Grant Thornton

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Nordic Bulk Carriers A/S

Tuborg Havnevej 4 - 8, 1., 2900 Hellerup

Company reg. no. 32 08 14 87

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 21 May 2019.

Mads Rosenberg Boye Petersen
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance USD 146.940 is the same as the English amount of USD 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Nordic Bulk Carriers A/S for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 21 May 2019

Managing Director

Mads Rosenberg Boye Petersen

Board of directors

Edward Coll
Chairman

Gianni Vincenzo Del Signore

Mark Lewis Filanowski

Mads Rosenberg Boye Petersen

Independent auditor's report

To the shareholders of Nordic Bulk Carriers A/S

Opinion

We have audited the annual accounts of Nordic Bulk Carriers A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 21 May 2019

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Beuchert
State Authorised Public Accountant
mne32794

Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913

Company data

The company	Nordic Bulk Carriers A/S Tuborg Havnevej 4 - 8, 1. 2900 Hellerup	
	Web site	www.nordicbulkcarriers.com
	Company reg. no.	32 08 14 87
	Established:	13 March 2009
	Domicile:	Gentofte
	Financial year:	1 January - 31 December
Board of directors	Edward Coll, Chairman Gianni Vincenzo Del Signore Mark Lewis Filanowski Mads Rosenberg Boye Petersen	
Managing Director	Mads Rosenberg Boye Petersen	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Pangaea Logistics Solutions Ltd., Bermuda	

Financial highlights

USD in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Net turnover	191.189	176.773	98.873	106.886	150.312
Gross profit	8.993	6.535	1.018	3.611	1.117
Results from operating activities	6.718	4.630	-451	1.881	-889
Net financials	-216	-155	-195	-212	-3.951
Results for the year	6.146	4.048	-916	1.368	-5.205
Balance sheet:					
Balance sheet sum	31.837	28.047	14.238	13.280	17.744
Equity	10.409	6.127	2.130	2.768	-3.901
Employees:					
Average number of full time employees	12	9	10	12	15
Key figures in %:					
Gross margin	4,7	3,7	1,0	3,4	0,7
Profit margin	3,5	2,6	-0,5	1,8	-0,6
Equity share	147,6	127,1	-	-	-
Equity share	32,7	21,8	15,0	20,8	-22,0
Return on equity	74,3	98,1	-37,4	-	-

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

Gross margin $$\frac{\text{Gross results x 100}}{\text{Net turnover}}$$

Profit margin (EBIT margin) $$\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Net turnover}}$$

Acid test ratio $$\frac{\text{Current assets x 100}}{\text{Short-term liabilities}}$$

Equity share $$\frac{\text{Equity, closing balance x 100}}{\text{Assets in total, closing balance}}$$

Return on equity $$\frac{\text{Results for the year x 100}}{\text{Average equity}}$$

Management's review

The principal activities of the company

The Company is engaged in the Ocean transportation and related activities of dry bulk cargoes worldwide through chartering and operation of dry-bulk vessels.

Unusual matters

No unusual circumstances have affected the company´s activities during the year.

Uncertainties as to recognition or measurement

The company has no uncertainties relating to recognition and measurement.

Development in activities and financial matters

The net turnover for the year is USD 191.189.000 against USD 176.773.000 last year. The results from ordinary activities after tax are USD 6.146.000 against USD 4.048.000 last year. The development is in line with management's expectations.

Capital resources

The company finances its operating activities and capital requirements with cash flow from operations and parent company loans when neccessary.

Management's review

Special risks

Operating risks

The Company´s operational risks primarily relate to marine disater, environmental accidents, cargo and property loss, war, political and regulatory actions. any of these events could increase our costs or lower our revenues.

Market risks

Traditionally, the shipping market is characterized by high volatility and Management expects the cyclical and volatile nature of the seaborne drybulk transportation industry may lead to decreases in charter and freight rates, which may have an adverse effect on the Company´s revenues, earnings and profitability. Demand remains weak, rates are near their lowest point since 1985 and asset values for modern tonnage continue to be effected by the over-supply of dry bulk carriers.

The Company assesses risk associated with fluctuating future freight rates and, when appropriate, hedges identified economic risk with appropriate derivative instruments, specifically forward freight agreements (FFAs).

Foreign exchange risks

The Company´s cash flows are primarily in USD, and therefore the functional currency is USD. On this basis, Management has decided to present the financial statements in USD. The Company is to a minor degree exposed to currency fluctuations in the other currencies.

Credit risks

The Company´s conservative approach to risk mitigation moreover comprises careful selection of contract partners. in times of expected low contribution margins, the assessment of the solvency of the counterparty is of decisive importance and, therefore, the Company´s policy is not to do business with other parties without having thoroughly examined their creditworthiness and payment history in the market and through credit rating agencies.

The expected development

The company continues to implement its strategy by continuing its focus on delivering value adding logistical solutions to its clients. The shipping markets are expected to continue to be volatile but the company works actively to deliver premium performance through the chosen strategy.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Nordic Bulk Carriers A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in American dollars (USD).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Nordic Bulk Carriers A/S and its group enterprises are included in the consolidated annual accounts for Pangaea Logistics Solutions Ltd., Newport, USA, reg. nr. 49020.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Pangaea Logistics Solutions Ltd.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Derived financial instruments

At the first recognition, derived financial instruments are recognised at cost in the balance sheet. Afterwards they are measured at fair value. Positive and negative fair values of derived financial instruments are recognised under other debtors and other creditors respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging future assets and liabilities are recognised under debtors or creditors and in the equity.

If the future transaction results in the recognition of assets or liabilities, amounts which have been recognised in the equity previously, are transferred to the cost for the asset or the liability, respectively. If the future transaction results in income or costs, amounts which have been recognised in the equity currently, are transferred to the profit and loss account in the period in which the hedged item influenced the profit and loss account.

The profit and loss account

Net turnover

Revenue comprises income from voyages and is recognised exclusive of VAT and duties. Revenue is recognised as the work is completed, calculated on the basis of stage of completion (production criterion) at the balance sheet date. Recognition occurs when the following conditions are met:
- the amount of revenue can be measured reliably
- it is probable that the economic benfits associated with the transaction will flow to the entity
- the stage of completion of the transaction at the end of the reporting period can be measured reliably: and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

Voyages expenses

Vessels operation expenses comprise the expenses, incurred to generate revenue for the year. The expenses include charter hire for charted vessels (operating leases), bunker oil consumption, staff costs, other voyage costs such as commissions and harbour charges, repair and maintaince costs, insurance costs and other operation expenses. Like revenue, vessels operation expenses are recognised on the basis of stage of completion.

Other external costs

Other external costs comprise costs for premises and sales as well as office expenses, etc.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members.

Accounting policies used

Depreciation, amortisation and writedown

Depreciation and writedown comprise depreciation, and writedown for the year of tangible fixed assets.

Net financials

Financial income and expenses comprise interest, realized and unrealized exchange adjustments, fair value adjustments of derivative financial instruments that are not qualified for hedging and are recognised in the income statement at the amounts relating to the financial year..

Results from equity investments in group enterprises and associated enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual associated enterprises are recognised in the profit and loss account at a proportional share of the associated enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The Company´s current tax is paid according to the regulations of the Danish Tonnage Tax Act.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	*2-4 years*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Accounting policies used

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associated enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises and associated enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Accounting policies used

Other receivables

Receivables are measured at amortized cost which usually corresponds to nominal value. In order to meet expected losses, writedown takes place at the net realizable travel time.

Bunker oil stock

Inventories comprise bunker oil kept on board vessels. Inventories are measured at the lower of cost under the FIFO method and net realisable value

Voyages in progress

Voyages in progress is measured at the selling value of the proportionately incurred travel costs, calculated on the basis of stage of completion. Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

Accrued income and prepaid expenses

Accrued income and prepaid expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions for onerous contracts are recognised when a loss on performance of the contract is unavoidable. Management is collectively operating the charted vessels, for which reason contract performance can usually be achieved by substitution. The unavoidable loss is assessed in consideration of this possibility. the provision is measured at the lower of the net cost of contract performance and damages payable on termination of the contract. Provisions for onerous contracts are recognised in the income statement in the item "Voyage expenses".

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in USD.

Note		2018	2017
	Net turnover	191.189.429	176.772.919
	Voyage costs	-179.797.784	-168.473.889
	Other external costs	-2.398.471	-1.764.110
	Gross results	**8.993.174**	**6.534.920**
1	Staff costs	-2.264.943	-1.885.311
	Depreciation and writedown relating to tangible fixed assets	-10.117	-19.445
	Operating profit	**6.718.114**	**4.630.164**
	Income from equity investments in group enterprises	-59.940	30.727
	Other financial income	46.007	21.358
2	Other financial costs	-202.356	-206.977
	Results before tax	**6.501.825**	**4.475.272**
3	Tax on ordinary results	-355.712	-427.740
4	**Results for the year**	**6.146.113**	**4.047.532**

Balance sheet 31 December

All amounts in USD.

Assets

Note		2018	2017
	Fixed assets		
5	Other plants, operating assets, and fixtures and furniture	1.220	11.337
	Tangible fixed assets in total	1.220	11.337
6	Equity investments in group enterprises	131.064	84.469
7	Other receivables	82.712	80.892
	Financial fixed assets in total	213.776	165.361
	Fixed assets in total	**214.996**	**176.698**
	Current assets		
	Bunker oil stock	9.021.108	7.503.556
	Inventories in total	9.021.108	7.503.556
	Trade debtors	10.428.804	9.185.625
	Amounts owed by group enterprises	225.219	169.160
	Receivable corporate tax	36.273	0
	Other debtors	10.216	3.630
8	Voyages in progress	3.645.932	6.305.210
	Debtors in total	14.346.444	15.663.625
	Available funds	8.254.307	4.703.531
	Current assets in total	**31.621.859**	**27.870.712**
	Assets in total	**31.836.855**	**28.047.410**

Balance sheet 31 December

All amounts in USD.

Note	Equity and liabilities	2018	2017
	Equity		
9	Contributed capital	4.089.337	4.089.337
	Reserves for net revaluation as per the equity method	103.839	57.244
	Results brought forward	6.216.124	1.980.757
	Equity in total	**10.409.300**	**6.127.338**
	Liabilities		
	Prepayments on voyages in progress	5.711.355	3.424.699
	Trade creditors	6.073.794	4.590.947
	Debt to group enterprises	3.845.395	8.955.341
	Corporate tax	0	237.278
	Other debts	5.797.011	4.711.807
	Short-term liabilities in total	21.427.555	21.920.072
	Liabilities in total	**21.427.555**	**21.920.072**
	Equity and liabilities in total	**31.836.855**	**28.047.410**

10 Contingencies

11 Related parties

Statement of changes in equity

All amounts in USD.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	In total
Equity 1 January 2017	4.089.337	26.517	-1.986.305	2.129.549
Share of results	0	30.727	4.016.805	4.047.532
Fair value adjustment of hedging instruments	0	0	-49.743	-49.743
Equity 1 January 2018	4.089.337	57.244	1.980.757	6.127.338
Share of results	0	46.595	6.099.518	6.146.113
Fair value adjustment of hedging instruments, end of year	0	0	-1.864.151	-1.864.151
	4.089.337	**103.839**	**6.216.124**	**10.409.300**

Notes

All amounts in USD.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	2.227.110	1.852.354
	Pension costs	30.394	26.245
	Other costs for social security	7.439	6.712
		2.264.943	**1.885.311**
	Executive board and board of directors	2.179.200	2.179.200
	Average number of employees	12	9

Remuneration to executive board and board of directors includes remuneration paid by other group companies.

		2018	2017
2.	**Other financial costs**		
	Financial costs, group enterprises	167.795	200.418
	Other financial costs	34.561	6.559
		202.356	**206.977**
3.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	355.712	427.740
		355.712	**427.740**
4.	**Proposed distribution of the results**		
	Reserves for net revaluation as per the equity method	46.595	30.727
	Allocated to results brought forward	6.099.518	4.016.805
	Distribution in total	**6.146.113**	**4.047.532**

Notes

All amounts in USD.

5. Other plants, operating assets, and fixtures and furniture

Cost 1 January	270.997	270.997
Cost 31 December	**270.997**	**270.997**
Depreciation and writedown 1 January	-259.660	-240.215
Depreciation for the year	-10.117	-19.445
Depreciation and writedown 31 December	**-269.777**	**-259.660**
Book value 31 December	**1.220**	**11.337**

6. Equity investments in group enterprises

Acquisition sum, opening balance 1 January	27.225	27.225
Cost 31 December	**27.225**	**27.225**
Revaluations, opening balance 1 January	57.244	26.517
Results for the year before goodwill amortisation	46.595	30.727
Revaluation 31 December	**103.839**	**57.244**
Book value 31 December	**131.064**	**84.469**

Group enterprises:

	Domicile	**Share of ownership**
Nordic Bulk Carriers Singapore Pte. Ltd.	Singapore	100 %

7. Other receivables

Cost 1 January	80.892	79.150
Additions during the year	1.820	1.742
Cost 31 December	**82.712**	**80.892**
Book value 31 December	**82.712**	**80.892**

Notes

All amounts in USD.

		31/12 2018	31/12 2017
8.	**Voyages in progress**		
	Prepaid expenses	1.502.475	1.707.106
	Accrued income	2.143.457	4.598.104
		3.645.932	**6.305.210**

9. Contributed capital

The share capital consists of 4.089.337 shares of a nominal value of USD 1. No shares carry any special rights. There have been no changes in share capital before 2015.

10. Contingencies

Contingent assets

Contractual obligations relating to agreements for chartering of vessels on a fixed-price time charter that expire in the coming financial year amount to 30.842.500 (2017: 32.651.850) USD.

11. Related parties

Controlling interest

Pangaca Logistics Solutions Ltd., Bermuda
Bulk Partners (Bermuda) Ltd. (2008)
Bulk Partners Holding Company Bermuda Ltd., Bermuda
N.V.B. Nordic Bulk Ventures (Cyprus) Ltd., Cyprus
Nordic Bulk Carriers Singapore Pte. Ltd.