Islands	DSS
G. P. Zafirakis	179,492	2014	WENO SHIPPING COMPANY INC.	Marshall Islands	DSS
Santa Barbara	179,426	2015	LELU SHIPPING COMPANY INC.	Marshall Islands	DSS
New Orleans	180,960	2015	UJAE SHIPPING COMPANY INC.	Marshall Islands	DSS
(tbn. Florida)	181,500	2022	BIKATI SHIPPING COMPANY INC.	Marshall Islands	DSS
Newcastlemax Bulk Carriers					
Name of Vessel	**Size (deadweight tons)**	**Year Built**	**Company**	**Flag**	**Management Company**
Los Angeles	206,104	2012	LAE SHIPPING COMPANY INC.	Marshall Islands	DSS
Philadelphia	206,040	2012	NAMU SHIPPING COMPANY INC.	Marshall Islands	DSS
San Francisco	208,006	2017	ASTER SHIPPING COMPANY INC.	Marshall Islands	DSS
Newport News	208,021	2017	AERIK SHIPPING COMPANY INC.	Marshall Islands	DSS

4.5 Selected financial information

The following tables set forth the Group's selected consolidated financial data and other operating data. The selected consolidated financial data in the tables as of and for the years ended December 31, 2020, 2019, 2018, 2017 and 2016 are derived from the Group's audited consolidated financial statements and notes thereto which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

	As of and for the Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
	(in thousands of U.S. dollars, except for share and per share data, fleet data and average daily results)				
Statement of Operations Data:					
Time charter revenues	$ 169,733	$ 220,728	$ 226,189	$ 161,897	$ 114,259
Operating income/(loss)	(112,675)	17,622	38,250	(483,987)	(88,321)
Net income/(loss)	(134,197)	(10,535)	16,580	(511,714)	(164,237)
Dividends on series B preferred shares	(5,769)	(5,769)	(5,769)	(5,769)	(5,769)
Income/(loss) attributed to common stockholders	(139,966)	(16,304)	10,811	(517,483)	(170,006)
Earnings/(loss) per common share, basic and diluted	(1.62)	(0.17)	0.10	(5.41)	(2.11)
Weighted average number of common shares, basic	86,143,556	95,191,116	103,736,742	95,731,093	80,441,517
Weighted average number of common shares, diluted	86,143,556	95,191,116	104,715,883	95,731,093	80,441,517

	As of and for the Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
	(in thousands of U.S. dollars, except for share and per share data and average daily results)				
Balance Sheet Data:					
Total assets	$ 872,410	$ 1,071,280	$ 1,187,796	$ 1,246,722	$ 1,668,663
Capital stock	1,021,083	1,022,571	1,063,709	1,071,587	986,044
Total stockholders' equity	428,570	570,064	627,684	624,758	1,056,589

		As of and for the Year Ended December 31,				
		2020	2019	2018	2017	2016
		(in thousands of U.S. dollars, except for share and per share data and average daily results)				
Cash Flow Data:						
Net cash provided by/(used in) operating activities	$	17,234	$ 49,882	$ 79,930	$ 23,413	$ (20,998)
Net cash provided by/(used in) investing activities		10,484	38,397	99,370	(152,333)	(41,619)
Net cash provided by/(used in) financing activities		(73,097)	(111,398)	(93,702)	73,587	(9,459)
Fleet Data:						
Average number of vessels (1)		40.8	45.0	49.9	49.6	45.2
Number of vessels at year-end		40.0	42.0	48.0	50.0	46.0
Weighted average age of vessels at year-end (in years)		10.2	9.5	9.1	8.4	8.2
Ownership days (2)		14,931	16,442	18,204	18,119	16,542
Available days (3)		14,318	16,192	17,964	17,890	16,447
Operating days (4)		14,020	15,971	17,799	17,566	16,354
Fleet utilization (5)		97.9%	98.6%	99.1%	98.2%	99.4%
Average Daily Results:						
Time charter equivalent (TCE) rate (6)	$	10,910	$ 12,796	$ 12,179	$ 8,568	$ 6,106
Daily vessel operating expenses (7)		5,750	5,510	5,247	4,987	5,196

4.6 Financing

As at September 30, 2021, the Group had $443.5 million of long term debt outstanding under its facilities and Bond and consisted of the agreements described below.

Secured Term Loans:

On December 18, 2014, two of the Company's wholly-owned subsidiaries entered into a loan agreement with BNP for a loan facility of $53.5 million to finance part of the acquisition cost of the *G. P. Zafirakis* and the *P. S. Palios*. The loan is repayable in 14 equal semi-annual installments of approximately $1.6 million and a balloon of $31.5 million, payable on November 30, 2021. On June 29, 2020, the Company entered into a loan agreement to refinance the loan, so that the balloon of $31.5 million, payable on November 30, 2021, be payable in five equal semi-annual installments of approximately $1.6 million and a balloon of $23.6 million payable together with the last installment on May 19, 2024. The refinanced loan bears interest at LIBOR plus a margin of 2.5%, increased from a margin of 2% of the original loan.

On March 17, 2015, eight of the Company's wholly-owned subsidiaries entered into a loan facility with Nordea for an amount of $93.1 million. The loan was repayable in 24 equal consecutive quarterly installments of approximately $1.9 million and a balloon of $48.4 million, payable together with the last installment on March 19, 2021. On May 7, 2020, the Company entered into a new loan agreement to refinance the balance of the existing loan, whereas the balance is payable in eight equal quarterly installments of approximately $1.9 million each and a balloon of approximately $41 million payable together with the last installment on March 19, 2022. The borrowers have the option to request additional extensions until March 2023 and March 2024 subject to approval by the lender. The refinanced loan bears interest at LIBOR plus a margin of 2.25%, increased from a margin of 2.1% of the original loan. On July 29, 2021, the Company entered into a supplemental agreement with Nordea, pursuant to which the borrowers exercised their options to extend the loan maturity to March 2024 and to draw down an additional amount of $0.5. The balance of the refinanced loan, including the additional $0.5 drawn on July 30, 2021, is repayable in 11 equal consecutive quarterly instalments of $1.9 and a balloon instalment of $26.5 payable on March 19, 2024, all other terms of the loan remaining the same.

On March 26, 2015, three of the Company's wholly-owned subsidiaries entered into a loan agreement with ABN AMRO Bank N.V. for a secured term loan facility of up to $53.0 million, to refinance part of the acquisition cost of the vessels *New York*, *Myrto* and *Maia* of which $50.2 million was drawn on March 30, 2015. The loan is repayable in 24 equal consecutive quarterly installments of about $1.0 million and a balloon of $26.3 million payable together with the last installment on March 30, 2021. The loan bears interest at LIBOR plus a margin of 2.0%.

On June 27, 2019, two of the Company's wholly-owned subsidiaries entered into a term loan agreement with ABN AMRO Bank N.V. for a loan of $25.0 million, to refinance the vessels *Selina, Ismene* and *Houston*. The loan is payable in 20 consecutive quarterly installments of $0.8 million each and a balloon installment of $9 million payable together with the last installment June 30, 2024. The loan bears interest at LIBOR plus a margin of 2.25%.

On May 22, 2020, the Company signed a term loan facility with ABN, in the amount of $52.9 million, divided into two tranches. The purpose of the loan facility was to combine the above two loans outstanding with ABN and extend the maturity of the loan maturing on March 30, 2021 (tranche B) to the maturity of the other loan, maturing in June 30, 2024 (tranche A). The refinanced loan bears interest at LIBOR plus a margin of 2.25% for tranche A and LIBOR plus a margin of 2.4% for tranche B.

On May 20, 2021, the Company, drew down $91 million under a secured sustainability linked loan facility with ABN AMRO Bank N.V, dated May 14, 2021, which was used to refinance existing loans which were treated as extinguished. The loan is repayable in 20 consecutive quarterly installments of $3.4 million each and a balloon of $23.2 million payable together with the last installment on May 20, 2026. The loan bears interest at LIBOR plus a margin of 2.15% per annum, which will be adjusted annually subject to the performance under certain sustainability KPIs.

On January 7, 2016, three of the Company's wholly-owned subsidiaries entered into a secured loan agreement with the CEXIM Bank for a loan of up to $75.7 million in order to finance part of the construction cost of three vessels. On January 4, 2017, the Group drew down $57.2 million to finance part of the construction cost of *San Francisco* and *Newport News*, both delivered on January 4, 2017. The balance of the committed loan amount, including the tranche for Hull *DY6006* whose shipbuilding contract was cancelled on October 31, 2016, was cancelled. On February 6, 2017, the Company also entered into a Deed of Release with the CEXIM Bank in order to release the owner of Hull *DY6006* of all of its obligations under the loan agreement as borrower. The loan is payable in 60 equal quarterly installments of $954,000 each, the last of which is payable by January 4, 2032, and bears interest at LIBOR plus a margin of 2.3%.

On July 13, 2018, the Company entered into a loan agreement with BNP for a secured term loan facility of $75 million. The loan has a term of five years and is repayable in 20 consecutive quarterly installments of $1.56 million and a balloon installment of $43.75 million payable together with the last installment on July 16, 2023. The loan bears interest at LIBOR plus a margin of 2.3%.

On March 14, 2019, two of the Company's wholly-owned subsidiaries entered into a term loan agreement with DNB Bank ASA for a loan of $19.0 million, to refinance the loan of *Crystalia* and *Atalandi*, which was repaid in February 2019. The loan is repayable in 20 consecutive quarterly instalments of $477,280 and a balloon of $9.5 million payable together with the last installment on March 14, 2024. The loan bears interest at LIBOR plus a margin of 2.4%.

On June 22, 2021, the Company issued a $125 million senior unsecured bond maturing in June 2026. The New Bond ranks ahead of subordinated capital and ranks the same with all other senior unsecured obligations of the Company other than obligations which are mandatorily preferred by law. The New Bond was offered to the investors of the 9.5% Senior Unsecured Bond, part of whom exchanged their bonds with the New Bond, including entities affiliated with executive officers and directors of the Company who exchanged their securities and participated in the New Bond with an aggregate principal amount of $21 million. The New Bond bears interest from June 22, 2021 at a US Dollar fixed-rate coupon of 8.375% and is payable semi-annually in arrears in June and December of each year. The New Bond is callable in whole or in parts in June 2024 at a price equal to 103.35% of nominal value; between June 2025 to December 2025 at a price equal to 101.675% of the nominal value and after December 2025 at a price equal to 100% of nominal value. The New Bond includes financial and other covenants. The Company will take all necessary actions to list the New Bond in the Oslo Stock Exchange.
Under the secured term loans outstanding as of September 30, 2021, 30 vessels of the Company’s fleet were mortgaged with first preferred or priority ship mortgages. Additional securities required by the banks include first priority assignment of all earnings, insurances, first assignment of time charter contracts with duration that exceeds a certain period, pledge over the shares of the borrowers, manager’s undertaking and subordination and requisition compensation and either a corporate guarantee by Diana Shipping Inc. (the “Guarantor”) or a guarantee by the ship owning companies (where applicable), financial covenants, as well as operating account assignments. The lenders may also require additional security in the future in the event the borrowers breach certain covenants under the loan agreements. The secured term loans generally include restrictions as to changes in management and ownership of the vessels, additional indebtedness, as well as minimum requirements regarding hull cover ratio and minimum liquidity per vessel owned by the borrowers, or the Guarantor, maintained in the bank accounts of the borrowers, or the Guarantor. Furthermore, the secured term loans contain cross default provisions and additionally the Company is not permitted to pay any dividends following the occurrence of an event of default.

As at September 30, 2021, December 31, 2020, and the date of this Registration Document, the Group was in compliance with all of the loan covenants under its financing agreements.

As of September 30, 2021, December 31, 2020, 2019 and 2018 and as of the date of this report, the Company did not and has not designated any financial instruments as accounting hedging instruments.

5 BOARD OF DIRECTORS AND SENIOR MANAGEMENT

5.1 Board of Directors

Overview

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

Name of director	Position
Simeon P. Palios	Class I Director and Chairman of the Board
Semiramis Paliou	Class III Director and Chief Executive Officer
Anastasios C. Margaronis	Class I Director and President
Ioannis G. Zafirakis	Class I Director, Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary
William (Bill) Lawes	Class II Director
Apostolos Kontoyannis	Class III Director
Konstantinos Fotiadis	Class III Director
Konstantinos Psaltis	Class II Director
Kyriacos Riris	Class II Director

The term of the Company's Class I directors expires in 2024, the term of the Company's Class II directors expires in 2022, and the term of the Company's Class III directors expires in 2023.

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

Biographies of the directors and executive officers:

Semiramis Paliou – Class III Director and Chief Executive Officer

Semiramis Paliou has served as a Director since March 2015. She has served as Chief Executive Officer, Chairperson of the Executive Committee and a member of the Sustainability Committee since March 1, 2021. She previously served as Deputy Chief Executive Officer of the Company from October 2019 until February 2021. Ms. Paliou also served as member of the Executive Committee and the Chief Operating Officer of the Company from August 2018 until February, 2021. Mrs. Paliou also serves as Chief Executive Officer of Diana Shipping Services S.A. She has served as a Director of OceanPal Inc. since April 2021. Mrs. Paliou is the Chairperson of the Board of Directors and of the Executive Committee of OceanPal Inc. since November 2021. From November 2018 to February 2020 Ms. Paliou also served as Chief Operating Officer of Performance Shipping Inc. Mrs. Paliou has over 20 years of experience in shipping operations, technical management and crewing. Ms. Paliou began her career at Lloyd's Register of Shipping from 1996 to 1998 as a trainee ship surveyor. She was then employed by Diana Shipping Agencies S.A. From 2007 to 2010 she was employed as a Director and President of Alpha Sigma Shipping Corp. From February 2010 to November 2015 she was the Head of the Operations, Technical and Crew department of Diana Shipping Services S.A. From November 2015 to October 2016 she served as Vice-President of the same company. From November 2016 to the end of July 2018, she served as Managing Director and Head of the Technical, Operations, Crew and Supply department of Unitized Ocean Transport Limited. Ms. Paliou obtained her BSc in Mechanical Engineering from Imperial College, London and her MSc in Naval Architecture from University College, London. Ms. Paliou completed courses in "Finance for Senior Executives" in "Authentic Leader Development" and a certificate program on "Sustainable Business Strategy" all at Harvard Business School. She is the daughter of Simeon Palios, the Company's Chairman, and is Vice-Chairperson of the Greek committee of Det Norske Veritas, a member of the Greek committee of Nippon Kaiji Kyokai and a member of the Greek committee of Bureau Veritas. Since March 2018, Ms. Paliou has served on the board of directors of the Hellenic Marine Environment Protection Association (HELMEPA) and serves as the Chairperson since June 2020. As of June 2021, she serves as Vice-Chairperson of INTERMEPA. Also, she is a member of the board of directors of the United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited since November 2020.

Simeon P. Palios – Class I Director and Chairman of the Board

Simeon P. Palios has served as the Chairman of the Board of Directors of Diana Shipping Inc. since February 21, 2005 and as a Director since March 9, 1999, and served as the Company's Chief Executive Officer until February 2021. Mr. Palios also has served as the Chairman of the Board of Directors of Performance Shipping Inc. since January 13, 2010 and served as Chief

Executive Officer until October 2020. Mr. Palios also serves currently as the President of Diana Shipping Services S.A., our management company, which was formed in 1986. Mr. Palios was the founder of Diana Shipping Agencies S.A., where he served as Managing Director until November 2004, having the overall responsibility for its activities. Mr. Palios has experience in the shipping industry since 1969 and expertise in technical and operational issues. He has served as an ensign in the Greek Navy for the inspection of passenger boats on behalf of Ministry of Merchant Marine and is qualified as a naval architect and marine engineer. Mr. Palios is a member of various leading classification societies worldwide and he is a member of the board of directors of the United Kingdom Freight Demurrage and Defense Association Limited. Since October 7, 2015, Mr. Palios has served as President of the Association "Friends of Biomedical Research Foundation, Academy of Athens". He holds a bachelor's degree in Marine Engineering from Durham University.

Anastasios C. Margaronis – Class I Director and President
Anastasios C. Margaronis has served as our President and as a Director since February 21, 2005. Mr. Margaronis is a Deputy President of Diana Shipping Services S.A., where he also serves as a Director and Secretary. Mr. Margaronis is also member of the Executive Committee of the Company. Prior to February 21, 2005, Mr. Margaronis was employed by Diana Shipping Agencies S.A. and performed on our behalf the services he now performs as President. He joined Diana Shipping Agencies S.A. in 1979 and has been responsible for overseeing our vessels' insurance matters, including hull and machinery, protection and indemnity and war risks insurances. From January 2010 to February 2020 he served as Director and President of Performance Shipping Inc. Mr. Margaronis has experience in the shipping industry, including in ship finance and insurance, since 1980. He is a member of the Greek National Committee of the American Bureau of Shipping and was a member of the board of directors of the United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited from October 2005 to October 2019. He holds a bachelor's degree in Economics from the University of Warwick and a master's of science degree in Maritime Law from the Wales Institute of Science and Technology.

Ioannis G. Zafirakis – Class I Director, Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary
Ioannis G. Zafirakis has served as a Director and Secretary of the Company since February 2005 and Chief Financial Officer (Interim Chief Financial Officer until February, 2021) and Treasurer since February 2020 and he is also the Chief Strategy Officer of the Company. Mr. Zafirakis is also member of the Executive Committee of the Company. Mr. Zafirakis has held various executive positions such as Chief Operating Officer, Executive Vice-President and Vice-President. In addition, Mr. Zafirakis is the Chief Financial Officer of Diana Shipping Services S.A., where he also serves as Director and Treasurer. Also, he has served as a Director and Secretary of OceanPal Inc. since April 2021 and as the President and Interim Chief Financial Officer since November 2021. He is also member of the Executive Committee of OceanPal Inc. From June 1997 to February 2005, Mr. Zafirakis was employed by Diana Shipping Agencies S.A., where he held a number of positions in finance and accounting. From January 2010 to February 2020 he also served as Director and Secretary of Performance Shipping Inc., where he held various executive positions such as Chief Operating Officer and Chief Strategy Officer. Mr. Zafirakis is a member of the Business Advisory Committee of the Shipping Programs of ALBA Graduate Business School at The American College of Greece. He holds a bachelor's degree in Business Studies from City University Business School in London and a master's degree in International Transport from the University of Wales in Cardiff.

William (Bill) Lawes – Class II Director
William (Bill) Lawes has served as a Director and the Chairman of our Audit Committee since March 2005. Mr. Lawes served as a Managing Director and a member of the Regional Senior Management Board of JPMorgan Chase and its predecessor banks from 1987 until 2002. Prior to joining JPMorgan Chase, he was Global Head of Shipping Finance at Grindlays Bank. From December 2007 to March 2019, he served as an independent member of the Board of Directors and Chairman of the Audit Committee of Teekay Tankers Ltd. Mr. Lawes joined Seafarers UK, a maritime charity, as Trustee and Finance Committee member in 2016. Mr. Lawes is qualified as a member of the Institute of Chartered Accountants of Scotland.

Konstantinos Psaltis – Class II Director
Konstantinos Psaltis has served as a Director since March 2005 and as the Chairman of our Nominating Committee since May 2015 and a member of our Compensation Committee since May 2017. From 1981 to 2006, Mr. Psaltis served as Managing Director of Ormos Compania Naviera S.A., a company that specializes in operating and managing multipurpose container vessels and from 2006 until today as a President of the same company. Prior to joining Ormos Compania Naviera S.A., Mr. Psaltis simultaneously served as a technical manager in the textile manufacturing industry and as a shareholder of shipping companies managed by M.J. Lemos. From 1961 to 1964, he served as ensign in the Royal Hellenic Navy. He holds a degree in Mechanical Engineering from Technische Hochschule Reutlingen & Wuppertal and a bachelor's degree in Business Administration from Tubingen University in Germany.

Kyriacos Riris – Class II Director
Kyriacos Riris has served as a Director since March 2015 and as a member of our Nominating Committee since May 2015. Commencing in 1998, Mr. Riris served in a series of positions in PricewaterhouseCoopers (PwC), Greece, including Senior Partner, Managing Partner of the Audit and the Advisory/Consulting Lines of Service. From 2009 to 2014, Mr. Riris served as Chairman of the Board of Directors of PricewaterhouseCoopers (PwC), Greece. Prior to its merger with PwC, Mr. Riris was employed at Grant Thornton, Greece, where in 1984 he became a Partner. From 1976 to 1982, Mr. Riris was employed at Arthur Young, Greece. Since November 2018, Mr. Riris has served as Chairman of Titan Cement International S.A., a Belgian

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

Apostolos Kontoyannis – Class III Director

Apostolos Kontoyannis has served as a Director and as the Chairperson of our Compensation Committee and a member of our Audit Committee since March 2005. Since March 2021, Mr. Kontoyannis also serves as the Chairperson of the Sustainability Committee of the Company. Mr. Kontoyannis has over 40 years of experience in shipping finance and currently serves as financial consultant to various shipping companies. He was employed by Chase Manhattan Bank N.A. in Frankfurt (Corporate Bank), London (Head of Shipping Finance South Western European Region) and Piraeus (Manager, Ship Finance Group) from 1975 to 1987. Mr. Kontoyannis holds a bachelor's degree in Finance and Marketing and a master's degree in business administration in Finance from Boston University.

Konstantinos Fotiadis – Class III Director

Konstantinos Fotiadis has served as a Director since 2017.Mr. Fotiadis served as an independent Director and as the Chairman of the Audit Committee of Performance Shipping Inc. from the completion of Performance Shipping Inc.'s private offering until February 8, 2011. From 1990 until 1994 Mr. Fotiadis served as the President and Managing Director of Reckitt & Colman (Greece), part of the British multinational Reckitt & Colman plc, manufacturers of household, cosmetics and health care products. From 1981 until its acquisition in 1989 by Reckitt & Colman plc, Mr. Fotiadis was a General Manager at Dr. Michalis S.A., a Greek company manufacturing and marketing cosmetics and health care products. From 1978 until 1981 Mr. Fotiadis held positions with Esso Chemicals Ltd. and Avrassoglou S.A. Mr. Fotiadis has also been active as a business consultant and real estate developer. Mr. Fotiadis holds a degree in Economics from Technische Universitaet Berlin and in Business Administration from Freie Universitaet Berlin.

5.2 Senior Management

Overview

The Senior Management of the Company consists of four individuals. The names of the members of the Senior Management as at the date of this Registration Document, and their respective positions, are presented in the table below:

Name of officer	Position
Semiramis Paliou	Chief Executive officer
Anastasios Margaronis	President
Ioannis Zafirakis	Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary
Eleftherios Papatrifon	Chief Operating Officer

All members of the Senior Management are employed by the Company's subsidiary Diana Shipping Services S.A.

The Company's principal executive office, Pendelis 16, 175 64 Palaio Faliro, Athens, Greece, serves as the business address for the members of Senior Management in relation to their positions in the Company.

Biographies of the members of the Senior Management:

Set out below are brief biographies of the members of the Senior Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Senior Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

Semiramis Paliou - Director and Chief Executive Officer

Semiramis Paliou has served as a Director since March 2015. She has served as Chief Executive Officer, Chairperson of the Executive Committee and a member of the Sustainability Committee since March 1, 2021. She previously served as Deputy Chief Executive Officer of the Company from October 2019 until February 2021. Ms. Paliou also served as member of the Executive Committee and the Chief Operating Officer of the Company from August 2018 until February, 2021. Mrs. Paliou also serves as Chief Executive Officer of Diana Shipping Services S.A. She has served as a Director of OceanPal Inc. since April 2021. Mrs. Paliou is the Chairperson of the Board of Directors and of the Executive Committee of OceanPal Inc. since November 2021. From November 2018 to February 2020 Ms. Paliou also served as Chief Operating Officer of Performance Shipping Inc. Mrs. Paliou has over 20 years of experience in shipping operations, technical management and crewing. Ms. Paliou began her career at Lloyd's Register of Shipping from 1996 to 1998 as a trainee ship surveyor. She was then employed by Diana Shipping Agencies S.A. From 2007 to 2010 she was employed as a Director and President of Alpha Sigma Shipping Corp. From February 2010 to November 2015 she was the Head of the Operations, Technical and Crew department of Diana Shipping Services S.A. From November 2015 to October 2016 she served as Vice-President of the same company. From November 2016 to the end of July 2018, she served as Managing Director and Head of the Technical, Operations, Crew and Supply department of Unitized Ocean Transport Limited. Ms. Paliou obtained her BSc in Mechanical Engineering from Imperial College, London and her MSc in Naval Architecture from University College, London. Ms. Paliou completed courses in “Finance for Senior Executives”, in “Authentic Leader Development” and a certificate program on “Sustainable Business Strategy” all at Harvard Business School. She is the daughter of Simeon Palios, the Company’s Chairman, and is Vice-Chairperson of the Greek committee of Det Norske Veritas, a member of the Greek committee of Nippon Kaiji Kyokai and a member of the Greek committee of Bureau Veritas. Since March 2018, Ms. Paliou has served on the board of directors of the Hellenic Marine Environment Protection Association (HELMEPA) and serves as the Chairperson since June 2020. As of June 2021, she serves as Vice-Chairperson of INTERMEPA. Also, she is a member of the board of directors of the United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited since November 2020.

Anastasios C. Margaronis - Director and President

Anastasios C. Margaronis has served as the Company's President and as a Director since February 21, 2005. Mr. Margaronis is a Deputy President of Diana Shipping Services S.A., where he also serves as a Director and Secretary. Mr. Margaronis is also member of the Executive Committee of the Company. Prior to February 21, 2005, Mr. Margaronis was employed by Diana Shipping Agencies S.A. and performed on the Company's behalf the services he now performs as President. He joined Diana Shipping Agencies S.A. in 1979 and has been responsible for overseeing the Group's vessels’ insurance matters, including hull and machinery, protection and indemnity and war risks insurances. From January 2010 to February 2020 he served as Director and President of Performance Shipping Inc. Mr. Margaronis has experience in the shipping industry, including in ship finance and insurance, since 1980. He is a member of the Greek National Committee of the American Bureau of Shipping and was a member of the board of directors of the United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited from October 2005 to October 2019. He holds a bachelor's degree in Economics from the University of Warwick and a master's of science degree in Maritime Law from the Wales Institute of Science and Technology.

Ioannis G. Zafirakis - Director, Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary

Mr. Ioannis Zafirakis has served as a Director and Secretary of the Company since February 2005 and Chief Financial Officer (Interim Chief Financial Officer until February, 2021) and Treasurer since February 2020 and he is also the Chief Strategy Officer of the Company. Mr. Zafirakis is also member of the Executive Committee of the Company. Mr. Zafirakis has held various executive positions such as Chief Operating Officer, Executive Vice-President and Vice-President. In addition, Mr. Zafirakis is the Chief Financial Officer of Diana Shipping Services S.A., where he also serves as Director and Treasurer. Also, he has served as a Director and Secretary of OceanPal Inc. since April 2021 and as the President and Interim Chief Financial Officer since November 2021. He is also member of the Executive Committee of OceanPal Inc. From June 1997 to February 2005, Mr. Zafirakis was employed by Diana Shipping Agencies S.A., where he held a number of positions in finance and accounting. From January 2010 to February 2020 he also served as Director and Secretary of Performance Shipping Inc., where he held various executive positions such as Chief Operating Officer and Chief Strategy Officer. Mr. Zafirakis is a member of the Business Advisory Committee of the Shipping Programs of ALBA Graduate Business School at The American College of Greece. He holds a bachelor's degree in Business Studies from City University Business School in London and a master's degree in International Transport from the University of Wales in Cardiff.

Eleftherios (Lefteris) Papatrifon – Chief Operating Officer

Mr. Lefteris Papatrifon has served as the Chief Operating Officer of the Company and Diana Shipping Services S.A. since March 2021. Mr. Papatrifon participates on a non-voting basis in the Executive Committee of the Company. Also, he has served as a Director and Chief Executive Officer of OceanPal Inc. since November 2021. Mr. Papatrifon is a member of the Executive Committee of OceanPal Inc. He was Chief Executive Officer, Co-Founder and Director of Quintana Shipping Ltd, a provider of dry bulk shipping services, from 2010 until the company’s successful sale of assets and consequent liquidation in 2017. Previously, for a period of approximately six years, he served as the Chief Financial Officer and a Director of Excel Maritime Carriers Ltd. Prior to that, Mr. Papatrifon served for approximately 15 years in a number of corporate finance and asset management positions, both in the USA and Greece. Mr. Papatrifon holds undergraduate (BBA) and graduate (MBA) degrees from Baruch College (CUNY). He is also a member of the CFA Institute and a CFA charterholder.

5.3 Conflict of interests

Certain of our officers and directors are officers and directors of OceanPal Inc. and have fiduciary duties to manage our business in a manner beneficial to us and our shareholders, as well as a duty to the shareholders of OceanPal Inc. Consequently, these officers and directors may encounter situations in which their fiduciary obligations to OceanPal Inc. and to us are in conflict. The resolution of these conflicts may not always be in our best interest or that of our shareholders and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

5.4 Corporate Governance

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

Executive Sessions

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

Audit Committee

The NYSE requires, among other things, that a company have an audit committee with a minimum of three members. The Company's audit committee consists of two independent members of the Company's Board of Directors. The Company's audit committee conforms to every other requirement applicable to audit committees set forth in the listing standards of the NYSE. The members of the Audit Committee are Mr. William Lawes (chairman and financial expert) and Mr. Apostolos Kontoyannis (member and financial expert).

Shareholder Approval of Equity Compensation Plans

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

Corporate Governance Guidelines

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

Share Issuances

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

5.5 Compensation and Equity incentive plan

Compensation

Aggregate executive compensation (including amounts paid to Steamship pursuant to the Brokerage Services Agreements) for 2020 was $4.5 million. Since June 1, 2010, Steamship, a related party, has provided to the Company brokerage services. Under the Brokerage Services Agreements in effect during 2020, fees for 2020 amounted to $2.7 million. The Company considers fees under these agreements to be part of its executive compensation due to the affiliation with Steamship. The Company expects such fees to remain the same in 2021.

Non-employee directors receive annual compensation in the amount of $52,000 plus reimbursement of out-of-pocket expenses. In addition, each director serving as chairman of a committee receives additional annual compensation of $26,000, plus reimbursement for out-of-pocket expenses with the exception of the chairman of the audit and compensation committee who receive annual compensation of $40,000. Each director serving as member of a committee receives additional annual compensation of $13,000, plus reimbursement for out-of-pocket expenses with the exception of the member of the audit committee who receives annual compensation of $26,000, plus reimbursement for out-of-pocket expenses. For 2020, 2019 and 2018 fees and expenses of the Company's non-executive directors amounted to $0.4 million, $0.5 million and $0.5 million, respectively.

Since 2008 and until the date of this Registration Document, the Company's board of directors has awarded an aggregate amount of 24,135,241 shares of restricted common stock, of which 20,172,656 shares were awarded to senior management, including 260,000 shares awarded in February 2021 to Mr. Eleftherios Papatrifon, who has been appointed as the Company's Chief Operating Officer effective March 1, 2021 and 3,962,585 shares were awarded to non-employee directors. All restricted shares vest ratably over three years, except for 600,000 shares awarded in 2008 which vested ratably over a period of six years until 2014, 1,314,000 shares awarded in 2014 which vested ratably over a period of six years until 2020 and 5,600,000 shares awarded in February 2021 which will vest ratably over a period of five years until 2026. The restricted shares are subject to forfeiture until they become vested. Unless they forfeit, grantees have the right to vote, to receive and retain all dividends paid and to exercise all other rights, powers and privileges of a holder of shares.

In 2020, compensation costs relating to the aggregate amount of restricted stock awards amounted to $10.5 million.

The Company does not have a retirement plan for its officers or directors.

Equity incentive plan

In November 2014, the Company's board of directors approved, and the Company adopted the 2014 Equity Incentive Plan, or the 2014 Plan, for 5,000,000 common shares, which on May 31, 2018 was amended to increase the common shares to 13,000,000. The 2014 Equity Incentive Plan was further amended as of January 8, 2021 to increase the number of common shares available for the issuance of equity awards by 20 million shares. Currently, 16,664,759 shares remain reserved for issuance.

Under the 2014 Plan and as amended, the Company's employees, officers and directors are entitled to receive options to acquire the Company's common stock. The 2014 Plan is administered by the Compensation Committee of the Company's Board of Directors or such other committee of the Board as may be designated by the Board. Under the terms of the 2014 Plan, the Company's Board of Directors is able to grant (a) non-qualified stock options, (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) unrestricted stock, (f) other equity-based or equity-related awards, (g) dividend equivalents and (h) cash awards. No options or stock appreciation rights can be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Under the 2014 Plan, the Administrator may waive or modify the application of forfeiture of awards of restricted stock and performance shares in connection with cessation of service with the Company. No Awards may be granted under the Plan following the tenth anniversary of the date on which the Plan, as amended and restated, was adopted by the Board (i.e., January 8, 2031).

5.6 Compensation committee

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

5.7 Nominating committee

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

5.8 Audit committee

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

5.9 Executive committee

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

5.10 Insurance and benefits upon termination

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

5.11 Employees

The Group crews its vessels primarily with Greek officers and Filipino officers and seamen and may also employ seamen from Poland, Romania and Ukraine. DSS and DWM are responsible for identifying the appropriate officers and seamen mainly through crewing agencies. The crewing agencies handle each seaman's training, travel and payroll. The management companies ensure that all the Group's seamen have the qualifications and licenses required to comply with international regulations and shipping conventions. Additionally, the Group's seafaring employees perform most commissioning work and supervise work at shipyards and drydock facilities. The Group typically man its vessels with more crew members than are required by the country of the vessel's flag in order to allow for the performance of routine maintenance duties. The following table presents the number of shoreside personnel employed by DSS and the number of seafaring personnel employed by the Company's vessel-owning subsidiaries as at December 31, 2020, 2019 and 2018.

	Year Ended December 31,		
	2020	**2019**	**2018**
Shoreside	107	111	115
Seafaring	811	914	926
Total	918	1,025	1,041

6 FINANCIAL INFORMATION

6.1 Introduction

The tables set out in this section present selected financial information derived from the Group's audited consolidated annual financial statements for the years ended December 31, 2020 and 2019 (both available on the Company's web page).

The consolidated financial statements of the Company appearing in the Company's Annual Report for the year ended December 31, 2020 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2020 have been audited by Ernst & Young (Hellas) Certified Auditors-Accountants S.A., independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference (please see section 6.2 below and Appendix B. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing. Ernst & Young (Hellas) Certified Auditors-Accountants S.A. is located at Chimarras 8B, 15125, Maroussi, Athens, Greece and is registered as a corporate body with the public register for company auditors-accountants kept with the Body of Certified-Auditors-Accountants ("SOEL"), Greece with registration number 107. No auditor has resigned, been removed or not been re-appointed during the period covered by the historical financial information. The auditor has not audited, reviewed or produced any report on any other information provided in this Registration Document.

6.2 Audit report of historical annual financial information

REPORT OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Diana Shipping Inc. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income/loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 12, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

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

Recoverability assessment of vessels held and used

At December 31, 2020, the carrying value of the Company's vessels was $716.2 million, while during the year the Company recognized an impairment of $93.3 million in relation to nine vessels with an aggregate fair value of $166.4 million. As discussed in Notes 2 and 4 to the consolidated financial statements, the Company evaluates its vessels for impairment whenever events or changes in circumstances indicate that the carrying value of a vessel plus unamortized dry-docking costs, may not be recoverable in accordance with the guidance in ASC 360 – Property, Plant and Equipment ("ASC 360"). If indicators of impairment exist, management analyzes the future undiscounted net operating cash flows expected to be generated throughout the remaining useful life of each vessel and compares it to the carrying value plus unamortized dry-docking costs. Where the vessel's carrying value plus unamortized dry-docking costs exceeds the undiscounted net operating cash flows, management will recognize an impairment loss equal to the excess of the carrying value of the vessel plus unamortized dry-docking costs over its fair value.

Auditing management's recoverability assessment was complex given the judgement and estimation uncertainty involved in determining certain assumptions to forecast undiscounted net operating cash flows, specifically the future charter rates for non-contracted revenue days. These rates are particularly subjective as they involve the development and use of assumptions about the dry-bulk shipping market through the end of the useful lives of the vessels. These assumptions are forward looking and subject to the inherent unpredictability of future global economic and market conditions.

We obtained an understanding of the Company's process over the recoverability assessment of vessels held and used, evaluated the design, and tested the operating effectiveness of the controls over the Company's determination of future charter rates for non-contracted revenue days.

We analyzed management's impairment assessment by comparing the methodology used to evaluate impairment of each vessel against the accounting guidance in ASC 360. To test management's undiscounted net operating cash flow forecasts, our procedures included, among others, comparing the future vessel charter rates for non-contracted revenue days with external data such as available market data from various analysts and recent economic and industry changes, and internal data such as historical charter rates for the vessels. In addition, we performed sensitivity analyses to assess the impact of changes to future charter rates for non-contracted revenue days in the determination of the net operating cash flows. We also evaluated whether these assumptions were consistent with evidence obtained in other areas of the audit. Our procedures also included testing the completeness and accuracy of the data used within the forecasts. We recalculated the impairment charge and compared it to the amount recognized by management and assessed the adequacy of the Company's disclosures in Notes 2 and 4.

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

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

Athens, Greece
March 12, 2021

6.3 Financial Information

The tables below set forth the Group's consolidated financial data as of and for the years ended December 31, 2020 and 2019, and the three months and nine months ended September 30, 2021 and 2020. The consolidated financial data as of and for the years ended December 31, 2020 and 2019 are derived from the Group's audited consolidated financial statements and notes thereto which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The following data should be read in conjunction with the consolidated financial statements, related notes and other financial information included in the 2020 annual report.

6.4 Consolidated statements of operations and comprehensive income/(loss)

The tables below set out the Group's consolidated statements of operations and comprehensive income/(loss) for the years ended 2020, 2019 and 2018 and for the three months and nine months ended September 30, 2021 and 2020 (unaudited).

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars – except for share and per share data)

		2020	2019	2018
REVENUES:				
Time charter revenues (Note 2(p))	$	169,733 $	220,728 $	226,189
EXPENSES:				
Voyage expenses (Note 2(p))		13,525	13,542	7,405
Vessel operating expenses (Note 2(q))		85,847	90,600	95,510
Depreciation and amortization of deferred charges		42,991	48,904	52,206
General and administrative expenses		32,778	28,601	29,518
Management fees to related party (Note 3)		2,017	2,155	2,394
Vessel impairment charges (Note 4)		104,395	13,987	-
Loss on sale of vessels (Note 4)		1,085	6,171	1,448
Other income		(230)	(854)	(542)
Operating income/(loss)	$	(112,675)$	17,622 $	38,250
OTHER INCOME / (EXPENSES):				
Interest expense and finance costs (Note 9)		(21,514)	(29,432)	(30,506)
Interest and other income		728	2,858	8,822
Gain on repurchase of debt (Note 6)		374	-	-
Gain/(loss) from related party investments (Note 3 (b) and (d))		(1,110)	(1,583)	14
Total other expenses, net	$	(21,522)$	(28,157)$	(21,670)
Net income/(loss)	$	(134,197)$	(10,535)$	16,580
Dividends on series B preferred shares (Notes 8 and 10)		(5,769)	(5,769)	(5,769)
Net income/(loss) attributed to common stockholders	$	(139,966)$	(16,304)$	10,811
Earnings/(loss) per common share, basic and diluted (Note 10)	$	(1.62)$	(0.17)$	0.10
Weighted average number of common shares, basic (Note 10)		86,143,556	95,191,116	103,736,742
Weighted average number of common shares, diluted (Note 10)		86,143,556	95,191,116	104,715,883

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars)

		2020	2019	2018
Net income/(loss)	$	(134,197)$	(10,535)$	16,580
Other comprehensive loss (Actuarial loss)		(40)	(178)	(7)
Comprehensive income/(loss)	$	(134,237)$	(10,713)$	16,573

DIANA SHIPPING INC.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

Expressed in thousands of U.S. Dollars, except share and per share data

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
REVENUES:				
Time charter revenues	$ 57,284	$ 42,341	$ 145,358	$ 127,076
EXPENSES:				
Voyage expenses	677	2,944	4,749	10,505
Vessel operating expenses	18,832	21,318	56,563	63,441
Depreciation and amortization of deferred charges	10,263	9,399	30,403	32,682
General and administrative expenses	7,153	9,463	21,062	25,748
Management fees to related party	340	497	1,194	1,511
Vessel impairment charges	-	6,832	-	102,525
(Gain)/loss on sale of vessels	(1,564)	7	(1,360)	1,085
Other loss	304	271	300	129
Operating income/(loss)	$ 21,279	$ (8,390)	$ 32,447	$ (110,550)
OTHER INCOME / (EXPENSES):				
Interest expense and finance costs	(5,681)	(4,874)	(15,022)	(16,883)
Interest income	29	55	79	694
(Loss)/gain on extinguishment of debt	(822)	374	(980)	374
Loss from equity method investment	(72)	(316)	(270)	(402)
Total other expenses, net	$ (6,546)	$ (4,761)	$ (16,193)	$ (16,217)
Net income/(loss)	$ 14,733	$ (13,151)	$ 16,254	$ (126,767)
Dividends on series B preferred shares	(1,442)	(1,442)	(4,327)	(4,327)
Net income/(loss) attributed to common stockholders	13,291	(14,593)	11,927	(131,094)
Earnings/(loss) per common share, basic	$ 0.17	$ (0.17)	$ 0.15	$ (1.53)
Earnings/(loss) per common share, diluted	$ 0.16	$ (0.17)	$ 0.14	$ (1.53)
Weighted average number of common shares, basic	78,687,020	85,745,586	81,408,637	85,923,171
Weighted average number of common shares, diluted	83,329,718	85,745,586	84,633,560	85,923,171

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Net income/(loss)	$ 14,733	$ (13,151)	$ 16,254	$ (126,767)
Other comprehensive loss (Actuarial loss)	-	(6)	-	(20)
Comprehensive income/(loss)	$ 14,733	$ (13,157)	$ 16,254	$ (126,787)

6.5 Consolidated statements of financial position

The tables below set out the Group's consolidated statements of financial position as of the years ended 2020 and 2019 and the condensed unaudited consolidated statement of financial position for the nine months ended September 30, 2021.

DIANA SHIPPING INC.

CONSOLIDATED BALANCE SHEETS

December 31, 2020 and 2019

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

		2020		2019
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents (Note 2(e))	$	62,909	$	107,288
Accounts receivable, trade (Note 2(f))		5,235		7,862
Due from related parties (Notes 3(d) and 7)		1,196		23
Inventories (Note 2(g))		4,717		5,526
Prepaid expenses and other assets		7,243		9,210
Vessel held for sale (Note 4)		23,361		7,130
Total current assets		104,661		137,039
FIXED ASSETS:				
Vessels, net (Note 4)		716,178		882,297
Property and equipment, net (Note 5)		21,704		22,077
Total fixed assets		737,882		904,374
OTHER NON-CURRENT ASSETS:				
Restricted cash (Notes 2(e) and 6)		20,000		21,000
Investments in related parties (Notes 2(v) and 3 (b) and (d))		-		1,680
Other non-current assets		719		2,941
Deferred charges, net (Notes 2(m) and 4)		9,148		4,246
Total assets	$	872,410	$	1,071,280
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current portion of long-term debt, net of deferred financing costs, current (Note 6)	$	39,217	$	40,205
Accounts payable, trade and other		8,558		11,394
Due to related parties (Note 3(a) and (d))		484		85
Accrued liabilities		10,488		11,268
Deferred revenue (Note 2(p))		2,842		2,532
Total current liabilities		61,589		65,484
Long-term debt, net of current portion and deferred financing costs, non-current (Note 6)		381,097		434,746
Other non-current liabilities		1,154		986
Commitments and contingencies (Note 7)		-		-
STOCKHOLDERS' EQUITY:				
Preferred stock (Note 8(a))		26		26
Common stock, $0.01 par value; 200,000,000 shares authorized and 89,275,002 and 91,193,339 issued and outstanding at December 31, 2020 and 2019, respectively (Note 8(b))		893		912
Additional paid-in capital		1,020,164		1,021,633
Accumulated other comprehensive income		69		109
Accumulated deficit		(592,582)		(452,616)
Total stockholders' equity		428,570		570,064
Total liabilities and stockholders' equity	$	872,410	$	1,071,280

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

CONDENSED CONSOLIDATED BALANCE SHEET DATA
(in thousands of U.S. Dollars)

	September 30, 2021	December 31, 2020*
ASSETS	(unaudited)	
Cash, cash equivalents and restricted cash	$ 146,249	$ 82,909
Other current assets	14,737	41,752
Vessels, net	682,133	716,178
Other fixed assets, net	25,940	21,704
Other non-current assets	9,753	9,867
Total assets	$ 878,812	$ 872,410
LIABILITIES AND STOCKHOLDERS' EQUITY		
Long-term debt, net of deferred financing costs	$ 434,728	$ 420,314
Other liabilities	28,183	23,526
Total stockholders' equity	415,901	428,570
Total liabilities and stockholders' equity	$ 878,812	$ 872,410

* The balance sheet data have been derived from the audited consolidated financial statements at that date.

6.6 Consolidated statements of cash flow

The tables below set out the Group's audited consolidated statements of cash flows for the years ended December 31, 2020, 2019 and 2018 and the Group's interim unaudited cash flow data for the three months and nine months ended September 30, 2021 and 2020.

DIANA SHIPPING INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended December 31, 2020, 2019 and 2018

(Expressed in thousands of U.S. Dollars)

	2020	2019	2018
Cash Flows from Operating Activities:			
Net income/(loss)	$ (134,197)	$ (10,535)	$ 16,580
Adjustments to reconcile net income/(loss) to net cash from operating activities:			
Depreciation and amortization of deferred charges	42,991	48,904	52,206
Asset Impairment loss (Note 4)	104,395	13,987	-
Amortization of financing costs (Note 9)	1,066	1,126	1,939
Compensation cost on restricted stock (Note 8(e))	10,511	7,581	7,279
Actuarial loss	(40)	(178)	(7)
Loss on sale of vessels (Note 4)	1,085	6,171	1,448
Gain from loan to a related party (Note 3(b))	-	-	(5,000)
(Gain)/loss on extinguishment of debt (Note 6)	(374)	188	-
(Gain)/loss from related party investments (Note 3(b) and (d))	1,110	1,583	(14)
(Increase) / Decrease in:			
Accounts receivable, trade	2,627	(4,914)	1,989
Due from related parties	(1,173)	(23)	43
Inventories	809	309	(65)
Prepaid expenses and other assets	1,967	(2,846)	(1,197)
Other non-current assets	(252)	(2,941)	-
Increase / (Decrease) in:			
Accounts payable, trade and other	(2,836)	321	3,119
Due to related parties	(31)	(97)	(89)
Accrued liabilities, net of accrued preferred dividends	(780)	(2,109)	5,131
Deferred revenue	310	(1,558)	883
Other non-current liabilities	168	143	(59)
Drydock costs	(10,122)	(5,230)	(4,256)
Net cash provided by Operating Activities	$ 17,234	$ 49,882	$ 79,930
Cash Flows from Investing Activities:			
Payments for vessel improvements (Note 4)	(6,001)	(2,804)	(2,573)
Proceeds from sale of vessels, net of expenses (Note 4)	15,623	41,326	14,578
Proceeds from sale of related party investment (Note 3(b))	1,500	-	-
Payments to joint venture (Note 3(d))	(500)	-	-
Proceeds from loan to a related party (Note 3(b))	-	-	87,617
Payments to acquire furniture and fixtures (Note 5)	(138)	(125)	(252)
Net cash provided by Investing Activities	$ 10,484	$ 38,397	$ 99,370
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt (Note 6)	-	44,000	100,000
Proceeds from issuance of preferred stock (Note 8(c))	-	960	-
Payments of dividends, preferred stock (Note 8(b))	(5,769)	(5,769)	(5,769)
Payments for repurchase of common stock (Note 8(d))	(11,999)	(49,679)	(15,157)
Payments of financing costs	(567)	(357)	(2,833)
Repayments of long-term debt	(54,762)	(100,553)	(169,943)
Net cash used in Financing Activities	$ (73,097)	$ (111,398)	$ (93,702)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(45,379)	(23,119)	85,598
Cash, cash equivalents and restricted cash at beginning of the year	128,288	151,407	65,809
Cash, cash equivalents and restricted cash at end of the year	$ 82,909	$ 128,288	$ 151,407
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	$ 62,909	$ 107,288	$ 126,825
Restricted cash	20,000	21,000	24,582
Cash, cash equivalents and restricted cash	$ 82,909	$ 128,288	$ 151,407
SUPPLEMENTAL CASH FLOW INFORMATION			
Non-cash investments (Note 4)	$ 2,474	$ -	$ -
Interest paid	$ 21,397	$ 28,554	$ 25,683

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

OTHER FINANCIAL DATA (unaudited)

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Net cash provided by/(used in) operating activities	$ 30,047	$ (430)	$ 57,489	$ 11,307
Net cash provided by investing activities	5,990	13,862	28,065	11,598
Net cash used in financing activities	$ (44,783)	$ (24,736)	$ (22,214)	$ (60,807)

6.7 Consolidated statements of changes in equity

The table below sets out the selected data from the Group's audited consolidated statements of changes in equity for the years ended 2020, 2019 and 2018

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars – except for share data)

	Preferred Stock Series B		Preferred Stock Series C		Common Stock					
	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	Additional Paid-in Capital	Other Comprehensive Income / (Loss)	Retained Earnings/ (Accumulated Deficit)	Total Equity
BALANCE, December 31, 2017	2,600,000	$ 26	-	$ -	106,131,017	$ 1,061	$ 1,070,500	$ 294	$ (447,123)	$ 624,758
Net income	-	$ -	-	$ -	-	$ -	$ -	$ -	$ 16,580	$ 16,580
Stock repurchased and retired (Note 8(d))	-	-	-	-	(4,166,666)	(41)	(15,116)	-	-	(15,157)
Issuance of restricted stock and compensation cost (Note 8(e))	-	-	-	-	1,800,000	18	7,261	-	-	7,279
Dividends on series B preferred stock (Note 8(b))	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	(7)	-	(7)
BALANCE, December 31, 2018	2,600,000	$ 26	-	$ -	103,764,351	$ 1,038	$ 1,062,645	$ 287	$ (436,312)	$ 627,684
Net loss	-	$ -	-	$ -	-	$ -	$ -	$ -	$ (10,535)	$ (10,535)
Issuance of Series C Preferred Stock (Note 8(c))	-	-	10,675	-	-	-	960	-	-	960
Issuance of restricted stock and compensation cost (Note 8(e))	-	-	-	-	2,000,000	20	7,561	-	-	7,581
Stock repurchased and retired (Note 8(d))	-	-	-	-	(14,571,012)	(146)	(49,533)	-	-	(49,679)
Dividends on series B preferred stock (Note 8(b))	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	(178)	-	(178)
BALANCE, December 31, 2019	2,600,000	$ 26	10,675	$ -	91,193,339	$ 912	$ 1,021,633	$ 109	$ (452,616)	$ 570,064
Net loss	-	$ -	-	$ -	-	$ -	$ -	$ -	$ (134,197)	$ (134,197)
Issuance of restricted stock and compensation cost (Note 8(e))	-	-	-	-	2,200,000	22	10,489	-	-	10,511
Stock repurchased and retired (Note 8(d))	-	-	-	-	(4,118,337)	(41)	(11,958)	-	-	(11,999)
Dividends on series B preferred stock (Note 8(b))	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	(40)	-	(40)
BALANCE, December 31, 2020	2,600,000	$ 26	10,675	$ -	89,275,002	$ 893	$ 1,020,164	$ 69	$ (592,582)	$ 428,570

6.8 Holders and share capital

The Company is not directly or indirectly owned or controlled.

At the date of this Registration Document, the Issuer is not aware of any circumstances or arrangements which may result in a change of control in the Issuer.

Major shareholders

The following table sets forth information regarding ownership of the Company's common stock of which the Company are aware as of November 22, 2021, for (i) beneficial owners of five percent or more of the Company's common stock and (ii) the Company's officers and directors, individually and as a group. All of the Company's shareholders, including the shareholders listed in this table, are entitled to one vote for each share of common stock held.

Title of Class	Identity of Person or Group	Number of Shares Owned	Percent of Class*
Common Stock, par value $0.01	Semiramis Paliou (1)	16,062,285	18.2%
	Anastasios Margaronis (2)	7,888,131	8.9%
	Kopernik Global Investors, LLC (3)	7,384,879	8.4%
	Hosking Partners LLP (4)	5,724,407	6.5%
	All other officers and directors as a group	6,654,705	7.5%

* Based on 88,201,669 common shares outstanding as of November 22, 2021.

(1) Mrs. Semiramis Paliou indirectly may be deemed to beneficially own 18.2% through Tuscany Shipping Corp., or Tuscany, and through 4 Sweet Dreams S.A., as the result of her ability to control the vote and disposition of such entities. As of December 31, 2018, 2019 and 2020, Mrs. Semiramis Paliou owned indirectly 0.5%, 1.2% and 17.8%, respectively, of the Company's outstanding common stock. Additionally, on January 31, 2019, the Company issued 10,675 shares of newly designated Series C Preferred Stock, par value $0.01 per share, to Taracan Investments S.A., or Taracan, which in September 2020 were contributed to Tuscany. The Series C Preferred Stock vote with the Company's common shares and each share of the Series C Preferred Stock entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the common stockholders of the Issuer. In addition, Mrs. Paliou acquired 400 shares of the Series D Preferred Stock on June 22, 2021. The Series D Preferred Stock will vote with the common shares of the Company, and each share of the Series D Preferred Stock shall entitle the holder thereof to up to 100,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject to a maximum number of votes eligible to be cast by such holder derived from the Series D Preferred Shares and any other voting security of the Company held by the holder to be equal to the lesser of (i) 36% of the total number of votes entitled to vote on any matter put to shareholders of the Company and (ii) the sum of the holder’s aggregate voting power derived from securities other than the Series D Preferred Stock and 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. Through her beneficial ownership of common shares and shares of Series C Preferred Stock and Series D Preferred Stock, Mrs. Paliou currently controls 36% of the vote of any matter submitted to the vote of the common shareholders.

(2) Mr. Anastasios Margaronis, the Company's President and a member of the Company's board of directors may be deemed to beneficially own 8.9% through Anamar Investments Inc. and ESX Investments Inc., as the result of his ability to control the vote and disposition of such entities.

(3) This information is derived from a Schedule 13G/A filed with the SEC on February 12, 2021, adjusting the percentage figure based on the common shares issued and outstanding as of the date of this report.

(4) This information is derived from a Schedule 13G/A filed with the SEC on February 1, 2021, adjusting the percentage figure based on the common shares issued and outstanding as of the date of this report.

Share capital

Under the Company's amended and restated articles of incorporation, as of the date of this Registration Document, the Company's authorized capital stock consists of 200,000,000 shares of common stock, par value $0.01 per share, of which 88,201,669 shares are issued and outstanding, and 25,000,000 shares of preferred stock, par value $0.01 per share, of which

(i) 1,000,000 shares are designated Series A Participating Preferred Stock, none of which are issued and outstanding, (ii) 5,000,000 shares are designated Series B Preferred Stock, 2,600,000 shares of which are issued and outstanding, (iii) 10,675 are designated as Series C Preferred Shares, all issued and outstanding and (iv) 400 are designated as Series D Preferred Shares, all issued and outstanding. All of the Company's shares of stock are in registered form.

Common Stock

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of common stock are entitled to receive ratably all dividends, if any, declared by the Company's board of directors out of funds legally available for dividends. Upon the Company's dissolution or liquidation or the sale of all or substantially all of the Company's assets, 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 of the Company's common stock will be entitled to receive pro rata the Company's remaining assets available for distribution. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of the Company's securities. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of the Company's preferred stock.

Preferred Stock

The Company's board of directors is authorized to provide for the issuance of preferred stock in one or more series with designations as may be stated in the resolution or resolutions providing for the issue of such preferred stock. At the time that any series of the Company's preferred stock is authorized, the Company's board of directors will fix the dividend rights, any conversion rights, any voting rights, redemption provisions, liquidation preferences and any other rights, preferences, privileges and restrictions of that series, as well as the number of shares constituting that series and their designation. The Company's board of directors could, without shareholder approval, cause the Company to issue preferred stock which has voting, conversion and other rights and preferences that could adversely affect the voting power and other rights of holders of the Company's common stock, Series A Participating Preferred Stock and Series B Preferred Stock, or make it more difficult to effect a change in control. In addition, preferred stock could be used to dilute the share ownership of persons seeking to obtain control of the Company and thereby hinder a possible takeover attempt which, if the Company's shareholders were offered a premium over the market value of their shares, might be viewed as being beneficial to the Company's shareholders. The material terms of any series of preferred stock that the Company offer through a prospectus supplement will be described in that prospectus supplement.

6.9 Capital expenditures

The Company make capital expenditures from time to time in connection with vessel acquisitions and constructions, which the Company finance with cash from operations, debt under loan facilities at terms acceptable to the Company, with funds from equity issuances, senior notes and bonds. The Company will incur capital expenditures for one vessel acquisition and the Company incur capital expenditures when the Company's vessels undergo surveys. This process of recertification may require the Company to reposition these vessels from a discharging port to shipyard facilities, which will reduce the Group's operating days during the period. The Company also incur capital expenditures for vessel improvements to meet new regulations. The loss of earnings associated with the decrease in operating days together with the capital needs for repairs and upgrades result in increased cash flow needs. The Company expect to cover such capital expenditures and cash flow needs with cash from operations and cash on hand.

6.10 Significant changes, trends and other factors affecting results

Since the date of the Company's last published audited financial statements of December 31, 2020, the following material events have taken place:

(i) On May 14, 2021, the Company through six wholly-owned subsidiaries, signed a sustainability linked loan facility with ABN AMRO Bank N.V. in the amount of $91 million to refinance existing facilities.

(ii) On June 22, 2021, the Company issued a $125 million private placement of senior unsecured bonds maturing in June 2026 and callable beginning three years after issuance (the Bonds). The bond offering was priced with a U.S. dollar fixed-rate coupon of 8.375%. Interest is payable semi-annually in arrears in June and December of each year.

(iii) On July 15, 2021, the Company signed, through a separate wholly-owned subsidiary, a Memorandum of Agreement to acquire from unaffiliated third parties the m/v Magnolia, a 2011 built Kamsarmax dry bulk vessel of 82,165 dwt, for a purchase price of $22.0 million. The Company anticipates to take delivery of the vessel by the end of February 2022.

(iv) On July 29, 2021, the Company, through seven wholly-owned subsidiaries, signed a supplemental agreement to the existing secured loan agreement with Nordea Bank Abp, filial i Norge, (i) to extend by 2 years the repayment of the existing secured loan facility from March 2022 to March 2024 and (ii) to increase the loan facility by an amount of $460,000.

(v) In August 2021, the Company purchase up to 3,333,333 shares of its common stock, par value of $0.01 per share at a price of $4.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest for an aggregate purchase price of $15,000,000.

(vi) On September 27, 2021, the Company settled its $100 million senior unsecured callable bonds 2018/2023 with ISIN NO 0110832868 at a price of 103.8% of the nominal amount of the bonds plus accrued interest.

(vii) On November 10, 2021 the Company paid a cash dividend in the amount of $0.10 per common share to shareholders of record as of November 3, 2021.

(viii) On November 22, 2021, the Company commenced a tender offer to purchase up to 3,529,411 shares, or about 4.0%, of its outstanding common stock, using funds available from cash and cash equivalents on hand at a price of $4.25 per share. The tender offer will expire at the end of the day, 5:00 P.M., Eastern Time, on December 21, 2021, unless extended or withdrawn.

(ix) On November 29, 2021 completed the spin-off of its wholly-owned subsidiary, OceanPal Inc. The Company's shareholders received one OceanPal Inc. share for every 10 shares of Diana Shipping Inc. held on the record date of November 3, 2021.

(x) On December 3, 2021, the Company signed through a separate wholly-owned subsidiary, a Memorandum of Agreement to acquire from an unaffiliated third party, a Japanese new-building Capesize dry bulk vessel of approximately 181,500 dwt, for a purchase gross price of $60,164,000. The vessel is expected to be delivered to the buyer by the end of the first quarter of 2022.

Since the date of the Company's last published audited financial statements of December 31, 2020, and as of the date of this Registration Document there has been no material adverse change in the prospects of the Issuer and there has been no significant change in the financial or trading position of the Group other than as disclosed in this Registration Document that would have a material extent relevant to the evaluation of the Issuer's solvency.

6.11 Legal and arbitration proceedings

The Company is not aware of any ongoing, pending or threatened governmental, legal or arbitration proceedings during the previous 12 months that may have or have had in the recent past a significant effect on the Company and/or the Group's financial position or profitability.

6.12 Material contracts

There are no material contracts that are entered into outside the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.

6.13 Documents on display

The following documents (or copies thereof) may be inspected for twelve months from the date of this Registration Document at the Company's corporate office 16 Pendelis Str., 175 64 Palaio Faliro, Athens, Greece, during normal business hours from Monday through Friday each week (except public holidays):

a) the Articles of Incorporation and Bylaws of the Company;
b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Registration Document;
c) the historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

7 LEAD MANAGERS' DISCLAIMER

Arctic Securities AS and Nordea Bank Abp, filial i Norge (the Lead Managers) have assisted the Company in preparing this Registration Document. The Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Lead Managers expressively disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with Bonds issued by Diana Shipping Inc. or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Registration Document acknowledges that such person has not relied on the Lead Managers nor any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Confidentiality rules and internal rules restricting the exchange of information between different parts of the Lead Managers may prevent employees of the Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Lead Managers and/ or any of their affiliated companies and which may be relevant to the recipient's decisions

28 January 2022 Oslo, Norway

Arctic Securities AS and Nordea Bank Abp, filial i Norge

8 DEFINITIONS AND GLOSSARY

BDI	The Baltic Dry Index.
Bonds	The Company's 8.375% senior unsecured USD 125,000,000 bonds 2021/2026 with ISIN NO0011021974.
Brexit	Popular name for the U.K.'s withdrawal from the EU.
CEXIM Bank	The Export-Import Bank of China.
Company	Diana Shipping Inc.
Diana	Diana Shipping Inc.
DnB	DnB Bank ASA
D-2 standard	The updated D-2 Discharge Performance Standard.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.
Group	The Company together with its subsidiaries.
Guarantor	Diana Shipping Inc. where a corporate guarantee has been issued by Diana Shipping Inc.
IOPP	The International Oil Pollution Prevention.
Issuer	Diana Shipping Inc.
Listing	The listing of the Bonds on Oslo Stock Exchange.
MEPC	The International Maritime Organization's Marine Environment Protection Committee.
NFSA	The Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*).
NISA	National Invasive Species Act.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (*Nw: Verdipapirhandelloven*).
Prospectus	This Registration Document together with the Securities Note and the Summary.
Registration Document	This registration document dated 28 January 2022.
Securities Note	The securities note dated 28 January 2022.
SOEL	The public register for company auditors-accountants kept with the Body of Certified-Auditors-Accountants.
Steamship	Steamship Shipbroking Enterprises Inc.
Summary	The summary dated 28 January 2022.
U.S. GAAP	The U.S. generally accepted accounting principles.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
VIDA	The Vessel Incidental Discharge Act.

VGP	The 2013 Vessel General Permit program.

Other used terms

- Bulk Carriers - Vessels which are specially designed and built to carry large volumes of cargo in bulk cargo form.
- Bunkers - Heavy fuel oil used to power a vessel's engines.
- Capesize - A dry bulk carrier having a carrying capacity of 110,000 dwt to 199,999 dwt.
- Charter - The hire of a vessel for a specified period of time to carry a cargo for a fixed fee from a loading port to a discharging port. The contract for a charter is called a charterparty.
- 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 charterparty 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 total weight the vessel can carry when loaded to a particular load line.
- Draft - Vertical distance between the waterline and the bottom of the vessel's keel.
- Dry Bulk - 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.
- Hull - The shell or body of a vessel.
- International Maritime Organization-"IMO" - A United Nations agency that issues international trade standards for shipping.
- Metric Ton - A metric ton of 1,000 kilograms.
- Newbuilding - A newly constructed vessel.
- Panamax - A dry bulk carrier of approximately 60,000 to 79,999 dwt of maximum length, depth and draft capable of passing fully loaded through the Panama Canal.
- Post-Panamax - A dry bulk carrier having a carrying capacity of 80,000 dwt to 109,999 dwt.
- 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.
- Short-Term Time Charter - A time charter which lasts less than approximately 12 months.
- Sister Ships - Vessels of the same class and specification which were built by the same shipyard.
- Time Charter - Contract for hire of a ship. A charter under which the ship-owner 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.
- Ton - A metric ton of 1,000 kilograms.

APPENDIX A – ARTICLES OF INCORPORATION

AMENDED AND RESTATED
ARTICLES OF INCORPORATION

OF

DIANA SHIPPING INC.

REPUBLIC OF THE MARSHALL ISLANDS

REGISTRAR OF CORPORATIONS

DUPLICATE COPY

The original of this Document was filed in accordance with Section 5 of the Business Corporations Act on

NON RESIDENT

May 14, 2008

Deputy Registrar

13671

RESTATED AND AMENDED ARTICLES OF INCORPORATION OF DIANA SHIPPING INC. (the "Corporation") UNDER SECTIONS 88 AND 93 OF THE BUSINESS CORPORATIONS ACT

I, IOANNIS ZAFIRAKIS, a Director, Executive Vice President and Secretary of Diana Shipping Inc., for the purpose of restating and amending the Articles of Incorporation of said Corporation pursuant to sections 88 and 93 of the Business Corporations Act, 1990 as amended, hereby certify:

1. The name of the Corporation is: Diana Shipping Inc.

2. The Articles of Incorporation were filed in the Republic of Liberia on the 8th day of March 1999 and the Corporation was redomiciled into the Republic of the Marshall Islands by filing Articles of Domestication on the 15th day of February, 2005.

3. The Articles of Incorporation are amended and restated in their entirety and are replaced by the Amended and Restated Articles of Incorporation attached hereto.

4. This Restatement and Amendment of the Articles of Incorporation was authorized by actions of the Board of Directors and Shareholders of the Corporation.

IN WITNESS WHEREOF, I have executed these Restated and Amended Articles of Incorporation on this 14 Day of May, 2008.

Authorized Person
Name: Ioannis Zafirakis
Title: Director, Executive Vice President and Secretary

SK 23159 0002 883448

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

DIANA SHIPPING INC.

PURSUANT TO
THE MARSHALL ISLANDS BUSINESS CORPORATIONS ACT

A. The name of the Corporation shall be:

DIANA SHIPPING INC.

B. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act (the "BCA").

C. The registered address of the Corporation in the Marshall Islands is Trust Company Complex, Ajeltake Island, P.O. Box 1405, Majuro, Marshall Islands MH96960. The name of the Corporation's registered agent at such address is The Trust Company of the Marshall Islands, Inc.

D. (a) The aggregate number of shares of common stock that the Corporation is authorized to issue is 200 million registered shares with a par value of one cent (US$.01).

(b) The Corporation is authorized to issue 25 million registered preferred shares with a par value of one cent (US$.01). The Board of Directors shall have the authority to establish such series of preferred shares and with such designations, preferences and relative, participating, optional or special rights and qualifications, limitations or restrictions as shall be stated in the resolutions providing for the issue of such preferred shares.

E. The Corporation shall have every power which a corporation now or hereafter organized under the Marshall Islands Business Corporation Act may have.

F. No holder of shares of the Corporation of any class, now or hereafter authorized, shall have any preferential or preemptive rights to subscribe for, purchase or receive any shares of the Corporation of any class, now or hereafter authorized or any options or warrants for such shares, or any rights to subscribe to or purchase such shares, or any securities convertible into or exchangeable for such shares, which may at any time be issued, sold or offered for sale by the Corporation.

G. The Shareholders and Board of Directors shall have the authority to adopt, amend or repeal the bylaws of the Corporation.

H. Corporate existence commenced on March 8, 1999 and shall continue upon filing the Articles of Domestication and these Amended and Restated Articles of Incorporation with the Registrar of Corporations.

I. (a) The Board of Directors shall be divided into three classes, as nearly equal in number as the then total number of directors constituting the entire Board of Directors permits, with the term of office of one or another of the three classes expiring each year. As soon as practicable after the filing of these Amended and Restated Articles of Incorporation with the Registrar of Corporations responsible for non-resident corporations, the shareholders of the Corporation shall hold an organization meeting to divide the Board of Directors into three classes, with the term of office of the first class to expire at the 2006 Annual Meeting of Shareholders, the term of office of the second class to expire at the 2007 Annual Meeting of Shareholders and the term of office of the third class to expire at the 2008 Annual Meeting of Shareholders. Commencing with the 2005 Annual Meeting of Shareholders, the directors elected at an annual meeting of shareholders to succeed those whose terms then expire shall be identified as being directors of the same class as the directors whom they succeed, and each of them shall hold office until the third succeeding annual meeting of shareholders and until such director's successor is elected and has qualified. Any vacancies in the Board of Directors for any reason, and any created directorships resulting from any increase in the number of directors, may be filled by the vote of not less than a majority of the members of the Board of Directors then in office, although less than a quorum, and any directors so chosen shall hold office until the next election of the class for which such directors shall have been chosen and until their successors shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director. Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of preferred stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the then authorized number of directors shall be increased by the number of directors so to be elected, and the terms of the director or directors elected by such holders shall expire at the next succeeding annual meeting of shareholders.

(b) Notwithstanding any other provisions of these Amended and Restated Articles of Incorporation or the bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation), any director or the entire Board of Directors of the Corporation may be removed at any time, but only for cause and only by the affirmative vote of the holders of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the shareholders called for that purpose. Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of preferred stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provisions of this Section (b) of this Article I shall not apply with respect to the director or directors elected by such holders of preferred stock.

(c) Directors shall be elected by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election. Cumulative voting, as defined in Division 7, Section 71(2) of the BCA, shall not be used to elect directors.

(d) Notwithstanding any other provisions of these Amended and Restated Articles of Incorporation or the bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation), the affirmative vote of the holders of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter, change or repeal this Article I.

J. The Shareholders and the Board of Directors of the Corporation are expressly authorized to make, alter or repeal bylaws of the Corporation by a vote of not less than a majority of the entire Board of Directors. Notwithstanding any other provisions of these Amended and Restated Articles of Incorporation or the bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation), the affirmative vote of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter, change or repeal this Article J.

K. (a) Except as provided in this Article K, special meetings of the shareholders may be called by the Board of Directors or holders of not less that one-fifth of all outstanding shares of common stock, who shall state the purpose or purposes of the proposed special meeting. If there is a failure to hold the annual meeting within a period of ninety (90) days after the date designated therefor, or if no date has been designated for a period of thirteen (13) months after the organization of the Corporation or after its last annual meeting, holders of not less than one-fifth of the shares entitled to vote in an election of directors may, in writing, demand the call of a special meeting in lieu of the annual meeting specifying the time thereof, which shall not be less than two (2) nor more than three (3) months from the date of such call. The Chairman, Chief Executive Officer or Secretary of the Corporation upon receiving the written demand shall promptly give notice of such meeting, or if the Chairman, Chief Executive Officer or Secretary fails to do so within five (5) business days thereafter, any shareholder signing such demand may give such notice. Such notice shall state the purpose or purposes of the proposed special meeting. The business transacted at any special meeting shall be limited to the purposes stated in the notice of such meeting.

(b) Notwithstanding any other provisions of these Amended and Restated Articles of Incorporation or the bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation), the affirmative vote of the holders of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter, change or repeal this Article K.

L. (a) The Corporation may not engage in any Business Combination with any Interested Shareholder for a period of three years following the time of the transaction in which the person became an Interested Shareholder, unless:

1. prior to such time, the Board of Directors of the Corporation approved either the Business Combination or the transaction which resulted in the shareholder becoming an Interested Shareholder;

2. upon consummation of the transaction which resulted in the shareholder becoming an Interested Shareholder, the Interested Shareholder owned at least 85% of the voting stock of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and also officers and (ii)

employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

3. at or subsequent to such time, the Business Combination is approved by the Board of Directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least a majority of the outstanding voting stock that is not owned by the interested shareholder; or

4. the shareholder became an Interested Shareholder prior to the consummation of the initial public offering of the Corporation's common stock under the United States Securities Act of 1933.

(b) The restrictions contained in this section shall not apply if:

1. A shareholder becomes an Interested Shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the shareholder ceases to be an Interested Shareholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Corporation and such shareholder, have been an Interested Shareholder but for the inadvertent acquisition of ownership; or

2. The Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an Interested Shareholder during the previous three years or who became an Interested Shareholder with the approval of the Board; and (iii) is approved or not opposed by a majority of the members of the Board then in office (but not less than one) who were Directors prior to any person becoming an Interested Shareholder during the previous three years or were recommended for election or elected to succeed such Directors by a majority of such Directors. The proposed transactions referred to in the preceding sentence are limited to:

(i) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to the BCA, no vote of the shareholders of the Corporation is required);

(ii) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to 50% or more of either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding shares; or

(iii) a proposed tender or exchange offer for 50% or more of the outstanding voting shares of the Corporation.

The Corporation shall give not less than 20 days notice to all Interested Shareholders prior to the consummation of any of the transactions described in clause (i) or (ii) of the second sentence of this paragraph.

(c) For the purpose of this Article L only, the term:

1. "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

2. "Associate," when used to indicate a relationship with any person, means: (i) Any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting shares; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

3. "Business Combination," when used in reference to the Corporation and any Interested Shareholder of the Corporation, means:

(i) Any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation with (A) the Interested Shareholder or any of its affiliates, or (B) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the Interested Shareholder.

(ii) Any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of the Corporation, to or with the Interested Shareholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding shares;

(iii) Any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any shares, or any share of such subsidiary, to the Interested Shareholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares, or shares of any such subsidiary, which securities were outstanding prior to the time that the Interested Shareholder became such; (B) pursuant to a merger with a direct or indirect wholly-owned subsidiary of the Corporation solely for purposes of forming a holding company; (C) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares, or shares of any such subsidiary, which security is distributed, pro rata to all holders of a class or series of shares subsequent to the time the Interested Shareholder became such; (D) pursuant to an exchange offer by the Corporation to purchase shares made on the same terms to all holders of said shares; or (E) any issuance or transfer of shares by the Corporation; provided however, that in no case under items (C)-(E) of this subparagraph shall there be an increase in the Interested Shareholder's proportionate share of the any class or series of shares;

(iv) Any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of any class or series of shares, or securities convertible into any class or series of shares, or shares of any such subsidiary, or securities convertible into such shares, which is owned by the Interested Shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares not caused, directly or indirectly, by the Interested Shareholder; or

(v) Any receipt by the Interested Shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the Corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (i)-(iv) of this paragraph) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

4. "Control," including the terms "controlling," "controlled by" and "under common

control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract or otherwise. A person who is the owner of 20 percent or more of the outstanding voting shares of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting shares, in good faith and not for the purpose of circumventing this provision, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

5. "Interested Shareholder" means any person (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting shares of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting shares of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an Interested Shareholder; and the affiliates and associates of such person; provided, however, that the term "Interested Shareholder" shall not include any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Corporation; provided that such person shall be an Interested Shareholder if thereafter such person acquires additional shares of voting shares of the Corporation, except as a result of further Company action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an Interested Shareholder, the voting shares of the Corporation deemed to be outstanding shall include voting shares deemed to be owned by the person through application of paragraph (8) below, but shall not include any other unissued shares which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

6. "Person" means any individual, corporation, partnership, unincorporated association or other entity.

7. "Voting stock" means, with respect to any corporation, shares of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity.

8. "Owner," including the terms "own" and "owned," when used with respect to any shares, means a person that individually or with or through any of its affiliates or associates:

(i) Beneficially owns such shares, directly or indirectly; or

(ii) Has (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of shares tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered shares is accepted for purchase or exchange; or (B) the right to vote such shares pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any shares because of such person's right to vote such shares if the agreement, arrangement or understanding to vote such shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(iii) Has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subparagraph (ii) of this paragraph), or disposing of such shares with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such shares.

(d) Any amendment of this Article L shall not be effective until 12 months after the approval of such amendment at a meeting of the shareholders of the Corporation and shall not apply to any Business Combination between the Corporation and any person who became an Interested Shareholder of the Corporation at or prior to the time of such approval.

(e) Notwithstanding any other provisions of these Amended and Restated Articles of Incorporation or the bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation), the affirmative vote of the holders of a majority of the outstanding shares of common stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter, change or repeal this Article L.

M. Under Article D, the Corporation has the authority to issue two hundred million (200,000,000) shares of common stock with a par value of one cent (U.S. $0.01). Prior to the amendment of these articles of incorporation dated March 10, 2005, the Corporation was authorized to issue one hundred and fifty thousand (150,000) shares of common stock of par value of ten ($10.00) United States dollars per share. Pursuant to these Amended and Restated Articles of Incorporation, the Corporation at such time as the amendment dated March 10, 2005, reduced its stated capital from one million five hundred thousand ($1,500,000) United States dollars to one thousand five hundred ($1,500) United States dollars by transferring one million four hundred ninety-eight thousand five hundred ($1,498,500) United States dollars from stated capital to surplus.

N. At all meetings of Shareholders of the Corporation, except as otherwise expressly provided by law, there must be present either in person or by proxy Shareholders of record holding at least 33⅓ % of the shares issued and outstanding and entitled to vote at such meetings in order to constitute a quorum, but if less than a quorum is present, a majority of those shares present either in person or by proxy shall have power to adjourn any meeting until a quorum shall be present.

APPENDIX B – FINANCIAL STATEMENTS

The full 2020 annual report is set out on the following pages while the Company's previous annual and quarterly report are incorporated by reference and can be found on: http://www.dianashippinginc.com/investors/annual-and-quarterly-reports/

2020 Annual report direct link:
http://www.dianashippinginc.com/userfiles/bc94f6aa-05ac-4df6-ae9a-a307010b2cf7/_AnnualReportr2020_.pdf
2019 Annual report direct link:
http://www.dianashippinginc.com/userfiles/bc94f6aa-05ac-4df6-ae9a-a307010b2cf7/AnnualReport2019.pdf
2018 Annual report direct link:
http://www.dianashippinginc.com/userfiles/bc94f6aa-05ac-4df6-ae9a-a307010b2cf7/DSI_Annual_Report_2018.PDF

2021 1st quarter report:
http://www.dianashippinginc.com/userfiles/Reports/quarterly/DSI_Earnings_release_310321.pdf

2021 2nd quarter report:
http://www.dianashippinginc.com/userfiles/Reports/quarterly/DSI_Earnings_Release_300621.pdf

2021 3rd quarter report:
https://www.dianashippinginc.com/wp-content/uploads/2021/11/dsi_earnings_release_300921.pdf

2020 Annual report

DIANA SHIPPING INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Diana Shipping Inc. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income/loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 12, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

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

Recoverability assessment of vessels held and used

Description of the matter	At December 31, 2020, the carrying value of the Company's vessels was $716.2 million, while during the year the Company recognized an impairment of $93.3 million in relation to nine vessels with an aggregate fair value of $166.4 million. As discussed in Notes 2 and 4 to the consolidated financial statements, the Company evaluates its vessels for impairment whenever events or changes in circumstances indicate that the carrying value of a vessel plus unamortized dry-docking costs, may not be recoverable in accordance with the guidance in ASC 360 – Property, Plant and Equipment ("ASC 360"). If indicators of impairment exist, management analyzes the future undiscounted net operating cash flows expected to be generated throughout the remaining useful life of each vessel and compares it to the carrying value plus unamortized dry-docking costs. Where the vessel's carrying value plus unamortized dry-docking costs exceeds the undiscounted net operating cash flows, management will recognize an impairment loss equal to the excess of the carrying value of the vessel plus unamortized dry-docking costs over its fair value. Auditing management's recoverability assessment was complex given the judgement and estimation uncertainty involved in determining certain assumptions to forecast undiscounted net operating cash flows, specifically the future charter rates for non-contracted revenue days. These rates are particularly subjective as they involve the development and use of assumptions about the dry-bulk shipping market through the end of the useful lives of the vessels. These assumptions are forward looking and subject to the inherent unpredictability of future global economic and market conditions.
How we addressed the matter in our audit	We obtained an understanding of the Company's process over the recoverability assessment of vessels held and used, evaluated the design, and tested the operating effectiveness of the controls over the Company's determination of future charter rates for non-contracted revenue days. We analyzed management's impairment assessment by comparing the methodology used to evaluate impairment of each vessel against the accounting guidance in ASC 360. To test management's undiscounted net operating cash flow forecasts, our procedures included, among others, comparing the future vessel charter rates for non-contracted revenue days with external data such as available market data from various analysts and recent economic and industry changes, and internal data such as historical charter rates for the vessels. In addition, we performed sensitivity analyses to assess the impact of changes to future charter rates for non-contracted revenue days in the determination of the net operating cash flows. We also evaluated whether these assumptions were consistent with evidence obtained in other areas of the audit. Our procedures also included testing the completeness and accuracy of the data used within the forecasts. We recalculated the impairment charge and compared it to the amount recognized by management and assessed the adequacy of the Company's disclosures in Notes 2 and 4.

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

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

Athens, Greece
March 12, 2021

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited Diana Shipping Inc.'s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Diana Shipping Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Diana Shipping Inc. as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income/loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and our report dated March 12, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

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

Athens, Greece
March 12, 2021

DIANA SHIPPING INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019
(Expressed in thousands of U.S. Dollars – except for share and per share data)

		2020		2019
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents (Note 2(e))	$	62,909	$	107,288
Accounts receivable, trade (Note 2(f))		5,235		7,862
Due from related parties (Notes 3(d) and 7)		1,196		23
Inventories (Note 2(g))		4,717		5,526
Prepaid expenses and other assets		7,243		9,210
Vessel held for sale (Note 4)		23,361		7,130
Total current assets		104,661		137,039
FIXED ASSETS:				
Vessels, net (Note 4)		716,178		882,297
Property and equipment, net (Note 5)		21,704		22,077
Total fixed assets		737,882		904,374
OTHER NON-CURRENT ASSETS:				
Restricted cash (Notes 2(e) and 6)		20,000		21,000
Investments in related parties (Notes 2(v) and 3 (b) and (d))		-		1,680
Other non-current assets		719		2,941
Deferred charges, net (Notes 2(m) and 4)		9,148		4,246
Total assets	$	872,410	$	1,071,280
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current portion of long-term debt, net of deferred financing costs, current (Note 6)	$	39,217	$	40,205
Accounts payable, trade and other		8,558		11,394
Due to related parties (Note 3(a) and (d))		484		85
Accrued liabilities		10,488		11,268
Deferred revenue (Note 2(p))		2,842		2,532
Total current liabilities		61,589		65,484
Long-term debt, net of current portion and deferred financing costs, non-current (Note 6)		381,097		434,746
Other non-current liabilities		1,154		986
Commitments and contingencies (Note 7)		-		-
STOCKHOLDERS' EQUITY:				
Preferred stock (Note 8(a))		26		26
Common stock, $0.01 par value; 200,000,000 shares authorized and 89,275,002 and 91,193,339 issued and outstanding at December 31, 2020 and 2019, respectively (Note 8(b))		893		912
Additional paid-in capital		1,020,164		1,021,633
Accumulated other comprehensive income		69		109
Accumulated deficit		(592,582)		(452,616)
Total stockholders' equity		428,570		570,064
Total liabilities and stockholders' equity	$	872,410	$	1,071,280

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

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars – except for share and per share data)

		2020	2019	2018
REVENUES:				
Time charter revenues (Note 2(p))	$	169,733 $	220,728 $	226,189
EXPENSES:				
Voyage expenses (Note 2(p))		13,525	13,542	7,405
Vessel operating expenses (Note 2(q))		85,847	90,600	95,510
Depreciation and amortization of deferred charges		42,991	48,904	52,206
General and administrative expenses		32,778	28,601	29,518
Management fees to related party (Note 3)		2,017	2,155	2,394
Vessel impairment charges (Note 4)		104,395	13,987	-
Loss on sale of vessels (Note 4)		1,085	6,171	1,448
Other income		(230)	(854)	(542)
Operating income/(loss)	$	(112,675)$	17,622 $	38,250
OTHER INCOME / (EXPENSES):				
Interest expense and finance costs (Note 9)		(21,514)	(29,432)	(30,506)
Interest and other income		728	2,858	8,822
Gain on repurchase of debt (Note 6)		374	-	-
Gain/(loss) from related party investments (Note 3 (b) and (d))		(1,110)	(1,583)	14
Total other expenses, net	$	(21,522)$	(28,157)$	(21,670)
Net income/(loss)	$	(134,197)$	(10,535)$	16,580
Dividends on series B preferred shares (Notes 8 and 10)		(5,769)	(5,769)	(5,769)
Net income/(loss) attributed to common stockholders	$	(139,966)$	(16,304)$	10,811
Earnings/(loss) per common share, basic and diluted (Note 10)	$	(1.62)$	(0.17)$	0.10
Weighted average number of common shares, basic (Note 10)		86,143,556	95,191,116	103,736,742
Weighted average number of common shares, diluted (Note 10)		86,143,556	95,191,116	104,715,883

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars)

		2020	2019	2018
Net income/(loss)	$	(134,197)$	(10,535)$	16,580
Other comprehensive loss (Actuarial loss)		(40)	(178)	(7)
Comprehensive income/(loss)	$	(134,237)$	(10,713)$	16,573

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

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars – except for share data)

	Preferred Stock Series B		Preferred Stock Series C		Common Stock		Additional Paid-in Capital	Other Comprehensive Income / (Loss)	Retained Earnings/ (Accumulated Deficit)	Total Equity
	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value				
BALANCE, December 31, 2017	2,600,000	$ 26	-	$ -	106,131,017	$ 1,061	$ 1,070,500	$ 294	$ (447,123)	$ 624,758
Net income	-	$ -	-	$ -	-	$ -	$ -	$ -	$ 16,580	$ 16,580
Stock repurchased and retired (Note 8(d))	-	-	-	-	(4,166,666)	(41)	(15,116)	-	-	(15,157)
Issuance of restricted stock and compensation cost (Note 8(e))	-	-	-	-	1,800,000	18	7,261	-	-	7,279
Dividends on series B preferred stock (Note 8(b))	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	(7)	-	(7)
BALANCE, December 31, 2018	2,600,000	$ 26	-	$ -	103,764,351	$ 1,038	$ 1,062,645	$ 287	$ (436,312)	$ 627,684
Net loss	-	$ -	-	$ -	-	$ -	$ -	$ -	$ (10,535)	$ (10,535)
Issuance of Series C Preferred Stock (Note 8(c))	-	-	10,675	-	-	-	960	-	-	960
Issuance of restricted stock and compensation cost (Note 8(e))	-	-	-	-	2,000,000	20	7,561	-	-	7,581
Stock repurchased and retired (Note 8(d))	-	-	-	-	(14,571,012)	(146)	(49,533)	-	-	(49,679)
Dividends on series B preferred stock (Note 8(b))	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	(178)	-	(178)
BALANCE, December 31, 2019	2,600,000	$ 26	10,675	$ -	91,193,339	$ 912	$ 1,021,633	$ 109	$ (452,616)	$ 570,064
Net loss	-	$ -	-	$ -	-	$ -	$ -	$ -	$ (134,197)	$ (134,197)
Issuance of restricted stock and compensation cost (Note 8(e))	-	-	-	-	2,200,000	22	10,489	-	-	10,511
Stock repurchased and retired (Note 8(d))	-	-	-	-	(4,118,337)	(41)	(11,958)	-	-	(11,999)
Dividends on series B preferred stock (Note 8(b))	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	(40)	-	(40)
BALANCE, December 31, 2020	2,600,000	$ 26	10,675	$ -	89,275,002	$ 893	$ 1,020,164	$ 69	$ (592,582)	$ 428,570

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

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended December 31, 2020, 2019 and 2018
(Expressed in thousands of U.S. Dollars)

	2020	2019	2018
Cash Flows from Operating Activities:			
Net income/(loss)	$ (134,197)	$ (10,535)	$ 16,580
Adjustments to reconcile net income/(loss) to net cash from operating activities:			
Depreciation and amortization of deferred charges	42,991	48,904	52,206
Asset Impairment loss (Note 4)	104,395	13,987	-
Amortization of financing costs (Note 9)	1,066	1,126	1,939
Compensation cost on restricted stock (Note 8(e))	10,511	7,581	7,279
Actuarial loss	(40)	(178)	(7)
Loss on sale of vessels (Note 4)	1,085	6,171	1,448
Gain from loan to a related party (Note 3(b))	-	-	(5,000)
(Gain)/loss on extinguishment of debt (Note 6)	(374)	188	-
(Gain)/loss from related party investments (Note 3(b) and (d))	1,110	1,583	(14)
(Increase) / Decrease in:			
Accounts receivable, trade	2,627	(4,914)	1,989
Due from related parties	(1,173)	(23)	43
Inventories	809	309	(65)
Prepaid expenses and other assets	1,967	(2,846)	(1,197)
Other non-current assets	(252)	(2,941)	-
Increase / (Decrease) in:			
Accounts payable, trade and other	(2,836)	321	3,119
Due to related parties	(31)	(97)	(89)
Accrued liabilities, net of accrued preferred dividends	(780)	(2,109)	5,131
Deferred revenue	310	(1,558)	883
Other non-current liabilities	168	143	(59)
Drydock costs	(10,122)	(5,230)	(4,256)
Net cash provided by Operating Activities	$ 17,234	$ 49,882	$ 79,930
Cash Flows from Investing Activities:			
Payments for vessel improvements (Note 4)	(6,001)	(2,804)	(2,573)
Proceeds from sale of vessels, net of expenses (Note 4)	15,623	41,326	14,578
Proceeds from sale of related party investment (Note 3(b))	1,500	-	-
Payments to joint venture (Note 3(d))	(500)	-	-
Proceeds from loan to a related party (Note 3(b))	-	-	87,617
Payments to acquire furniture and fixtures (Note 5)	(138)	(125)	(252)
Net cash provided by Investing Activities	$ 10,484	$ 38,397	$ 99,370
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt (Note 6)	-	44,000	100,000
Proceeds from issuance of preferred stock (Note 8(c))	-	960	-
Payments of dividends, preferred stock (Note 8(b))	(5,769)	(5,769)	(5,769)
Payments for repurchase of common stock (Note 8(d))	(11,999)	(49,679)	(15,157)
Payments of financing costs	(567)	(357)	(2,833)
Repayments of long-term debt	(54,762)	(100,553)	(169,943)
Net cash used in Financing Activities	$ (73,097)	$ (111,398)	$ (93,702)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(45,379)	(23,119)	85,598
Cash, cash equivalents and restricted cash at beginning of the year	128,288	151,407	65,809
Cash, cash equivalents and restricted cash at end of the year	$ 82,909	$ 128,288	$ 151,407
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	$ 62,909	$ 107,288	$ 126,825
Restricted cash	20,000	21,000	24,582
Cash, cash equivalents and restricted cash	$ 82,909	$ 128,288	$ 151,407
SUPPLEMENTAL CASH FLOW INFORMATION			
Non-cash investments (Note 4)	$ 2,474	$ -	$ -
Interest paid	$ 21,397	$ 28,554	$ 25,683

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

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

1. Basis of Presentation and General Information

The accompanying consolidated financial statements include the accounts of Diana Shipping Inc., or DSI, and its wholly-owned and beneficially-owned subsidiaries (collectively, the "Company"). DSI was formed on March 8, 1999 as Diana Shipping Investment Corp. under the laws of the Republic of Liberia. In February 2005, the Company's articles of incorporation were amended. Under the amended articles of incorporation, the Company was renamed Diana Shipping Inc. and was re-domiciled from the Republic of Liberia to the Republic of the Marshall Islands.

The Company is engaged in the ocean transportation of dry bulk cargoes worldwide through the ownership of dry bulk carrier vessels. The Company operates its own fleet through Diana Shipping Services S.A. (or "DSS"), a wholly-owned subsidiary and through Diana Wilhelmsen Management Limited, or DWM, a 50% owned joint venture (Note 3). The fees paid to DSS are eliminated in consolidation.

In 2020, the outbreak of the COVID-19 virus has had a negative effect on the global economy and has adversely impacted the international dry-bulk shipping industry into which the Company operates. As of December 31, 2020, the impact of the outbreak of COVID-19 virus resulted in low time charter rates throughout the year, decreased revenues and increased crew and dry-docking costs. As the situation continues to evolve, it is difficult to predict the long-term impact of the pandemic on the industry. As a result, many of the Company's estimates and assumptions, mainly future revenues for unfixed days, carry a higher degree of variability and volatility. The Company is constantly monitoring the developing situation, as well as its charterers' response to the severe market disruption and is making necessary precautions to address and mitigate, to the extent possible, the impact of COVID-19 to the Company.

During 2020, 2019, and 2018, charterers that individually accounted for 10% or more of the Company's time charter revenues were as follows:

Charterer	2020	2019	2018
A	18%	16%	14%
B	16%	14%	15%
C		18%	16%
D		12%	11%

2. Significant Accounting Policies

a) ***Principles of Consolidation***: The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, and include the accounts of Diana Shipping Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Under Accounting Standards Codification ("ASC") 810 "Consolidation", the Company consolidates entities in which it has a controlling financial interest, by first considering if an entity meets the definition of a variable interest entity ("VIE") for which the Company is deemed to be the primary beneficiary under the VIE model, or if the Company controls an entity through a majority of voting interest based on the voting interest model. The Company evaluates financial instruments, service contracts, and other arrangements to determine if any variable interests relating to an entity exist. For entities in which the Company has a variable interest, the Company determines if the entity is a VIE by considering whether the entity's equity investment at risk is sufficient to finance its activities without additional subordinated financial support and whether the entity's at-risk equity holders have the characteristics of a controlling financial interest. In performing the analysis of whether the Company is the primary beneficiary of a VIE, the Company considers whether it individually has the power to direct the activities of the VIE that most significantly affect the entity's performance and also has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The Company reconsiders the initial determination of whether an entity is a VIE if certain types of events ("reconsideration events") occur. If the Company holds a variable interest in an entity that previously was not a VIE, it reconsiders whether the entity has become a VIE. The Company has identified it has variable interests in Diana Wilhelmsen Management Limited, but is not the primary beneficiary (Note 3(b)).

b) ***Use of Estimates:*** The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) ***Other Comprehensive Income / (Loss):*** The Company separately presents certain transactions, which are recorded directly as components of stockholders' equity. Other Comprehensive Income / (Loss) is presented in a separate statement.

d) ***Foreign Currency Translation:*** The functional currency of the Company is the U.S. dollar because the Company's vessels operate in international shipping markets, and therefore primarily transact business in U.S. dollars. The Company's accounting records are maintained in U.S. dollars. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are translated into U.S. dollars at the year-end exchange rates. Resulting gains or losses are reflected separately in the accompanying consolidated statements of operations.

e) ***Cash and Cash Equivalents:*** The Company considers highly liquid investments such as time deposits, certificates of deposit and their equivalents with an original maturity of up to about three months to be cash equivalents. Restricted cash consists mainly of cash deposits required to be maintained at all times under the Company's loan facilities (Note 6).

f) ***Accounts Receivable, Trade:*** The amount shown as accounts receivable, trade, at each balance sheet date, includes receivables from charterers for hire from lease agreements, net of provisions for doubtful accounts, if any. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. Operating lease receivables under ASC 842 are not in scope of ASC 326 for assessment of credit loss, however the Company assessed its accounts receivable, trade and its credit risk relating to its charterers, following the outbreak of the COVID-19 and the effect that this could have on its accounts. No provision for doubtful accounts was established as of December 31, 2020 and 2019.

g) ***Inventories:*** Inventories consist of lubricants and victualling which are stated, on a consistent basis, at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in earnings in the period in which it occurs. Cost is determined by the first in, first out method. Amounts removed from inventory are also determined by the first in first out method. Inventories may also consist of bunkers when on the balance sheet date a vessel is without employment. Bunkers, if any, are also stated at the lower of cost or net realizable value and cost is determined by the first in, first out method. During 2020, 2019 and 2018, the Company incurred loss on bunkers amounting to $3,708, $1,537 and gain of $4,799, resulting mainly from the revaluation of bunkers on the delivery of the vessels to a new charterer. This loss or gain in included in "Voyage expenses" in the accompanying consolidated statements of operations.

h) ***Vessel Cost***: Vessels are stated at cost which consists of the contract price and any material expenses incurred upon acquisition or during construction. Expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels; otherwise these amounts are charged to expense as incurred. Interest cost incurred during the assets' construction periods that theoretically could have been avoided if expenditure for the assets had not been made is also capitalized. The capitalization rate, applied on accumulated expenditures for the vessel, is based on interest rates applicable to outstanding borrowings of the period.

i) ***Vessels held for sale:*** The Company classifies assets as being held for sale when the respective criteria are met. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. The fair value less cost to sell of an asset held for sale is assessed at each reporting period it remains classified as held for sale. When the plan to sell an asset changes, the asset is reclassified as held and used, measured at the lower of its carrying amount before it was recorded as held for sale, adjusted for depreciation, and the asset's fair value at the date of the decision not to sell.

j) ***Property and equipment:*** The Company owns the land and building where its offices are located. Land is stated at cost and it is not subject to depreciation. The building has an estimated useful life of 55 years with no residual value. Depreciation is calculated on a straight-line basis. Equipment consists of office furniture and equipment, computer software and hardware and vehicles which consist of motor scooters and a car. The useful life of the car is 10 years, of the office furniture, equipment and the scooters is 5 years; and of the computer software and hardware is 3 years. Depreciation is calculated on a straight-line basis.

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

For vessels, the Company calculates undiscounted projected net operating cash flows by considering the historical and estimated vessels' performance and utilization with the significant assumption being future charter rates for the unfixed days, using the most recent 10 year average of historical 1 year time charter rates available for each type of vessel over the remaining estimated life of each vessel, net of commissions. Historical ten-year blended average one-year time charter rates are in line with the Company's overall chartering strategy, they reflect the full operating history of vessels of the same type and particulars with the Company's operating fleet and they cover at least a full business cycle, where applicable. Other assumptions used in developing estimates of future undiscounted cash flow are charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters, the expected outflows for scheduled vessels' maintenance; vessel operating expenses; fleet utilization, and the vessels' residual value if sold for scrap. Assumptions are in line with the Company's historical performance and its expectations for future fleet utilization under its current fleet deployment strategy. This calculation is then compared with the vessels' net book value plus unamortized dry-docking costs. The difference between the carrying amount of the vessel plus unamortized dry-docking costs and their fair value is recognized in the Company's accounts as impairment loss.

During the last quarter of 2017, the Company's management considered various factors, including the recovery of the market, the worldwide demand for dry-bulk products, supply of tonnage and order book and concluded that the charter rates for the years 2008-2010 were exceptional. In this respect the Company's management decided to exclude from the 10-year average of 1 year time charters of these three years for which the rates were well above the average and which were not considered sustainable for the foreseeable future. Similarly, the Company performed the exercise discussed above, for 2018, by excluding from the 10-year average of 1 year time charters the years 2009-2010 and for 2019, by excluding the rates for the year 2010. The Company's impairment assessment resulted in the recognition of impairment on certain vessels' carrying value in 2019 and 2020 (Note 4). No impairment loss was identified or recorded in 2018.

For land and building, the Company determines undiscounted projected net operating cash flows by considering an estimated monthly rent the Company would have to pay in order to lease a similar property, during the useful life of the building. No impairment loss was identified or recorded for 2020, 2019 and 2018 and the Company has not identified any other facts or circumstances that would require the write down of the value of its land or building in the near future.

l) ***Vessel Depreciation:*** Depreciation is computed using the straight-line method over the estimated useful life of the vessels, after considering the estimated salvage (scrap) value. Each vessel's salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. Management estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard. Second hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations are adopted.

m) ***Accounting for Dry-Docking Costs***: The Company follows the deferral method of accounting for dry-docking costs whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next dry-docking is scheduled to become due. Unamortized dry-docking costs of vessels that are sold or impaired are written off and included in the calculation of the resulting gain or loss in the year of the vessel's sale or impairment (Note 4).

n) ***Financing Costs***: Fees paid to lenders for obtaining new loans or refinancing existing ones accounted as loan modification are deferred and recorded as a contra to debt. Other fees paid for obtaining loan facilities not used at the balance sheet date are deferred. Fees relating to drawn loan facilities are amortized to interest and finance costs over the life of the related debt using the effective interest method and fees incurred for loan facilities not used at the balance sheet date are amortized using the straight line method according to their availability terms. Unamortized fees relating to loans or bonds repaid or repurchased or refinanced as debt extinguishment are expensed as interest and finance costs in the period the repayment, prepayment, repurchase or extinguishment is made. Loan commitment fees are charged to expense in the period incurred, unless they relate to loans obtained to finance vessels under construction, in which case they are capitalized to the vessels' cost.

o) ***Concentration of Credit Risk***: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and trade accounts receivable. The Company places its temporary cash investments, consisting mostly of deposits, with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

p) ***Accounting for Revenues and Expenses:*** Revenues are generated from time charter agreements which contain a lease as they meet the criteria of a lease under ASC 842. Agreements with the same charterer are accounted for as separate agreements according to their specific terms and conditions. All agreements contain a minimum non-cancellable period and an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time charter agreement, the charterer pays a daily hire for the use of the vessel and reimburses the owner for hold cleanings, extra insurance premiums for navigating in restricted areas and damages caused by the charterers. Additionally, the charterer pays to third parties port, canal and bunkers consumed during the term of the time charter agreement. Such costs are considered direct costs and are not recorded as they are directly paid by charterers, unless they are for the account of the owner, in which case they are included in voyage expenses. Additionally, the owner pays commissions on the hire revenue, to both the charterer and to brokers, which are direct costs and are recorded in voyage expenses. Under a time charter agreement, the owner pays for the operation and the maintenance of the vessel, including crew, insurance, spares and repairs, which are recognized in operating expenses. Revenues from time charter agreements providing for varying annual rates are accounted for as operating leases and thus recognized on a straight-line basis over the non-cancellable rental periods of such agreements, as service is performed. Deferred revenue includes cash received prior to the balance sheet date for which all criteria to recognize as revenue have not been met. The Company, as lessor, has elected not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease. Additionally, the lease component is considered the predominant component as the Company has assessed that more value is ascribed to the vessel rather than to the services provided under the time charter contracts. The majority of the vessels are employed on short to medium-term time charter contracts, which provides flexibility in responding to market developments. The Company monitors developments in the dry bulk shipping industry on a regular basis and adjusts the charter hire periods for the vessels according to prevailing market conditions. In order to take advantage of relatively stable cash flow and high utilization rates, some of the vessels may be fixed on long-term time charters.

q) ***Repairs and Maintenance:*** All repair and maintenance expenses including underwater inspection expenses are expensed in the year incurred. Such costs are included in vessel operating expenses in the accompanying consolidated statements of operations.

r) ***Earnings / (loss) per Common Share:*** Basic earnings / (loss) per common share are computed by dividing net income / (loss) available to common stockholders by the weighted average number of common shares outstanding during the year. Diluted earnings per common share, reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised.

s) ***Segmental Reporting:*** The Company engages in the operation of dry-bulk vessels which has been identified as one reportable segment. The operation of the vessels is the main source of revenue generation, the services provided by the vessels are similar and they all operate under the same economic environment. Additionally, the vessels do not operate in specific geographic areas, as they trade worldwide; they do not trade in specific trade routes, as their trading (route and cargo) is dictated by the charterers; and the Company does not evaluate the operating results for each type of dry bulk vessels (i.e. Panamax, Capesize etc.) for the purpose of making decisions about allocating resources and assessing performance.

t) ***Fair Value Measurements***: The Company classifies and discloses its assets and liabilities carried at fair value in one of the following categories: Level 1: Quoted market prices in active markets for identical assets or liabilities; Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data; Level 3: Unobservable inputs that are not corroborated by market data.

u) ***Share Based Payments:*** The Company issues restricted share awards which are measured at their grant date fair value and are not subsequently re-measured. That cost is recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Forfeitures of awards are accounted for when and if they occur. If an equity award is modified after the grant date, incremental compensation cost will be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification.

v) ***Equity method investments:*** Investments in common stock in entities over which the Company exercises significant influence, but does not exercise control are accounted for by the equity method of accounting. Under this method, the Company records such an investment at cost and adjusts the carrying amount for its share of the earnings or losses of the entity subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received, if any, reduce the carrying amount of the investment. When the carrying value of an equity method investment is reduced to zero because of losses, the Company does not provide for additional losses unless it is committed to provide further financial support for the investee. As of December 31, 2020, the Company's investment in DWM is classified as a liability because the Company absorbed such losses (Note 3(d)). The Company also evaluates whether a loss in value of an investment that is other than a temporary decline should be recognized. Evidence of a loss in value might include absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment.

w) ***Going concern:*** Management evaluates, at each reporting period, whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued.

x) ***Shares repurchased and retired:*** The Company's shares repurchased for retirement, are immediately cancelled and the Company's share capital is accordingly reduced. Any excess of the cost of the shares over their par value is allocated in additional paid-in capital, in accordance with ASC 505-30-30, Treasury Stock.

y) ***Financial Instruments, credit losses***: At each reporting date, the Company evaluates its financial assets individually for credit losses and presents such assets in the net amount expected to be collected on such financial asset. When financial assets present similar risk characteristics, these are evaluated on a collective basis. When developing an estimate of expected credit losses the Company considers available information relevant to assessing the collectability of cash flows such as internal information, past events, current conditions and reasonable and supportable forecasts

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New Accounting Pronouncements – Adopted

On January 1, 2020, the Company adopted ASU No. 2016-13—Financial Instruments—Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments, which amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities, ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses", which clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20 and should be accounted for in accordance with Topic 842, Leases, ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825 Financial Instruments", the amendments of which clarify the modification of accounting for available for sale debt securities excluding applicable accrued interest, which must be individually assessed for credit losses when fair value is less than the amortized cost basis and ASU 2019-05, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825 Financial Instruments", the amendments of which provide entities that have certain instruments within the scope of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortized Cost, with an option to irrevocably elect the fair value option in Subtopic 825-10, Financial Instruments—Overall, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities. An entity that elects the fair value option should subsequently apply the guidance in Subtopics 820-10, Fair Value Measurement—Overall, and 825-10. The adoption of this new accounting guidance, as amended by these Updates, did not have a material effect on the Company's consolidated financial statements and related disclosures, considering that its receivables relate mainly to time charter revenues whose collectability is evaluated in accordance with ASC 842 Leases.

On January 1, 2020, the Company adopted ASU 2018-13, "Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement", which improves the effectiveness of fair value measurement disclosures. In particular, the amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in FASB Concepts Statement, Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements, including the consideration of costs and benefits. The amendments in the Update apply to all entities that are required under existing GAAP to make disclosures about recurring and non-recurring fair value measurements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The adoption of this new accounting guidance did not have a material effect on the Company's consolidated financial statements and related disclosures.

On January 1, 2020, the Company adopted ASU 2018-17, "Consolidation (Topic 810)—Targeted Improvements to Related Party Guidance for Variable Interest Entities", which, improve the accounting for the following areas: (i) applying the variable interest entity (VIE) guidance to private companies under common control and (ii) considering indirect interests held through related parties under common control for determining whether fees paid to decision makers and service providers are variable interests, thereby improving general purpose financial reporting. The adoption of this new accounting guidance did not have a material effect on the Company's consolidated financial statements and related disclosures.

New Accounting Pronouncements - Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. ASU 2020-04 applies to contracts that reference LIBOR or another reference rate expected to be terminated because of reference rate reform. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31,

2022. An entity may elect to apply the amendments for contract modifications by Topic or Industry Subtopic as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic, the amendments in this Update must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. An entity may elect to apply the amendments in this Update to eligible hedging relationships existing as of the beginning of the interim period that includes March 12, 2020 and to new eligible hedging relationships entered into after the beginning of the interim period that includes March 12, 2020. An entity may elect certain optional expedients for hedging relationships that exist as of December 31, 2022 and maintain those optional expedients through the end of the hedging relationship. ASU 2020-04 can be adopted as of March 12, 2020. As of December 31, 2020, the Company has not made any contract modifications to replace the reference rate in any of its agreements and has not evaluated the effects of this standard on its consolidated financial position, results of operations, and cash flows.

3. Transactions with related parties

a) ***Altair Travel Agency S.A. ("Altair"):*** The Company uses the services of an affiliated travel agent, Altair, which is controlled by the Company's CEO and Chairman of the Board. Travel expenses for 2020, 2019 and 2018 amounted to $1,854, $2,032 and $2,253, respectively, and are mainly included in "Vessels, net book value", "Vessel operating expenses" and "General and administrative expenses" in the accompanying consolidated financial statements. At December 31, 2020 and 2019, an amount of $54 and $30, respectively, was payable to Altair and is included in "Due to related parties" in the accompanying consolidated balance sheets.

b) ***Performance Shipping Inc., or Performance Shipping:*** On June 30, 2017, DSI refinanced an existing loan amounting to $42,617, at that date, by entering into a new loan facility with Performance Shipping amounting to $82,617. The loan also provided for an additional $5,000 interest-bearing discount premium payable on the termination date, unless waived according to certain terms of the loan agreement. The loan was collected in full in July 2018, including the additional $5,000 interest-bearing discount premium. The loan bore interest at the rate of 6% per annum for the first twelve months, scaled to 9% until full repayment. The loan facility was secured by first preferred mortgages on Performance Shipping's vessels and included financial and other covenants. For 2018, interest and other income amounted to $7,055 (including the $5,000 additional discount premium) and is included in "Interest and other income" in the accompanying consolidated statement of operations.

On May 30, 2017, the Company acquired 100 shares of Series C Preferred Stock, par value $0.01 per share, of Performance Shipping, for $3,000 in exchange for a reduction of an equal amount in the principal amount of the Company's outstanding loan to Performance Shipping at that date. The acquisition of shares of Series C Preferred Stock was approved by an independent committee of the Board of Directors of the Company. In February 2020, the Company received an offer from Performance Shipping to redeem the Series C Preferred Stock for an aggregate price of $1,500, at which price the Company written down the investment at December 31, 2019. The Company's Board of Directors formed a special committee to evaluate the transaction with the assistance of an independent financial advisor. The transaction was recommended by the special committee to the Board of Directors, which resolved to accept the offer. The transaction was concluded on March 27, 2020 with the receipt of the related funds from Performance Shipping. The Series C Preferred Stock had no dividend or liquidation rights and voted with the common shares of Performance Shipping, if any.

Each share of the Series C Preferred Stock entitled the holder thereof to up to 250,000 votes, subject to a cap such that the aggregate voting power of any holder of Series C Preferred Stock together with its affiliates would not exceed 49.0%, on all matters submitted to a vote of the stockholders ofPerformance Shipping. The Company had assessed that Performance Shipping was a VIE due to this transaction, but the Company was not the primary beneficiary. Following the settlement of this transaction, Performance Shipping is not considered a VIE.

At December 31, 2019 the investment in the preferred shares of Performance Shipping was $1,500, reduced from $3,000 at December 31, 2018, and is included in “Investments in related parties” in the 2019 accompanying consolidated balance sheet. This reduction which is included in the 2019 “Gain/(loss) from related party investments” was made due to management’s qualitative assessment that the carrying value of the investment could not be recoverable.

c) ***Steamship Shipbroking Enterprises Inc. or Steamship:*** Steamship is a company controlled by the Company’s CEO and Chairman of the Board which provides brokerage services to DSI for a fixed monthly fee plus commission on the sale of vessels, pursuant to a Brokerage Services Agreement, amended annually on April 1st of each year with the exception of an amendment in November 21, 2018, to increase the fee from October 1, 2018 until expiration of the agreement in March 2019. A new agreement was signed on April 1, 2019 for the same fees until July 1, 2020, when the agreement was amended as a new monthly fee was agreed between the parties for a duration of two years, until June 30, 2022. For 2020, 2019 and 2018 brokerage fees amounted to $2,653, $1,998 and $1,850, respectively, and are included in “General and administrative expenses” in the accompanying consolidated statements of operations. For 2020, commissions on the sale of vessels amounted to $576 and are included in “Vessel impairment charges” as the vessels were recorded at fair value less cost to sell (Note 4). As of December 31, 2020 and 2019, there was no amount due to Steamship.

d) ***Diana Wilhelmsen Management Limited, or DWM:*** DWM is a joint venture which was established on May 7, 2015 by Diana Ship Management Inc., a wholly owned subsidiary of DSI, and Wilhelmsen Ship Management Holding Limited, an unaffiliated third party, each holding 50% of DWM. The DWM office is located in Limassol, Cyprus. Effective July 1, 2020 Wilhelmsen Ship Management Holding Limited, was replaced by Wilhelmsen Ship Management Holding AS, which assumed all the liabilities and obligations of the former company under the Joint venture agreement. During 2020, each 50% shareholder of DWM contributed an amount of $500 as additional investment to DWM. As of December 31, 2020, the equity method investment in DWM turned to a liability of $430 and is included in “Due to related parties” in the 2020 accompanying consolidated balance sheet. At December 31, 2019, the investment was $180 and is included in “Investments in related parties” in the respective accompanying consolidated balance sheet. For 2020, 2019 and 2018, the investment in DWM resulted in a loss of $1,110 and $83 and gain of $14, respectively, and is included in “Gain/(loss) from related party investments” in the accompanying consolidated statements of operations.

Until October 8, 2019, DWM provided management services to certain vessels of the Company’s fleet for a fixed monthly fee and commercial services charged as a percentage of the vessels’ gross revenues pursuant to management agreements between the vessels and DWM. Since October 8, 2019, all of the fleet vessels are managed by DSS and DSS outsourced the management of certain vessels to DWM. For the management services outsourced to DWM, DSS pays a fixed monthly fee per vessel and a percentage of those vessels’ gross revenues. Management fees paid to DWM for 2020, 2019 and 2018 amounted to $2,017, $2,155 and $2,394, respectively, and are separately presented as “Management fees to related party” in the accompanying consolidated statements of operations. Commercial fees in 2019 and 2018, amounted to $353 and $453, respectively, and are included in “Voyage expenses”. As at December 31, 2020 and 2019, there was an amount of $1,196 due from DWM, included in “Due from related parties” and $55 due to DWM, included in “Due to related parties” in the accompanying consolidated balance sheets.

e) ***Series C Preferred Stock***: On January 31, 2019, DSI issued 10,675 shares of its newly-designated Series C Preferred Stock, par value $0.01 per share, to an affiliate of its Chairman and Chief Executive Officer, Mr. Simeon Palios, for an aggregate purchase price of $1,066. In September 2020, the Series C Preferred Shares were transferred from an affiliate of Mr. Simeon Palios to an affiliate of the Company's Deputy Chief Executive Officer and Chief Operating Officer, Mrs. Semiramis Paliou (Note 8).

f) ***Sale of Vessels:*** On February 14 and February 15, 2019, the Company through two separate wholly-owned subsidiaries entered into two Memoranda of Agreement to sell the vessels *Danae* and *Dione* to two affiliated parties, for a purchase price of $7,200 each (Note 4).

4. Vessels

Vessel Disposals

On February 14 and February 15, 2019, the Company through two separate wholly-owned subsidiaries entered into two Memoranda of Agreement to sell the vessels *Danae* and *Dione* to two affiliated parties, for a purchase price of $7,200 each. The transaction was approved by disinterested directors of the Company and the agreed upon sale price was based, among other factors, on independent third-party broker valuations obtained by the Company. Both vessels were delivered to their new owners in April 2019.

During 2019, the Company through separate wholly-owned subsidiaries entered into Memoranda of Agreement to sell to unaffiliated third parties the vessel *Erato*, for a sale price of $7,000 before commissions, delivered to her new owners in June 2019; the vessel *Thetis*, for a sale price of $6,400 before commissions, delivered to her new owners in July 2019; the vessel *Nirefs*, for a sale price of $6,710 before commissions, delivered to her new owners in September 2019; the vessel *Clio*, for a sale price of $7,400 before commissions, delivered to her new owners in November 2019; and the vessel *Calipso*, for a sale price of $7,275 before commissions.

The sale of the vessels *Danae*, *Dione, Thetis* and *Calipso* resulted in an aggregate impairment of $10,567, including the write off of the unamortized drydocking costs of $1,102, as the vessels were measured at the lower of their carrying value and fair value (sale price) less costs to sell (Note 12), resulting from their classification as held for sale and is included in "Vessel impairment charges" in the accompanying 2019 statement of operations. Additionally, the Company recorded an aggregate loss from the sale of *Erato*, *Nirefs* and *Clio,* amounting to $6,171, separately presented in the accompanying 2019 statement of operations.

In February 2020, the buyers of *Calipso* elected to exercise their right to cancel the contract as a result of the vessel's missing the cancelling date due to unforeseen events, unrelated to the condition of the vessel. Following this cancelation of the memorandum of agreement, on March 8, 2020, the vessel was withdrawn from the market as per management's decision and was recorded at its fair value at that date as held and used, according to the provisions of ASC 360, amounting to $7,330. The vessel's fair value was determined through Level 2 inputs of the fair value hierarchy by taking into consideration a third party valuation which was based on the last done deals of sale of vessels with similar characteristics, such as type, size and age. The valuation of the vessel at fair value resulted in a gain of $201 included in "Impairment loss" in the accompanying consolidated statement of operations for the year ended December 31, 2020.

On January 29, 2020, the Company through a separate wholly-owned subsidiary entered into a Memorandum of Agreement to sell to an unaffiliated third party the vessel *Norfolk*, for a sale price of $9,350 before commissions. In February 2020, the buyers of *Norfolk* elected to exercise their right to cancel the contract as a result of vessel's missing the cancelling date due to unforeseen events, unrelated to the condition of the vessel. On February 26, 2020, the Company signed a new Memorandum of Agreement to sell the vessel *Norfolk* to an unaffiliated third party for a sale price of $8,750 before commissions, which resulted in a loss from sale of $1,078 included in "Loss from sale of vessels" in the 2020 consolidated statement of operations. The vessel was delivered to her new owners in March 2020.

Additionally in 2020, the Company through separate wholly-owned subsidiaries entered into Memoranda of Agreement to sell to unaffiliated third parties the vessel *Arethusa*, for a sale price of $7,850 before commissions (Note 6), delivered to her new owners in August 2020; the vessel *Coronis*, for a sale price of $7,100 before commissions, delivered to her new owners in January 2021; the vessel *Sideris G.S.*, for a sale price of $11,500 before commissions; delivered to her new owners in January 2021; and the vessel *Oceanis*, for a sale price of $5,750 before commissions, expected to be delivered to her new owners in March 2021.

At the date the MOAs were signed, all four vessels were measured at the lower of their carrying amount or fair value (sale price) less costs to sell (Note 12) and were classified in current assets as Vessels held for sale, according to the provisions of ASC 360, as all criteria required for this classification were then met. This resulted in an aggregate impairment of $11,257, including the write off of unamortized drydocking costs amounting to $128, and is included in "Vessel impairment charges". Additionally, the Company recorded an aggregate loss from the sale of Arethusa, amounting to $7 included in "Loss from sale of vessels" in the accompanying 2020 consolidated statement of operations. At December 31, 2020, the vessels *Coronis, Sideris G.S.*, and *Oceanis* were presented as held for sale.

Impairment Loss - other

At December 31, 2019, the Company's estimated undiscounted projected net operating cash flows, excluding interest charges, expected to be generated by the use of three vessels (including the *Norfolk* mentioned above) over their remaining useful lives and their eventual disposition were less than their carrying amount. This resulted in impairment loss, net loss and net loss attributed to common stock holders of $3,419, or $0.04 per share, consisting of $2,386 of vessels' net book value and $1,033 of deferred drydocking costs, both included in "Vessel impairment charges" in the accompanying 2019 statement of operations. The fair value of these three vessels, amounting to an aggregate of $46,580, was determined through Level 2 inputs of the fair value hierarchy by taking into consideration third party valuations and for the one vessel which was subsequently sold, the fair value was determined through Level 1 inputs of the fair value hierarchy (Note 12).

At March 31, 2020, the Company's estimated undiscounted projected net operating cash flows, excluding interest charges, expected to be generated by the use of nine vessels of the Company's fleet over their remaining useful lives and their eventual disposition were less than their carrying amount plus any unamortized dry-docking costs. This exercise resulted in impairment loss, net loss and net loss attributed to common stockholders of $93,338, or $1.08 per share, consisting of $91,995 of vessels' net book value and $1,343 of deferred drydocking costs, both included in "Vessel impairment charges" in the accompanying 2020 consolidated statement of operations. The fair value of these nine vessels, amounting to an aggregate of $166,430, was determined through Level 2 inputs of the fair value hierarchy by taking into consideration third party valuations which were based on the last done deals of sale of vessels with similar characteristics, such as type, size and age (Note 12).

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

The amounts reflected in Vessels, net in the accompanying consolidated balance sheets are analyzed as follows:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance, December 31, 2018	$ 1,228,591	$ (237,188)	$ 991,403
- Additions for improvements	2,804	-	2,804
- Impairment	(55,396)	43,545	(11,851)
- Vessel held for sale	(7,130)	-	(7,130)
- Vessel disposals	(72,335)	24,965	(47,370)
- Depreciation for the year	-	(45,559)	(45,559)
Balance, December 31, 2019	$ 1,096,534	$ (214,237)	$ 882,297
- Additions for improvements	6,001	-	6,001
- Additions reclassified from other non-current assets	2,474		2,474
- Vessel transferred from held for sale	7,130	-	7,130
- Impairment	(199,605)	96,681	(102,924)
- Vessel disposals	(16,742)	34	(16,708)
- Vessel transferred to held for sale	(23,361)		(23,361)
- Depreciation for the period	-	(38,731)	(38,731)
Balance, December 31, 2020	$ 872,431	$ (156,253)	$ 716,178

5. **Property and equipment, net**

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

	Property and Equipment	Accumulated Depreciation	Net Book Value
Balance, December 31, 2018	$ 26,935	$ (4,510)	$ 22,425
- Additions in property and equipment	125	-	125
- Depreciation for the year	-	(473)	(473)
Balance, December 31, 2019	$ 27,060	$ (4,983)	$ 22,077
- Additions in property and equipment	138	-	138
- Depreciation for the period	-	(511)	(511)
Balance, December 31, 2020	$ 27,198	$ (5,494)	$ 21,704

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

6. Long-term debt, current and non-current

The amount of long-term debt shown in the accompanying consolidated balance sheets is analyzed as follows:

		2020		2019
9.5% Senior Unsecured Bond		92,000		100,000
Secured Term Loans		331,056		378,298
Total debt outstanding	$	423,056	$	478,298
Less related deferred financing costs		(2,742)		(3,347)
Total debt, net of deferred financing costs	$	420,314	$	474,951
Less: Current portion of long term debt, net of deferred financing costs current		(39,217)		(40,205)
Long-term debt, net of current portion and deferred financing costs, non-current	$	381,097	$	434,746

9.5% Senior Unsecured Bond: On September 27, 2018, the Company issued a $100,000 senior unsecured bond (the 2018/2023 Bond) maturing in September 2023 and may issue up to an additional $25,000 of the 2018/2023 Bond on one or more occasions. The bond ranks ahead of subordinated capital and ranks the same with all other senior unsecured obligations of the Company other than obligations which are mandatorily preferred by law. Entities affiliated with the Company's chief executive officer, Mr. Simeon Palios, and other executive officers and directors of the Company purchased $16,200 aggregate principal amount of the 2018/2023 Bond. The 2018/2023 Bond bears interest from September 27, 2018 at a US Dollar fixed-rate coupon of 9.50% and is payable semi-annually in arrears in March and September of each year. The 2018/2023 Bond is callable in whole or in parts in three years at a price equal to 103% of nominal value; in four years at a price equal to 101.9% of the nominal value and in four and a half years at a price equal to 100% of nominal value. The 2018/2023 Bond includes financial and other covenants and is trading on the Oslo Stock Exchange under the ticker symbol "DIASH01". On July 7, 2020, the Company repurchased $8,000 of nominal value of its $100,000 9.5% senior unsecured bonds, which the Company holds, realizing a net gain of $374, separately presented as "Gain on extinguishment of debt" in the accompanying 2020 consolidated statement of operations.

Secured Term Loans: The Company, through its subsidiaries, has entered into various long term loan agreements with bank institutions to partly finance or, as the case may be, refinance part of the acquisition cost of certain of its fleet vessels. The loan agreements are repayable in quarterly or semi-annual installments plus one balloon installment per loan agreement to be paid together with the last installment and bear interest at LIBOR plus margin ranging from 1.65% to 2.5%. Their maturities range from January 2022 to January 2032. For 2020 and 2019, the weighted average interest rates of the secured term loans were 3.02% and 4.56%, respectively.

Under the secured term loans outstanding as of December 31, 2020, 30 vessels of the Company's fleet are mortgaged with first preferred or priority ship mortgages, having an aggregate carrying value of $629,349. Additional securities required by the banks include first priority assignment of all earnings, insurances, first assignment of time charter contracts that exceed a certain period, pledge over the shares of the borrowers, manager's undertaking and subordination and requisition compensation and either a corporate guarantee by DSI (the "Guarantor") or a guarantee by the ship owning companies (where applicable), financial covenants, as well as operating account assignments. The lenders may also require additional security in the future in the event the borrowers breach certain covenants under the loan agreements. The secured term loans generally include restrictions as to changes in management and ownership of the vessels, additional indebtedness, as well as minimum requirements regarding hull cover ratio and minimum liquidity per vessel owned by the borrowers, or the Guarantor, maintained in the bank accounts of the borrowers, or the Guarantor.

As at December 31, 2020 and 2019, the minimum cash deposits required to be maintained at all times under the Company's loan facilities, amounted to $20,000 and $21,000, respectively and are included in "Restricted cash" in the accompanying consolidated balance sheets. Furthermore, the secured term loans contain cross default provisions and additionally the Company is not permitted to pay any dividends following the occurrence of an event of default.

As at December 31, 2020, the Company had the following agreements with banks, either as a borrower or as a guarantor, to guarantee the loans of its subsidiaries:

Export-Import Bank of China and DnB NOR Bank ASA: On February 15, 2012, the Company drew down a first tranche of $37,450, under a secured loan agreement, which is repayable in 40 quarterly installments of approximately $628 each and a balloon of $12,332 payable together with the last installment on February 15, 2022. On May 18, 2012, the Company drew down, under the same agreement, a second tranche of $34,640, which is repayable in 40 quarterly installments of approximately $581 each and a balloon of $11,410 payable together with the last installment on May 18, 2022. The loan bears interest at LIBOR plus a margin of 2.50% per annum.

Credit Agricole Corporate and Investment Bank ("Credit Agricole"): On September 15, 2011, the Company drew down $15,000 under a secured loan agreement with Emporiki Bank of Greece S.A., transferred to Credit Agricole on December 13, 2012. The loan was repayable in 20 equal semiannual installments of $500 each and a balloon payment of $5,000 to be paid together with the last installment on September 15, 2021. The loan bore interest at LIBOR plus a margin of 2.5% per annum, or 1% for such loan amount that was equivalently secured by cash pledge in favour of the bank. Following the agreement to sell the vessel *Arethusa* (Note 4), on July 17, 2020, the Company prepaid the outstanding balance of the loan at that date, amounting to $6,500. The loan was prepaid using the cash pledge maintained with the bank.

Commonwealth Bank of Australia, London Branch: On January 13, 2014, the Company drew down $9,500 under a secured loan agreement, which is repayable in 32 equal consecutive quarterly installments of $156 each and a balloon of $4,500 payable on January 13, 2022. The loan bears interest at LIBOR plus a margin of 2.25%.

BNP Paribas ("BNP"): On December 19, 2014, the Company drew down $53,500 under a secured loan agreement, which is repayable in 14 equal semi-annual installments of approximately $1,574 and a balloon of $31,466 payable on November 30, 2021. The loan bore interest at LIBOR plus a margin of 2%. On June 29, 2020, the Company entered into a loan agreement to refinance the existing loan, whereas the balloon of $31,466 will be payable in five equal semi-annual installments of approximately $1,574 and a balloon of $23,596 payable together with the last installment on May 19, 2024. The refinanced loan bears interest at LIBOR plus a margin of 2.5%.
On July 16, 2018, the Company drew down $75,000 under a secured loan agreement with BNP. The loan is repayable in 20 consecutive quarterly installments of $1,562.5 and a balloon installment of $43,750 payable together with the last installment on July 16, 2023. The loan bears interest at LIBOR plus a margin of 2.3%.

Nordea Bank AB, London Branch: On March 19, 2015, the Company drew down $93,080 under a secured loan agreement, which was repayable in 24 equal consecutive quarterly installments of about $1,862 each and a balloon of about $48,402 payable together with the last installment on March 19, 2021. The loan bore interest at LIBOR plus a margin of 2.1%. On May 7, 2020, the Company entered into a new loan agreement to refinance the balance of the existing loan, whereas the balance is payable in eight equal quarterly installments of about $1,862 each and a balloon of $40,955 payable together with the last installment on March 19, 2022. The borrowers have the option to request additional extensions until March 2023 and March 2024 subject to approval by the lender. The refinanced loan bears interest at LIBOR plus a margin of 2.25%.

ABN AMRO Bank N.V., or ABN: On March 30, 2015, the Company drew down $50,160 under a secured loan agreement, which was repayable in 24 equal consecutive quarterly installments of about $994 each and a balloon of $26,310 payable together with the last installment on March 30, 2021. The loan bore interest at LIBOR plus a margin of 2.0%.

On June 27, 2019, the Company drew down $25,000 under a new loan agreement, which is repayable in 20 consecutive quarterly installments of $800 each and a balloon installment of $9,000 payable together with the last installment on June 30, 2024. The loan bears interest and LIBOR plus a margin of 2.25%.

On May 22, 2020, the Company signed a term loan facility with ABN, in the amount of $52,885 million, divided into two tranches. The purpose of the loan facility was to combine the two loans outstanding with ABN and extend the maturity of the loan maturing on March 30, 2021 (tranche B) to the maturity of the other loan, maturing in June 30, 2024 (tranche A). The refinanced loan bears interest at LIBOR plus a margin of 2.25% for tranche A and LIBOR plus a margin of 2.4% for tranche B.

Danish Ship Finance A/S: On April 30, 2015, the Company drew down $30,000 under a loan agreement, which is repayable in 28 equal consecutive quarterly installments of $500 each and a balloon of $16,000 payable together with the last installment on April 30, 2022. The loan bears interest at LIBOR plus a margin of 2.15%.

ING Bank N.V.: On November 19, 2015, the Company drew down advance A of $27,950 under a secured loan agreement, which is repayable in 28 consecutive quarterly installments of about $466 each and a balloon installment of about $14,907 payable together with the last installment on November 19, 2022. Advance B of $11,733 was drawn on October 6, 2015 and is repayable in 28 consecutive quarterly installments of about $293 each and a balloon installment of about $3,520 payable together with the last installment on October 6, 2022. The loan bears interest at LIBOR plus a margin of 1.65%.

Export-Import Bank of China: On January 4, 2017, the Company drew down $57,240 under a secured loan agreement, which is repayable in 60 equal quarterly instalments of $954 each by January 4, 2032 and bears interest at LIBOR plus a margin of 2.3%.

DNB Bank ASA.: On March 14, 2019, the Company drew down $19,000 under a secured loan agreement, which is repayable in 20 consecutive quarterly instalments of $477.3 and a balloon of $9,454 payable together with the last installment on March 14, 2024. The loan bears interest at LIBOR plus a margin of 2.4%.

As at December 31, 2020 and 2019, the Company was in compliance with all of its loan covenants.

The maturities of the Company’s debt facilities described above as at December 31, 2020, and throughout their term, are shown in the table below and do not include the related debt issuance costs of the loan agreements.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

Period		Principal Repayment
Year 1	$	40,242
Year 2		133,766
Year 3		156,485
Year 4		64,897
Year 5		3,816
Year 6 and thereafter		23,850
Total	$	423,056

7. Commitments and Contingencies

a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. The Company accrues for the cost of environmental and other liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. The Company's vessels are covered for pollution in the amount of $1 billion per vessel per incident, by the P&I Association in which the Company's vessels are entered.

b) On July 9, 2020, DWM and the ship-owning company of the vessel *Protefs* placed a security bond in the amount of $1,750 for any potential fines or penalties for alleged violations of law concerning maintenance of books and records and the handling of oil wastes of the vessel *Protefs.* Part of this amount is included in "due from related parties", in the accompanying 2020 consolidated balance sheet, as the amount was paid by DSI (Note 3(d)). As of December 31, 2020, the Company determined that *Protefs* could be liable for part of a fine related to this incident and recorded an accrual of $958, representing the Company's best estimate for such amount at that date (Note 13).

c) As at December 31, 2020, all of the Company's vessels were fixed under time charter agreements, considered operating leases. The minimum contractual gross charter revenue expected to be generated from fixed and non-cancelable time charter contracts existing as at December 31, 2020 and until their expiration was as follows:

Period		Amount
Year 1	$	71,718
Year 2		1,982
Total	$	**73,700**

8. Capital Stock and Changes in Capital Accounts

a) ***Preferred stock****:* As at December 31, 2020 and 2019, the Company's authorized preferred stock consists of 25,000,000 shares (all in registered form) of preferred stock, par value $0.01 per share, of which 1,000,000 are designated as Series A Participating Preferred Shares, 5,000,000 are designated as Series B Preferred Shares and 10,675 are designated as Series C Preferred Shares.

b) ***Series B Preferred Stock:*** As at December 31, 2020 and 2019, the Company had 2,600,000 Series B Preferred Shares issued and outstanding with par value $0.01 per share, at $25.00 per share and with liquidation preference at

$25.00 per share and zero Series A Participating Preferred Shares issued and outstanding. Holders of series B preferred shares have no voting rights other than the ability, subject to certain exceptions, to elect one director if dividends for six quarterly dividend periods (whether or not consecutive) are in arrears and certain other limited protective voting rights. Also, holders of series B preferred shares, rank prior to the holders of common shares with respect to dividends, distributions and payments upon liquidation and are subordinated to all of the existing and future indebtedness.

Dividends on the Series B preferred shares are cumulative from the date of original issue and are payable on the 15th day of January, April, July and October of each year at the dividend rate of 8.875% per annum, or $2.21875 per share per annum. For 2020, 2019, and 2018, dividends on Series B preferred shares amounted to $5,769 for each year. Since February 14, 2019, the Company may redeem, in whole or in part, the series B preferred shares at a redemption price of $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared.

c) ***Series C Preferred Stock***: As at December 31, 2020 and 2019, the Company had 10,675 Series C Preferred Shares issued and outstanding with par value $0.01 per share, issued to an affiliate of its Chairman and Chief Executive Officer, Mr. Simeon Palios, for an aggregate purchase price of $1,066 gross. The Series C Preferred Stock votes with the common shares of the Company, and each share entitles the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Company. The transaction was approved unanimously by a committee of the Board of Directors established for the purpose of considering the transaction and consisting of the Company's independent directors. The Series C Preferred Stock has no dividend or liquidation rights and cannot be transferred without the consent of the Company except to the holder’s affiliates and immediate family members. In September 2020, the Series C Preferred Shares were transferred from an affiliate of Mr. Simeon Palios to an affiliate of the Company’s Deputy Chief Executive Officer and Chief Operating Officer, Mrs. Semiramis Paliou.

d) ***Repurchase of common shares:*** In December 2018, the Company repurchased in a tender offer, a total of 4,166,666 common shares, at a price of $3.60 per share for an aggregate amount of $15,157. In 2019, the Company repurchased in tender offers 3,889,386 shares of its outstanding common stock at a price of $2.80 per share; 3,125,000 shares at a price of $3.40 per share; 2,000,000 shares at a price of $3.75 per share; 2,816,900 shares at a price of $3.55 per share; and 2,739,726 shares at a price of 3.65. The aggregate cost of the shares repurchased amounted to $49,679, including expenses. In February 2020, the Company repurchased, in a tender offer 3,030,303 shares of its common stock at a price of $3.30 per share and in March 2020, repurchased 1,088,034 shares of common stock under its share repurchase plan authorized in May 2014. The aggregate cost of the shares repurchased amounted to $11,999, including expenses. On December 15, 2020, the Company announced the commencement of a tender offer to purchase up to 6,000,000 million shares at a price of $2.00 per share, or $12,000 (Note 13).

e) ***Incentive plan:*** In November 2014, the Company adopted the 2014 Equity Incentive Plan, or the Plan, to issue awards to Key Persons in the form of (a) non-qualified stock, (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) dividend equivalents, (f) unrestricted stock and (g) other equity-based or equity-related Awards for a maximum number of 5,000,000 shares of common stock. This number was increased to 13,000,000 on May 31, 2018, after an amendment of the Plan (note 13). Restricted shares vest ratably over a specified period, and are subject to forfeiture until they vest. Unless they forfeit, grantees have the right to vote, to receive and retain all dividends paid and to exercise all other rights, powers and privileges of a holder of shares. On February 19, 2020, the Company’s Board of Directors approved the award of 2,200,000 shares of restricted common stock to executive management and non-executive directors, for a fair value of $5,984, pursuant to the Company’s 2014 equity incentive plan. The shares will vest over a period of 3 years for all directors except for two whose shares were awarded without vesting restrictions due to their resignation from the board. As at December 31, 2020, 4,924,759 remained reserved for issuance.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

Restricted stock for 2020, 2019 and 2018 is analyzed as follows:

	Number of Shares	Weighted Average Grant Date Price
Outstanding at December 31, 2017	3,641,117	$ 4.30
Granted	1,800,000	3.82
Vested	(1,679,484)	4.38
Outstanding at December 31, 2018	3,761,633	$ 4.04
Granted	2,000,000	2.99
Vested	(1,928,400)	3.75
Outstanding at December 31, 2019	3,833,233	$ 3.63
Granted	2,200,000	2.72
Vested	(3,610,221)	3.52
Outstanding at December 31, 2020	2,423,012	$ 2.95

The fair value of the restricted shares has been determined with reference to the closing price of the Company's stock on the date the agreements were signed. The aggregate compensation cost is being recognized ratably in the consolidated statement of operations over the respective vesting periods. On February 19, 2020, after the resignation of two board members, the total amount of their restricted share awards that had not vest up to that date, vested. The compensation cost of these awards and the cost of the 2020 awards amounted to $1,988. On September 16, 2020, the total amount of restricted share awards owned by the Company's Charmain and Chief Executive Officer, Mr. Simeon Palios, vested in full. The compensation cost of these awards amounted to $2,328. For 2020, 2019 and 2018 compensation cost amounted to $10,511, $7,581 and $7,279, respectively, and is included in "General and administrative expenses" presented in the accompanying consolidated statements of operations.

At December 31, 2020 and 2019, the total unrecognized cost relating to restricted share awards was $3,978 and $8,505, respectively. At December 31, 2020, the weighted-average period over which the total compensation cost related to non-vested awards not yet recognized is expected to be recognized is 0.83 years.

9. Interest and Finance Costs

The amounts in the accompanying consolidated statements of operations are analyzed as follows:

	2020	2019	2018
Interest expense	$ 20,742	$ 27,963	$ 28,299
Interest income from bond repurchase	(579)	-	-
Amortization of financing costs	1,066	1,126	1,939
Loan expenses	285	343	268
Total	$ 21,514	$ 29,432	$ 30,506

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

10. Earnings/(loss) per Share

All common shares issued (including the restricted shares issued under the Company's incentive plans) are the Company's common stock and have equal rights to vote and participate in dividends. The calculation of basic earnings/(loss) per share does not treat the non-vested shares (not considered participating securities) as outstanding until the time/service-based vesting restriction has lapsed. Incremental shares are the number of shares assumed issued under the treasury stock method weighted for the periods the non-vested shares were outstanding. For 2020 and 2019, the Company incurred losses, therefore the effect of incremental shares was anti-dilutive and basic and diluted loss per share was the same. For 2018, the denominator of the diluted earnings per share calculation includes 979,141 shares, being the number of incremental shares assumed issued under the treasury stock method weighted for the periods the non-vested shares were outstanding.

Profit or loss attributable to common equity holders is adjusted by the amount of dividends on Series B Preferred Stock as follows:

	2020	2019	2018
Net income/(loss)	$ (134,197)	$ (10,535)	$ 16,580
Less dividends on series B preferred shares	(5,769)	(5,769)	(5,769)
Net income/(loss) attributed to common stockholders	$ (139,966)	$ (16,304)	$ 10,811
Weighted average number of common shares, basic	86,143,556	95,191,116	103,736,742
Incremental shares	-	-	979,141
Weighted average number of common shares, diluted	86,143,556	95,191,116	104,715,883
Earnings/(loss) per share, basic and diluted	$ (1.62)	$ (0.17)	$ 0.10

11. Income Taxes

Under the laws of the countries of the companies' incorporation and / or vessels' registration, the companies are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in vessel operating expenses in the accompanying consolidated statements of operations.

The vessel-owning companies with vessels that have called on the United States are obliged to file tax returns with the Internal Revenue Service. However, pursuant to the Internal Revenue Code of the United States, U.S. source income from the international operations of ships is generally exempt from U.S. tax. The applicable tax is 50% of 4% of U.S.-related gross transportation income unless an exemption applies. The Company and each of its subsidiaries expects it qualifies for this statutory tax exemption for the 2020, 2019 and 2018 taxable years, and the Company takes this position for United States federal income tax return reporting purposes.

12. Financial Instruments and Fair Value Disclosures

The carrying values of temporary cash investments, accounts receivable and accounts payable approximate their fair value due to the short-term nature of these financial instruments. The fair values of long-term bank loans approximate the recorded values, due to their variable interest rates.

The fair value of the Bond (Note 6) having a fixed interest rate amounted to $97,880 as of December 31, 2020, and was determined through the Level 1 input of the fair value hierarchy as defined in FASB guidance for Fair Value Measurements based on the quoted price of the instrument on that date stated under the ticker symbol "DIASH01" on the Oslo Børs.

At December 31, 2019, three vessels were recorded at fair value as their estimated cash flows over their remaining useful lives and their eventual disposition was less than their carrying amount. The fair value of one vessel was determined through Level 1 input of the fair value hierarchy, based on the agreed price to sell the vessel (Notes 4 and 13) and for the other two through Level 2 inputs of the fair value hierarchy by taking into consideration third party valuations which were based on the last done deals of sale of vessels with similar characteristics, such as type, size and age.

At March 31, 2020, nine vessels were recorded at fair value as their estimated cash flows over their remaining useful lives and their eventual disposition was less than their carrying amount. Additionally, the vessel *Calipso* was recorded at fair value following its reclassification from assets held for sale as at December 31, 2019 to assets held and used. The fair value of all these vessels was determined through Level 2 inputs of the fair value hierarchy by taking into consideration third party valuations which were based on the last done deals of sale of vessels with similar characteristics, such as type, size and age at the specific dates (Note 4).

As of December 31, 2020, the vessels *Arethusa, Coronis, Sideris G.S. and Oceanis* were recorded at a value determined through the Level 1 input of the fair value hierarchy as defined in FASB guidance for Fair Value Measurements based on the agreed price to sell the vessels, less costs to sell, as a result from the vessels' classification as held for sale at the date of their memorandum of agreement (Note 4).

The Company is exposed to interest rate fluctuations associated with its variable rate borrowings. Currently, the company does not have any derivative instruments to manage such fluctuations.

13. Subsequent Events

a) ***Series B Preferred Stock Dividends:*** On January 15, 2021, the Company paid a dividend on its series B preferred stock, amounting to $0.5546875 per share, or $1,442, to its stockholders of record as of January 14, 2021.

b) ***Investment contribution***: In January 2021, each 50% shareholder of DWM contributed an amount of $250 as additional investment (Note 3(d)).

c) ***Delivery of vessels***: In January 2021, the vessels *Coronis* and *Sideris G.S.,* being held for sale as of December 31, 2020, (Note 4) were delivered to their new owners.

d) ***Amendment of equity incentive plan and restricted share awards:*** On January 8, 2021, the Company amended and restated its 2014 Equity Incentive Plan (the "Plan") to increase the number of common shares available for issuance under the Plan by 20 million shares (Note 8). On February 18, 2021, the Company's Board of Directors approved the award of 260,000 shares of restricted common stock to the Company's new COO, as part of his remuneration package for joining the Company effective March 1, 2021 having a fair value of $798 to be recognized in income ratably over a three year period which will be the vesting period of the shares. On February 24, 2021 the Company's Board of Directors approved the award of 2,400,000 shares of restricted common stock to executive management and non-executive directors, pursuant to the Company's amended plan, as annual bonus. Additionally, on the same date the Board of Directors approved the award of 5,600,000 shares of restricted common stock as a long-term incentive bonus. The fair value of the restricted shares based on the closing price on the date of the Board of Directors' approval was $6,816 for the annual bonus and $15,904 for the long-term bonus. This cost of these awards will be recognized in income ratably over the restricted shares vesting period which will be 3 years and 5 years respectively.

e) ***Repurchase of common shares***: In January 2021, the Company increased the price of the tender offer commenced in December 2020 to $2.50 per share and on February 2, 2021, repurchased 6,000,000 shares of its common stock at the price of $2.50 per share, or an aggregate purchase price of $15,000 net to the seller in cash, less any applicable withholding taxes and without interest.

f) ***Plea Agreement***: On February 2021, DWM entered into a plea agreement with the United States pursuant to which DWM, as defendant, agreed to waive indictment, plead guilty pursuant to the terms thereof, accepted a fine of $2,000 and the placement of DWM on probation for four years, subject to court approval (Note 7).