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 2016

The annual report have been submitted and approved by the general meeting on the 19 May 2017.

Mads Rosenberg Boye Petersen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 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 2016.

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 as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

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, 19 May 2017

Managing Director

Mads Rosenberg Boye Petersen

Board of directors

Edward Coll
Chairman

Anthony Laura

Carl Claus Bøggild

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 2016, 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 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 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, 19 May 2017

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

Michael Beuchert
State Authorised Public Accountant

Ulrik Bloch-Sørensen
State Authorised Public Accountant

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 Anthony Laura Carl Claus Bøggild 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.	2016	2015	2014	2013	2012
Profit and loss account:					
Net turnover	98.873	106.886	150.312	131.160	140.383
Gross profit	1.018	3.611	1.117	-786	4.789
Results from operating activities	-451	1.881	-889	-2.785	2.769
Net financials	-195	-212	-3.951	951	-51
Results for the year	-916	1.368	-5.205	-2.104	2.475
Balance sheet:					
Balance sheet sum	14.238	13.280	17.744	21.534	23.107
Equity	2.130	2.768	-3.901	2.521	4.400
Employees:					
Average number of full time employees	10	12	15	12	11
Key figures in %:					
Gross margin	1,0	3,4	0,7	-0,6	3,4
Profit margin	-0,5	1,8	-0,6	-2,1	2,0
Equity share	15,0	20,8	-22,0	11,7	19,0
Return on equity	-37,4	-	-	-60,8	74,7

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 have been laid out in accordance with the publication “Anbefalinger & Nøgletal 2015” (“Recommendations & Key Figures 2015”) published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.
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) $$\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Net turnover}}$$

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.

Development in activities and financial matters

The net turnover for the year is DKK 98.873.000 against DKK 106.886.000 last year. The results from ordinary activities after tax are DKK -916.000 against DKK 1.368.000 last year.

Capital resources

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

Special risks - operating risks and financial risks

Operating risks

The Company's operational risks primarily relate to marine disaster, 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 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.

Management's review

The expected development

Management expects the international freight markets to be characterized by significant uncertainty in the coming years, but will continue the implementation of the Company's strategy for the purpose of fulfilling the Company's vision of being market leader in the segment for high iceclass ships.

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) with exchange rate from DKK of 705 (2015: 683) at the balance sheet date.

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, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of the establishment of the receivable or the payable is recognised in the profit and loss account under financial income and costs.

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 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 compromises 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 benefits 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 maintenance 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 Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

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:

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

Accounting policies used

Minor assets with an expected useful life of less than USD 2.500 are recognised as costs in the profit and loss account in the year of acquisition.

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.

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.

Accounting policies used

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 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.

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.

According to the rules of joint taxation, Nordic Bulk Carriers A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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

Accounting policies used

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		2016	2015
	Net turnover	98.872.530	106.885.737
	Voyage costs	-96.406.505	-101.712.499
	Other external costs	-1.447.616	-1.562.072
	Gross results	**1.018.409**	**3.611.166**
1	Staff costs	-1.438.625	-1.696.455
	Depreciation and writedown relating to tangible fixed assets	-31.236	-34.058
	Operating profit	**-451.452**	**1.880.653**
	Income from equity investments in group enterprises	26.517	0
	Other financial income	127	65
2	Other financial costs	-221.233	-211.600
	Results before tax	**-646.041**	**1.669.118**
3	Tax on ordinary results	-269.830	-301.309
4	**Results for the year**	**-915.871**	**1.367.809**

Balance sheet 31 December

All amounts in USD.

Assets

Note		2016	2015
	Fixed assets		
5	Other plants, operating assets, and fixtures and furniture	30.782	62.018
	Tangible fixed assets in total	30.782	62.018
6	Equity investments in group enterprises	53.742	27.225
7	Other receivables	79.150	77.500
	Financial fixed assets in total	132.892	104.725
	Fixed assets in total	**163.674**	**166.743**
	Current assets		
	Bunker oil stock	5.293.794	2.623.727
	Inventories in total	5.293.794	2.623.727
	Trade debtors	3.503.533	4.767.853
	Amounts owed by group enterprises	289.216	303.162
	Receivable corporate tax	573	34.331
	Other debtors	286.575	12.808
8	Accrued income and prepaid expenses	2.554.326	1.662.748
	Debtors in total	6.634.223	6.780.902
	Available funds	2.145.817	3.708.456
	Current assets in total	**14.073.834**	**13.113.085**
	Assets in total	**14.237.508**	**13.279.828**

Balance sheet 31 December

All amounts in USD.

Equity and liabilities

Note		2016	2015
	Equity		
	Contributed capital	4.089.337	4.089.337
	Results brought forward	-1.959.788	-1.321.043
	Equity in total	**2.129.549**	**2.768.294**
	Liabilities		
	Voyages in progress	1.929.621	1.363.697
	Trade creditors	3.033.866	3.635.943
	Debt to group enterprises	3.417.715	3.076.142
	Other debts	3.726.757	2.435.752
	Short-term liabilities in total	12.107.959	10.511.534
	Liabilities in total	**12.107.959**	**10.511.534**
	Equity and liabilities in total	**14.237.508**	**13.279.828**
9	**Contingencies**		
10	**Related parties**		

Statement of changes in equity

All amounts in USD.

	Contributed capital	Results brought forward	In total
Equity 1 January	89.337	-3.990.755	-3.901.418
Cash capital increase	4.000.000	0	4.000.000
Profit or loss for the year brought forward	0	1.367.809	1.367.809
Fair value adjustment of hedging instruments, beginning of the year	0	1.301.903	1.301.903
Equity 1 January	4.089.337	-1.321.043	2.768.294
Profit or loss for the year brought forward	0	-915.871	-915.871
Fair value adjustment of hedging instruments, beginning of the year	0	277.126	277.126
	4.089.337	**-1.959.788**	**2.129.549**

Notes

All amounts in USD.

		2016	2015
1.	**Staff costs**		
	Salaries and wages	1.410.130	1.667.202
	Pension costs	25.134	24.998
	Other costs for social security	3.361	4.255
		1.438.625	**1.696.455**
	Executive board and board of directors	1.694.185	1.899.079
	Average number of employees	10	12
2.	**Other financial costs**		
	Financial costs, group enterprises	193.986	201.301
	Other financial costs	27.247	10.299
		221.233	**211.600**
3.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	277.012	287.259
	Adjustment of tax for previous years	-7.182	14.050
		269.830	**301.309**
4.	**Proposed distribution of the results**		
	Allocated to results brought forward	0	1.367.809
	Allocated from results brought forward	-915.871	0
	Distribution in total	**-915.871**	**1.367.809**

Notes

All amounts in USD.

	31/12 2016	31/12 2015
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	-208.979	-174.921
Depreciation for the year	-31.236	-34.058
Depreciation and writedown 31 December	**-240.215**	**-208.979**
Book value 31 December	**30.782**	**62.018**

6. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January	27.225	0
Additions during the year	0	27.225
Cost 31 December	**27.225**	**27.225**
Results for the year before goodwill amortisation	26.517	0
Revaluation 31 December	**26.517**	**0**
Book value 31 December	**53.742**	**27.225**

Group enterprises:

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

7. Other receivables		
Cost 1 January	77.500	86.180
Additions during the year	1.650	1.900
Disposals during the year	0	-10.580
Cost 31 December	**79.150**	**77.500**
Book value 31 December	**79.150**	**77.500**

Notes

All amounts in USD.

	31/12 2016	31/12 2015
8. Accrued income and deferred expenses		
Prepaid expenses	1.685.959	973.397
Accrued income	868.367	689.351
	2.554.326	**1.662.748**

9. Contingencies

Contractual obligations

Contractual obligations relating to agreements for chartering of vessels on a fixed-price time charter that expire in the coming financial year amount to 31.098.500 (2015: 32.094.500) USD.

Joint taxation

Nordic Bulk Holding ApS, company reg. no 32081169 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

10. Related parties

Controlling interest

Pangaea 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.