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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 2020

The annual report was submitted and approved by the general meeting on the 26 March 2021.

Mads Rosenberg Boye Petersen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instanceUSD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Nordic Bulk Carriers A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Hellerup, 26 March 2021

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 shareholder of Nordic Bulk Carriers A/S

Opinion

We have audited the financial statements of Nordic Bulk Carriers A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one 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 and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 26 March 2021

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

Michael Beuchert	Ulrik Bloch-Sørensen
State Authorised Public Accountant	State Authorised Public Accountant
mne32794	mne2913

Company information

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.	2020	2019	2018	2017	2016
Income statement:					
Revenue	236.591	242.531	191.069	176.773	98.873
Gross profit	6.210	8.810	8.993	6.535	1.018
Profit from operating activities	3.620	6.141	6.718	4.630	-451
Net financials	-16	-27	-216	-155	-195
Net profit or loss for the year	3.042	5.656	6.146	4.048	-916
Statement of financial position:					
Balance sheet total	35.087	46.400	31.833	28.047	14.238
Equity	17.838	17.676	10.409	6.127	2.130
Employees:					
Average number of full-time employees	12	12	12	9	10
Key figures in %:					
Gross margin ratio	2,6	3,6	4,7	3,7	1,0
Profit margin (EBIT-margin)	1,5	2,5	3,5	2,6	-0,5
Equity share	50,8	38,1	32,7	21,8	15,0
Return on equity	17,1	40,3	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) $$\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Net turnover}}$$

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 commentary

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 revenue for the year totals USD 236.591.000 compared to USD 242.531.000 last year. Income or loss from ordinary activities after tax totals USD 3.042.000 compared USD 5.656.000 last year. The development must be seen in light of the fact that, Covid-19 has impacted the revenue and net profit negatively. Management considers the net profit for the year satisfactory.

Financial resources

Nordic Bulk Carriers A/S is well consolidated and has a solvency ratio on 50,8%. The company's financial preparedness amounts to USD 34,7 million. at the end of the financial year which 10.9 million USD is in cash and cash equivalents and USD 23.8 million in short-term securities.

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

The outbreak of corona virus (COVID-19) presents new challenges and risks for the enterprise. A number of measures have been taken to ensure the health of employees. In connection with the health risks, the outbreak of viruses has led to uncertainty and instability both politically and socially and for the enterprise. Current and any future political and economic measures that may be implemented could cause financial risks related to the enterprise's operations and may possibly limit the enterprise's trading opportunities.

However, the enterprise's current and planned activities do not give rise to particular financial risks, and the company's cash resources are assessed to be adequately hedged.

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.

Management commentary

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.

Environmental issues
Nordic Bulk Carriers acknowledge that the shipping business in general has an obligation to limits its negative environmental impact. This concerns both emissions and the direct pollution of the seas. The company has as their main objective to reduce this pollution by taking various measures to reduce the overall fuel consumption as well as using more environmentally, and compliant, fuel on board its vessels. The Company’s climate policies are further described on the Pangaea Logistics home page (https://www.pangaeals.com/about)

Target figures and policies for the underrepresented gender
Nordic Bulk Carriers believes that diversity among employees, including equal distribution of the sexes, contributes positively to the working environment and strengthens the company's performance and competitiveness.
The company is working to increase the number of female managers in the company and has based on this from this year as the first year set specific targets for the proportion of the underrepresented gender and policies to ensure this.

The company is signatory to the Charter for More Women in Shipping initiative organized by Danish Shipping and view this initiative as fundamental to ensure equal opportunities for women in the shipping business. The company has set a target for 20% of all staff to be either women and/or from other diverse back grounds

Management commentary

Branches abroad

The company has established a branch in Singapore that handles the logistics of the Vessels operation in Asia / Pacific.

Social responsibility

Corporate social responsibility is an integral part of the business strategy for Nordic Bulk Carriers A/S.

The company wants to act responsibly in relation to customers, employees, business partners and the outside world.

Nordic Bulk Carriers has chosen to refer to its statement on social responsibility on the parent company's website, see https://www.pangaeals.com/investors/corporate-governance/.

Accounting policies

The annual report for Nordic Bulk Carriers A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

With effect from the financial year 2020, the company has implemented Amendment Act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending law has not affected the company's accounting policies for the recognition and measurement of assets and liabilities, but has only meant new and changed requirements for presentation and information.

The accounting policies are unchanged from the previous year, and the annual report is presented in American dollars (USD).

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

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements 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.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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 operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises and associates

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the individual associates are recognised in the income statement as a proportional share of the associate' post-tax profit or loss.

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises og associates 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Financial fixed assets

Equity in group enterprises and associates

Equity in group enterprises and associates are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Equity in group enterprises and associates recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Equity in group enterprises and associates with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

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

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.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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.

Accounting policies

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Accounting policies

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Income statement 1 January - 31 December

All amounts in USD.

Note		2020	2019
1	Revenue	236.591.172	242.531.091
	Other operating income	0	120.000
2	Voyage costs	-228.643.744	-231.647.789
	Other external costs	-1.737.156	-2.193.067
	Gross profit	**6.210.272**	**8.810.235**
3	Staff costs	-2.590.358	-2.668.454
	Depreciation and writedown relating to tangible fixed assets	0	-1.220
	Operating profit	**3.619.914**	**6.140.561**
	Income from equity investments in group enterprises	53.743	55.200
	Other financial income	8.060	79.029
4	Other financial costs	-77.769	-161.472
	Pre-tax net profit or loss	**3.603.948**	**6.113.318**
5	Tax on ordinary results	-562.365	-457.120
6	**Net profit or loss for the year**	**3.041.583**	**5.656.198**

Statement of financial position at 31 December

All amounts in USD.

Note	Assets	2020	2019
	Non-current assets		
9	Equity investments in group enterprises	240.007	186.264
10	Deposits	86.825	84.530
	Total investments	326.832	270.794
	Total non-current assets	**326.832**	**270.794**
	Current assets		
	Bunker oil stock	6.442.008	7.664.837
	Total inventories	6.442.008	7.664.837
	Trade receivables	12.265.027	22.086.335
	Amounts owed by group enterprises	90.384	110.831
	Other debtors	58.414	8.170
11	Voyages in progress	5.004.351	5.284.625
	Total receivables	17.418.176	27.489.961
	Available funds	10.899.921	10.974.487
	Total current assets	**34.760.105**	**46.129.285**
	Total assets	**35.086.937**	**46.400.079**

Statement of financial position at 31 December

All amounts in USD.

Note	Equity and liabilities	2020	2019
	Equity		
12	Contributed capital	4.089.337	4.089.337
	Reserves for net revaluation as per the equity method	212.782	159.039
	Reserve for fair value adjustments	92.186	0
	Results brought forward	13.443.730	13.427.625
	Total equity	**17.838.035**	**17.676.001**
	Liabilities other than provisions		
	Prepayments received from customers	3.611.958	5.821.378
	Trade creditors	9.018.762	14.127.580
	Debt to group enterprises	1.096.892	3.546.534
	Corporate tax	32.005	234.414
	Other debts	837.888	4.326.172
13	Accrued expenses and deferred income	2.651.397	668.000
	Total short term liabilities other than provisions	17.248.902	28.724.078
	Total liabilities other than provisions	**17.248.902**	**28.724.078**
	Total equity and liabilities	**35.086.937**	**46.400.079**

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Statement of changes in equity

All amounts in USD.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Other statutory reserves	Retained earnings	Total
Equity 1 January 2020	4.089.337	159.039	-28.265	13.455.890	17.676.001
Share of results	0	53.743	0	2.987.840	3.041.583
Extraordinary dividend adopted during the financial year	0	0	0	-3.000.000	-3.000.000
Fair value adjustment of hedging instruments	0	0	120.451	0	120.451
	4.089.337	**212.782**	**92.186**	**13.443.730**	**17.838.035**

Notes

All amounts in USD.

		2020	2019
1.	**Revenue**		
	Voyages	215.150.116	222.227.474
	Charters	21.441.056	20.303.617
		236.591.172	**242.531.091**

Information is not provided by geographical segment as the global market is one unit, and the activities of the individual vessels are not limited to specific parts of the world.

		2020	2019
2.	**Voyage costs**		
	Vessel operating expenses	104.212.902	109.757.159
	Charters expenses	124.430.842	121.890.630
		228.643.744	**231.647.789**
3.	**Staff costs**		
	Salaries and wages	2.542.610	2.616.495
	Pension costs	43.586	47.920
	Other costs for social security	4.162	4.039
		2.590.358	**2.668.454**
	Average number of employees	12	12

Staff costs include remuneration to the Executive Board and the Board of Directors with USD 1,500 thousand (2019: USD 2,100 thousand). The remuneration of the Board of Directors is remunerated by the parent company Pangaea Logistics Solutions Ltd.

		2020	2019
4.	**Other financial costs**		
	Financial costs, group enterprises	0	24.041
	Other financial costs	77.769	137.431
		77.769	**161.472**
5.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	551.000	465.000
	Adjustment of tax for previous years	11.365	-7.880
		562.365	**457.120**

Notes

All amounts in USD.

		2020	2019
6.	**Proposed distribution of the results**		
	Reserves for net revaluation as per the equity method	53.743	55.200
	Allocated to results brought forward	2.987.840	5.600.998
	Distribution in total	**3.041.583**	**5.656.198**

		2020	2019
7.	**Fee, auditor**		
	Total fee for Grant Thornton, State Authorised Public Accountants	71.500	71.000
	Fee concerning compulsory audit	40.500	40.000
	Assurance engagements	27.000	27.000
	Other services	4.000	4.000
		71.500	**71.000**

8.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January	270.997	270.997
	Cost 31 December	**270.997**	**270.997**
	Depreciation and writedown 1 January	-270.997	-269.777
	Depreciation for the year	0	-1.220
	Depreciation and writedown 31 December	**-270.997**	**-270.997**
	Carrying amount, 31 December	**0**	**0**

Notes

All amounts in USD.

		31/12 2020	31/12 2019
9.	**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	159.039	103.839
	Results for the year before goodwill amortisation	53.743	55.200
	Revaluation 31 December	**212.782**	**159.039**
	Carrying amount, 31 December	**240.007**	**186.264**

Group enterprises:

	Domicile	Equity interest
Nordic Bulk Carriers Singapore Pte Ltd.	Singapore	100 %

10.	**Deposits**		
	Cost 1 January	84.530	82.712
	Additions during the year	2.295	1.818
	Cost 31 December	**86.825**	**84.530**
	Book value 31 December	**86.825**	**84.530**

11.	**Voyages in progress**		
	Prepaid expenses	1.915.357	2.822.177
	Accrued income	3.088.994	2.462.448
		5.004.351	**5.284.625**

12.	**Contributed capital**		
	Contributed capital 1 January	4.089.337	4.089.337
		4.089.337	**4.089.337**

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.

Notes

All amounts in USD.

		31/12 2020	31/12 2019
13.	**Accrued expenses and deferred income**		
	Prepayments/deferred income	2.651.397	668.000
		2.651.397	**668.000**

14. Contingencies

Contractual obligations relating to agreements for chartering of vessels on a fixed-price time charter that expire in the coming financial year amount to 22.524.500 (2019: 25.800.000) USD.

15. Financial risks

Interest rate risks

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge.

At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Hedging transaction, gross	Tax	Hedging transaction, net
Balance 1 January	-32.043	5.778	-26.265
Changes of the year	152.125	-33.674	118.451
Balance 31 December	**120.082**	**-27.896**	**92.186**

Notes

All amounts in USD.

16. Related parties

Controlling interest

Pangaca Logistics Solutions Ltd., Bermuda

N.V.B Nordic Bulk Ventures Ltd., Cyprus

Transactions

The company has the following related party transactions in t.USD:

	2020	2019
Revenue from related parties	2.997	0
Paid rent to related parties	-28.958	0
Accounts receivables from related parties	90	111
Interest expenses for related parties	0	24
Accounts payable from related parties	-1.097	-3.547
Management Fee	0	-45

Consolidated annual accounts

The company is included in the consolidated annual accounts of Pangaea Logistics Solutions, Ltd - c/o Phoenix Bulk Carriers (US) LLC, 109 Long Wharf, Newport, RI