PIONEER MARINE INC.
AND ITS SUBSIDIARIES

Consolidated Financial Statements
Year ended December 31, 2017

Index to audited consolidated financial statements

Building a better working world

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To the Shareholders and the Board of Directors of Pioneer Marine Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pioneer Marine Inc. and its subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations, stockholders' equity, and cash flows, for_the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended, in conformity with US generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Ernst + Young

We have served as the Company's auditor since 2016.

Athens, Greece
February 23, 2018

Pioneer Marine Inc. and its Subsidiaries
Consolidated balance sheets
(In thousands of U.S. Dollars except per share data)

	Notes	December 31, 2017	December 31, 2016
Assets			
Current assets			
Cash and cash equivalents	3	61,354	59,017
Restricted cash	3	2,093	8,464
Trade accounts receivable and accrued revenue		2,381	1,818
Inventories	4	1,825	1,153
Prepayments and other receivables		1,243	2,006
Total current assets		**68,896**	**72,458**
Non-Current assets			
Vessels, net	5	171,387	185,938
Other fixed assets	5	62	116
Restricted cash	3	10,375	14,341
Other non-current assets		-	179
Total non-current assets		**181,824**	**200,574**
Total assets		**250,720**	**273,032**

	Notes	December 31, 2017	December 31, 2016
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		4,249	4,773
Deferred revenue		656	1,088
Current portion of long term debt, net of deferred finance costs	9	11,044	14,148
Total current liabilities		**15,949**	**20,009**
Non-current liabilities			
Long term debt, net of deferred finance costs	9	81,491	94,738
Total non-current liabilities		**81,491**	**94,738**
Total liabilities		**97,440**	**114,747**

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

Pioneer Marine Inc. and its Subsidiaries
Consolidated balance sheets
(In thousands of U.S. Dollars except per share data)

	Notes	December 31, 2017	December 31, 2016
Commitments and contingencies	7		
Shareholders' equity	8		
Common Stock, $0.001 par value; 500,000,000 shares authorized; 29,493,703 issued and outstanding as at December 31, 2017 and December 31, 2016		30	30
Additional paid in capital		297,904	297,904
Treasury Stock, $0.001 par value, 837,844 shares repurchased as at December 31, 2017 and December 31, 2016		(606)	(606)
Accumulated deficit		(144,048)	(139,043)
Total shareholders' equity		**153,280**	**158,285**
Total liabilities and shareholders' equity		**250,720**	**273,032**

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

Pioneer Marine Inc. and its Subsidiaries
Consolidated statements of operation
(In thousands of U.S. Dollars except per share data)

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Revenue, net	10	**51,034**	**34,702**
Voyage expenses	11	(5,263)	(5,691)
Vessel operating expenses	11	(28,267)	(25,907)
Dry-docking expenses		(3,213)	(572)
Depreciation	5	(8,157)	(8,005)
General and administration expenses		(4,007)	(4,770)
Write off of capitalised expenses	6,13	-	(4,409)
Impairment of vessels	5,15	-	(303)
Loss on vessel disposal		(62)	-
Restructuring costs	14	(1,286)	-
Other expenses and taxes, net	17	(793)	(259)
Total expenses		**(51,048)**	**(49,916)**
Interest expenses and finance cost, net	12	(5,587)	(12,346)
Interest income		596	327
Net loss		**(5,005)**	**(27,233)**
Net loss per share, basic and diluted - $	16	(0.17)	(0.91)

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

Pioneer Marine Inc. and its Subsidiaries
Consolidated cash flow statements
(In thousands of U.S. Dollars except per share data)

	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from operating activities		
Net loss	(5,005)	(27,233)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	8,157	8,005
Amortization of deferred finance fees	807	885
Loss on vessel disposition	62	-
Write off of capitalised expenses	-	4,409
Write off of deferred finance fees and cancellation fees	-	7,231
Write off of receivable from shareholders	-	104
Impairment charge	-	303
Write off of receivable from shipbuilding yard	88	-
(Increase)/decrease in operating assets:		
Trade accounts receivable and accrued revenue	(563)	128
Inventories	(687)	74
Prepayments and other receivables	679	(968)
(Decrease)/increase in operating liabilities:		
Accounts payable and accrued liabilities	(516)	700
Deferred revenue	(432)	802
Net cash provided by/ (used in) operating activities	**2,590**	**(5,560)**
Cash flows from investing activities		
Payments for vessel acquisitions, improvements and vessels under construction	(391)	(26,415)
Cash proceeds from vessel sale	6,982	-
Refund for shipbuilding contracts terminated	-	54,122
Purchase of other fixed assets	(15)	(54)
Decrease/(increase) in restricted cash	10,337	(9,915)
Net cash provided by investing activities	**16,913**	**17,738**

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

Pioneer Marine Inc. and its Subsidiaries
Consolidated cash flow statements
(In thousands of U.S. Dollars except per share data)

	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from financing activities		
Loan proceeds	-	4,750
Payment of deferred finance fees and other loan fees	(120)	(1,330)
Loan repayments and prepayments	(17,046)	(11,028)
Repurchase of common stock	-	(606)
Payment of cancellation fee and other fees, net of interest income	-	(4,950)
Net cash used in financing activities	**(17,166)**	**(13,164)**
Net increase / (decrease) in cash and cash equivalents	**2,337**	**(986)**
Cash and cash equivalents at the beginning of the year	59,017	60,003
Cash and cash equivalents at the end of the year	**61,354**	**59,017**
Supplemental disclosure of cash flow information		
Cash interest paid, net of capitalised interest	5,233	4,083

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

Pioneer Marine Inc. and its Subsidiaries
Consolidated statements of shareholders' equity
(In thousands of U.S. Dollars except per share data)

	Number of shares	Common stock	Additional paid in capital	Treasury Stock	Accumulated deficit	Total
Balance, January 1, 2016	**30,331,547**	**30**	**297,904**	**-**	**(111,810)**	**186,124**
Repurchase of common stock, net (Note 8)	(837,844)	**-**	**-**	(606)	**-**	**(606)**
Net loss for the year	**-**	**-**	**-**	**-**	(27,233)	**(27,233)**
Balance December 31, 2016	**29,493,703**	**30**	**297,904**	**(606)**	**(139,043)**	**158,285**
Net loss for the year	**-**	**-**	**-**	**-**	(5,005)	**(5,005)**
Balance, December 31, 2017	**29,493,703**	**30**	**297,904**	**(606)**	**(144,048)**	**(153,280)**

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

1. Basis of Presentation and General Information:

Pioneer Marine Inc. together with its subsidiaries is an international provider of marine transportation of dry bulk commodities on geared Handysize, Handymax and Supramax carriers. Pioneer Marine Inc. was incorporated in the Republic of the Marshall Islands on February 14, 2014.

As of December 31, 2017, Pioneer Marine Inc. owns 100% of the interests of the following subsidiaries:

Company name	Date of incorporation
Pioneer Marine LLC (1)	September 12, 2013
Pioneer Marine Trading LLC (1)	September 23, 2013
Pioneer Marine Acquisitions LLC (1)	September 24, 2013
Pioneer Marine Advisers Pte Ltd. (2)	September 24, 2013
Bay Trading LLC (1)	November 12, 2013
Pioneer Marine Advisers India Pvt Ltd (3)	June 11, 2014
Way Point Marine Inc. (1)	July 24, 2014
Pioneer Marine Hellas SA (1)	July 25, 2014
Pioneer Chartering SA (1)	December 16, 2014

Vessel owning companies

Name	Date of incorporation	Vessel acquisition date	Vessel name	DWT (4)	Year built
PNR Guoyu I, LLC (1)	September 18, 2013	August 28, 2015	Falcon Bay	38,464	2015
PNR Guoyu II, LLC (1)	September 18, 2013	January 7, 2016	Kite Bay	38,419	2016
PNR Marine Trading I LLC (1)	September 23, 2013	November 1, 2013	Reunion Bay	32,354	2006
PNR Marine Trading II LLC (1)	September 23, 2013	November 11, 2013	Paradise Bay	46,232	2003
PNR Marine Trading III LLC (1)	September 23, 2013	December 2, 2013	Eden Bay	28,342	2008
PNR Marine Trading IV LLC (1)	September 23, 2013	March 4, 2014	Fortune Bay	28,671	2006
PNR Marine Trading V LLC (1)	November 5, 2013	December 2, 2013	Mykonos Bay	32,411	2009
PNR Marine Trading VI LLC (1)	November 5, 2013	January 27, 2014	Emerald Bay	32,258	2008
PNR Marine Trading VIII LLC (1)	December 11, 2013	January 17, 2014	Teal Bay	32,327	2007
PNR Marine Trading IX LLC (1)	December 11, 2013	March 4, 2014	Calm Bay	37,534	2006
PNR Marine Trading X LLC (1)	December 11, 2013	February 14, 2014	Ha Long Bay	32,311	2007
PNR Marine Trading XI LLC (1)	February 6, 2014	April 22, 2014	Jupiter Bay	29,997	2012
PNR Marine Trading XII LLC (1)	February 6, 2014	March 31, 2014	Venus Bay	30,003	2012
PNR Marine Trading XIII LLC (1)	February 6, 2014	March 25, 2014	Orion Bay	30,009	2012
PNR Tenacity LLC (1)	April 1, 2014	October 18, 2016	Tenacity Bay	56,842	2008
PNR Resolute LLC (1)	September 14, 2016	October 11, 2016	Resolute Bay	36,767	2012

1. Basis of Presentation and General Information – Continued:

Other Companies

Name	Date of incorporation	Date of cancellation
PNR Guoyu III, LLC (1)	September 18, 2013	January 17, 2018
PNR Guoyu IV, LLC (1)	September 18, 2013	January 17, 2018
PNR Sanfu I LLC (1)	September 24, 2013	January 17, 2018
PNR Sanfu II LLC (1)	September 24, 2013	January 17, 2018
PNR Marine Trading VII LLC (1)	November 5, 2013	January 17, 2018
PNR Guoyu V LLC (1)	January 20, 2014	January 17, 2018
PNR Guoyu VI LLC (1)	January 20, 2014	January 17, 2018
PNR Guoyu VII LLC (1)	January 20, 2014	January 17, 2018
PNR Guoyu VIII LLC (1)	January 20, 2014	January 17, 2018
PNR Courage LLC (1)	April 1, 2014	January 17, 2018
PNR Endurance LLC (1)	April 1, 2014	January 17, 2018
PNR Perseverance LLC (1)	April 1, 2014	January 17, 2018

(1) Incorporated under the laws of the Republic of the Marshall Islands.
(2) Incorporated under the laws of Singapore.
(3) Incorporated under the laws of India.
(4) DWT: Dead Weight Ton, a standard measure for dry bulk carriers indicating how much weight a ship can carry.

The Company outsources the technical management and crew management of its vessels to a third-party ship manager. Commercial vessel management is performed by a third-party manager for seven vessels as of December 31, 2017 and one more during January 2018. For the rest vessels of the fleet, the commercial management is performed by in-house personnel.

2. Significant Accounting Policies:

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The significant accounting policies are set out below.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the entities listed in Note 1 (the “subsidiaries”). Income and expenses of subsidiaries are included in the consolidated statements of operation from the effective date of acquisition and up to the effective date of disposal, as appropriate. All significant intercompany balances and transactions are eliminated upon consolidation.

Accounting estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. Significant estimates include the residual value and the useful life of vessels.

2. Significant Accounting Policies – Continued:

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with an original maturity of three months or less and which are not restricted for use or withdrawal.

Restricted cash

Restricted cash reflects deposits in retention or restricted accounts with certain banks that can only be used to pay the current loan instalments and interest or are required to be maintained as certain minimum security deposits and other reserve requirements per mortgaged vessel. Cash required to be maintained as unrestricted liquidity is not considered restricted cash if the relevant account has no restrictions for use or withdrawal.

Trade accounts receivable

Trade accounts receivable reflect receivables from charterers for hire, freight and demurrage billings, net of a provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. There has been no provision for doubtful accounts for the years presented.

Foreign currencies

The consolidated financial statements of the Company are presented in U.S. dollars which is the functional currency of Pioneer Marine Inc. and its subsidiaries because the Company's vessels operate in international shipping markets and therefore primarily transact business in U.S. dollars.

Transactions in currencies other than the U.S. dollar are recorded at the rate of exchange prevailing on the dates of the transactions. Any change in exchange rate between the date of recognition and the date of settlement may result in a gain or loss which is recognized in the consolidated statement of operations as incurred. At the end of each reporting period, monetary assets and liabilities denominated in a currency other than the functional currency are retranslated into U.S. dollars at rates prevailing at that date and all resulting exchange differences are recognized in the consolidated statement of operations.

Vessels

Vessels are stated at cost, less impairment and accumulated depreciation. The cost of vessels purchased consists of the contract price, less discounts, plus any direct expenses incurred upon acquisition, broker commission paid, delivery expenses and other expenditures to prepare the vessel for initial voyage. Subsequent expenditures for conversion and major improvements are also capitalised when they appreciably extend the life, increases the earnings capacity or improve the efficiency or safety of the vessels.

Vessels are depreciated on a straight-line basis over the estimated useful life of the vessels which management estimates to be 25 years from the date of initial delivery from the shipyard. Second-hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. Depreciation is based on cost less the estimated residual value which is the lightweight tonnage ("LWT") of each vessel multiplied by estimated scrap value per ton, which Management estimates to be $250 per LWT.

2. Significant Accounting Policies – Continued:

Long lived assets held for sale

Long lived assets are classified as held for sale when all applicable criteria enumerated under ASC 360 "Property, Plant, and Equipment" are met and are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale.

When the Company concludes a Memorandum of Agreement for the disposal of a vessel which has yet to complete a time charter, it is considered that the held for sale criteria discussed in guidance are not met until the time charter has been completed as the vessel is not available for immediate sale. As a result, such vessels are not classified as held for sale.

When the Company concludes a Memorandum of Agreement for the disposal of a vessel which has no time charter to complete or a contract that is transferable to a buyer, it is considered that the held for sale criteria discussed in the guidance are met. As a result, such vessels are classified as held for sale.

As at December 31, 2017 and December 31, 2016 there were no vessels classified as held for sale.

Advances for vessel acquisitions and vessels under construction

Advances paid for vessel acquisitions and vessels under construction are presented at cost, less identified impairment losses, if any. Advances for vessel acquisition include advances and other directly attributable costs, including commissions, if any. Advances for vessels under construction include shipyard instalment payments and other costs incurred during the construction period that are directly attributable to the acquisition or construction of the vessels, net of any commissions or discounts received from the shipyard and include interest costs incurred during the construction period. Vessels under construction are not depreciated until such time as they are ready for use. On delivery of the vessel, the related cost is transferred to vessels and accounted for in accordance with the accounting policy for vessels.

Impairment of long-lived assets

The Company reviews its tangible fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

In evaluating useful lives and carrying values of long-lived assets, the Company reviews certain indicators of potential impairment, such as market values, vessel sales and purchases, business plans and overall market conditions. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets.

In developing estimates of future undiscounted cash flows, the Company makes assumptions and estimates about the vessels' future performance, with the significant assumptions being related to charter rates, fleet utilization, operating expenses, capital expenditures, residual value and the estimated remaining useful life of each vessel.

The assumptions used to develop estimates of future undiscounted cash flows are based on historical trends as well as future expectations. To the extent impairment indicators are present, the Company determines undiscounted projected net operating cash flows for each vessel and compares them to their carrying value.

If the carrying value of the related asset exceeds the undiscounted future net cash flows, the carrying value is reduced, by recording a charge to operations, to its fair value.

2. Significant Accounting Policies – Continued*:*

Revenue

Revenue, which is presented net of commissions to charterers (address commissions), is recognized when an agreement exists, the vessel is made available to the charterer or services are provided, the charter hire rate is determinable and collection of the related revenue is reasonably assured.

Vessel revenue is comprised of time charter revenue and voyage revenue.

(a) Time charter revenue is recognized rateably over the term of the charter as service is provided, excluding any off-hire period. Time charter revenues received in advance of the provision of charter service are recorded as deferred income and recognized when the charter service is rendered.

(b) Voyage charter agreements are charter hires, where a contract is made in the spot market for the use of a vessel for a specific voyage, for a specified charter rate. Revenue from voyage charter agreements is recognized on a pro rata basis based on the relative transit time in each period. The period over which voyage revenues are recognized commences at the time the vessel departs from its last discharge port and ends at the time the discharge of cargo at the next discharge port is completed, however, the Company does not begin recognizing revenue until a charter has been agreed with the charterer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. Demurrage income represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized when earned and collection is reasonably assured. Dispatch expense represents payments by the Company to the charterer when loading or discharging time is less than the stipulated time in the voyage charter and is recognized as incurred. Voyage charter revenue relating to voyages in progress as of the balance sheet date are accrued and presented within trade accounts receivable and accrued revenue in the consolidated balance sheet.

Major charterers:

% of Company's charter revenue	December 31, 2017	December 31, 2016
Charterer A	12%	-
Charterer B	10%	18%
Charterer C	10%	-

Voyage expenses

Voyage expenses, which primarily include bunkers (fuel oil used to operate a vessel's engines, generators and boilers), port charges, canal tolls, cargo handling operations, war risk insurances and brokerage commissions paid by the Company under voyage charters are expensed as incurred. Voyage expenses also include losses from the sale of bunkers to charterers and bunkers consumed during time charter off-hire periods and while travelling to and from dry-docking.

Vessel operating expenses

Vessel operating expenses, which include crewing, repairs and maintenance, insurance, spares and consumable stores, lube oils and communication expenses are expensed as incurred.

Additionally, these costs include technical management fees that are payable to our technical ship managers.

Dry-docking and special survey expenses

Dry-docking and special survey expenses are expensed in the period incurred.

2. Significant Accounting Policies – Continued:

Inventories

Inventories consist of bunker fuel on board when vessels are unemployed or are operating under voyage charters and lubricating oils on board vessels. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in first out method. Stores and spares are charged to vessel operating costs when purchased. The Company has adopted ASU 2015-11- Simplifying the Measurement of Inventory effective January 1, 2017. The adoption of this guidance has had no impact on the Company's results of operations, cash flows and net assets.

Segment reporting

Each of the Company's vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company's Chief Operating Decision Maker, which is the CEO, reviews operating results as one operating segment. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

Other comprehensive income/(loss)

The Company follows the accounting guidance relating to comprehensive income, which requires separate presentation of certain transactions that are recorded directly as components of equity. The Company has no other comprehensive income/(loss) and accordingly, comprehensive loss equals the net loss for the year presented and thus is not presented in the statement of operations or in a separate statement.

Financing costs

Financing fees incurred for obtaining new loans and credit facilities are deferred and amortized to interest expense over the respective term of the loan or credit facility using the effective interest rate method. The unamortized financing costs are presented as a direct deduction of the related debt liability in the accompanying consolidated balance sheet. Finance cost related to undrawn facilities are presented as non-current assets in the accompanying consolidate balance sheet.

Capitalization of borrowing costs

Interest costs incurred to finance the cost of vessels during their construction period are capitalized to vessels under construction.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (or FASB) issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers, (or ASU2014-09). ASU 2014-09 will require an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update creates a five-step model that requires entities to exercise judgment when considering the terms of the contract(s) which include (i) identifying the contract(s) with the customer, (ii) identifying the separate performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the separate performance obligations, and (v) recognizing revenue as each performance obligation is satisfied. ASU 2014-09 is effective for the Company January 1, 2018.

The Company has reviewed all types of revenue contracts to evaluate if its contracts contains lease or not and consequently if they fall under the applicable framework of ASC 606. The results of the analysis performed indicate that vessels operating under time charter agreements and trip time charter agreements do not fall under the updated revenue guidance of ASU 2014-09, thus ASC 606 will be applied effective January 1, 2018, for vessels operating under voyage charter. After the adoption of ASU 2014-09 the Company's method of determining proportional performance for voyage charterers will change from discharge-to-discharge to load-to discharge. Demurrage income estimate will be included in revenue upon occurrence of the delays only to the extent that is probable that will not be a significant reversal of revenue in future period, using the "most likely amount method".

2. Significant Accounting Policies – Continued:

Recent accounting pronouncements- continued

Despatch will follow the same recognition approach as Demurrage income and both variable considerations will be allocated consistently with the recognition of freight revenue. The Company has concluded that the new revenue standard will be adopted effective January 1, 2018 using the modified retrospective approach and the cumulative effect of the initial adoption amounting to approximately $15 thousands will be posted as an adjustment to the opening Retain Earnings/Accumulated Deficit for the year ended December 31, 2018.

In addition to providing guidance on recognizing revenue in ASC 606, ASU 2014-09 also provides guidance on how to account for certain types of contract cost, including incremental costs to obtain and costs to fulfil a contract with a customer (codified under ASC 340-40). The Company has elected to benefit from the practical expedient in relation to incremental costs and will expense these costs as incurred (brokerage commissions). In relation to costs to fulfil a contact (other than those that are addressed from other ASC topics), the Company performed the analysis if the criteria required to be able to capitalise such fulfilment costs under ASC 340-40 are met. The analysis indicated that not all costs meet the three criteria of capitalization (such as commercial management fees, other minor voyage expenses) therefore these costs will be expensed as incurred. Remaining voyage costs such as port costs, additional voyage insurance meet the capitalization criteria and will be deferred and recognized over the duration of voyage using the same pattern as freight income recognition.

In February 2016, the FASB issued the ASU 2016-02, Leases (Topic 842). The main provision of this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. The FASB decided not to fundamentally change lessor accounting. However, some changes have been made to lessor accounting to conform and align that guidance with the lessee guidance and other areas within U.S. GAAP. The new Leases standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. This update is effective for public entities with reporting periods beginning after December 15, 2018, including interim periods within those years. Early adoption is permitted. The Company believes that the implementation of this standard will not have a material impact on the financial statements since revenues are generated from charter out contracts for which accounting treatment remains unchanged and has not elected early adoption.

In November 2016 the FASB issued the ASU 2016-18 – Restricted cash. This ASU requires that a statement of cash flows explains the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. This update is effective for public entities with reporting periods beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted, including adoption in an interim period. The implementation of this update affects disclosures and cash flow presentation and has no impact on the Company's balance sheet and statement of operations. The Company has not elected early adoption.

3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

USD in thousands	December 31, 2017	December 31, 2016
Cash on hand and at banks	26,232	18,849
Short term time deposits	35,122	40,168
Total	**61,354**	**59,017**

Short term time deposits relate to time deposit accounts with original maturity of three months or less held in banks for general purposes. As of December 31, 2017, restricted cash relating to minimum cash and other reserve requirements was $12,468 thousand (December 31, 2016: $22,805 thousand).

4. Inventories:

Inventories are analysed as follows:

USD in thousands	December 31, 2017	December 31, 2016
Bunkers	995	347
Lubricants	830	806
Total	**1,825**	**1,153**

5. Vessels, Net:

Vessels are analysed as follows:

USD in thousands	Vessel cost	Accumulated depreciation	Net book value
Balance, January 1, 2016	**157,370**	**(267)**	**157,103**
Transfer from advances for vessels under construction	22,645	-	22,645
Vessels additions	14,399	-	14,399
Depreciation expense	-	(7,906)	(7,906)
Impairment charge	(728)	425	(303)
Balance, January 1, 2017	**193,686**	**(7,748)**	**185,938**
Vessels additions	567	-	567
Depreciation expense	-	(8,088)	(8,088)
Vessel disposal	(7,130)	100	(7,030)
Balance, December 31, 2017	**187,123**	**(15,736)**	**171,387**

During 2016 the Company took delivery of the M/V Kite Bay, previously a hull under construction, which was delivered on January 7, 2016.

Furthermore, on October 11, 2016 the Company purchased the M/V Resolute Bay, a 36,767 dwt 2012 year built handysize vessel and on October 18, 2016 the Company purchased the M/V Tenacity Bay, a 56,842 dwt, 2008 built supramax vessel. Both vessels were purchased from unrelated third parties on a charter free basis.

On December 30, 2016 the Company entered into a Memorandum of Agreement (“MOA”) for the sale of M/V Azure Bay to an unrelated third party. However, the vessel had yet to complete a time charter and as such it was considered that the held for sale criteria discussed in guidance were not met since the vessel is not available for immediate sale. On April 3, 2017, the sale of M/V Azure Bay was completed and the vessels was delivered to its new owners.

As discussed in Note 2 above, tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

The cash flows are determined for a period over the remaining estimated life of the vessels assumed to be 25 years from the delivery of the vessel from the shipyard or up to the expected vessel disposal date when an agreement is in place for such disposal.

Projected net operating cash flows are determined by considering the charter revenues from existing time charters for the fixed fleet days, if any, and an estimated daily time charter equivalent for the unfixed days. The Company estimated the daily time charter equivalent for the unfixed days for 2017 - 2019 utilizing future forward freight rates for similar vessels and for the remaining useful life by using the most recent twenty-year historical average for similar vessels excluding outliers, net of brokerage commissions. Expected outflows for operating expenses (including planned dry-docking and special survey expenditures) were based on historical average, assuming an average annual inflation rate of 1.7% and fleet utilization of 98.5%. Cash inflow from the salvage value was estimated to be $250 per light weight ton (LWT) for vessels in accordance with the Company's vessels depreciation policy.

5. Vessels, Net -– Continued:

The review of the carrying amounts in connection with the estimated recoverable amount of the Company's vessels as of December 31, 2017, did not indicate an impairment charge, while for the comparative year the impairment test carried out for the M/V Azure Bay indicated that the estimated undiscounted projected net operating cash flows were less than the vessels net book value as at December 31, 2016.

Therefore, the Company recognised an impairment loss of $303 thousand as at December 31, 2016, representing the write down of the carrying value of the impaired vessel to its fair value of $7,130 thousand as indicated by the sale agreement entered.

As of December 31, 2017, all Company's vessels are mortgaged as security for the loan facilities, refer to Note 9.

As of December 31, 2017, other fixed assets represent office assets with a cost of $207 thousand and accumulated depreciation of $145 thousand. Depreciation charged on other fixed assets amounted to $69 thousand for the year ended December 31, 2017

6. Advances for Vessels under Construction:

The analysis of amounts included in advance for vessels under construction is presented in the below table.

USD in thousands	Instalments to yard	Capitalised interest and supervision costs	Other capitalised expenses	Total
Balance, January 1, 2016	**64,768**	**4,073**	**643**	**69,484**
Additions	10,563	930	523	12,016
Transfer to Vessels, net	(21,296)	(594)	(755)	(22,645)
Refunds from contract terminations	(54,035)	-	(87)	(54,122)
Transfer to current and noncurrent assets	-	-	(324)	(324)
Write off of capitalised expenses	-	(4,409)	-	(4,409)
Balance December 31, 2016	-	-	-	-
Balance December 31, 2017	-	-	-	-

Advances for vessels under construction were reduced to nil as at December 31, 2016 from $69,484 thousand as at January 1, 2016 due to the termination of all newbuilding contracts within first half of 2016 (Note 13) and transfer of $22,645 thousand to Vessels, net, following the delivery of the M/V Kite Bay.

7. Commitments and Contingencies:

(a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. Information available to management as at the date of issuance of these Financial statements indicate that one of the Company's subsidiaries (Pioneer Marine Advisers India Pvt Ltd) has delayed to comply with the provisions of the Indian Companies Act for holding Annual General Meetings and non-filling of Annual Returns and Financial Statements within the timeline required. The Company has made a provision of $32 thousands as at December 31, 2017 which is the minimum amount of a range of amounts that could be ultimately determined upon court ruling, since no amount within this range is a better estimate of the outcome.

(b) The Company is a member of a protection and indemnity association, or P&I Club that is a member of the International Group of P&I Clubs, which covers its third-party liabilities in connection with its shipping activities. A member of a P&I Club that is a member of the International Group is typically subject to possible supplemental amounts or calls, payable to its P&I Club based on its claim records as well as the claim records of all other members of the individual associations, and members of the International Group.

7. Commitments and Contingencies -– Continued:

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company's protection and indemnity (P&I) insurance coverage for pollution is $1 billion per vessel per incident.

(c) The company's minimum rental payments as of December 31,2017, are as follows:

	Twelve-month period ending December 31			
USD in thousands	**2018**	**2019**	**2020**	**Total**
Rent	23	24	16	63
Total	**23**	**24**	**16**	**63**

8. Shareholders' Equity:

Within third quarter of 2016, the Company repurchased 837,844 of its own shares for a total amount of $606 thousand. The repurchased shares were not retired and are presented as Treasury Stock in the accompanying consolidated balance sheet.

All of the 576,923 warrants issued on March 18, 2014, were outstanding. These warrants expired on March 19, 2017. There were no warrants outstanding as at December 31, 2017.

9. Long Term Debt:

An analysis of long term debt is as follows:

USD in thousands	**December 31, 2017**	**December 31, 2016**
DVB Bank Ltd, ABN AMRO Bank N.V (DVB/ABN)	43,196	52,135
CIT Finance LLC (CIT)	25,835	31,627
Sinosure Facility	20,615	22,704
DVB Bank SE (DVB)	4,524	4,750
Total principal outstanding	94,170	111,216
Less: Deferred financing costs	(1,635)	(2,330)
Total	**92,535**	**108,886**

Presented as follows:

Current portion of long term debt, net of deferred finance cost	11,044	14,148
Long term debt, net of deferred finance cost	81,491	94,738

9. Long Term Debt -– Continued:

The annual principal payments required to be made after December 31, 2017, in accordance with the loan agreements and supplemental agreements, including balloon payments, totalling $94,170 thousand are as follows:

USD in thousands	**Amount**
Year	
December 31, 2018	11,762
December 31, 2019	62,745
December 31, 2020	3,149
December 31, 2021	4,254
December 31, 2022	2,089
December 31, 2023 and thereafter	10,171
Total	**94,170**

DVB/ABN: On June 16, 2014, Pioneer Marine Inc. and Pioneer Marine Trading LLC as guarantors and eight of our ship-owning subsidiaries entered into a secured term loan facility with DVB Group Merchant Bank (Asia) Ltd. and ABN AMRO Bank NV, for up to $72,000 thousand on a joint and several basis to partly refinance the purchase price of eight vessels. Each tranche of the facility is repayable in 20 quarterly instalments with a balloon payment to be paid on the last repayment date scheduled for July 2019. The loan bears interest at LIBOR plus a margin and is secured over the respective vessels.

On May 23, 2016, the Company entered into a supplemental agreement for the DVB/ABN facility (''Fourth Supplemental Agreement'') whereby it was agreed an amendment of the Value to Loan financial covenant calculation and a waiver period of this covenant up to December 31, 2016 (not inclusive). Furthermore, it was agreed a prepayment of $5,959 thousand reducing future repayment instalments and a cash collateral amount of $7,000 thousand to be placed with the lenders.

On April 3, 2017, the Company entered into a supplemental agreement for the DVB/ABN facility ("Fifth Supplemental Agreement'') whereby it was agreed that following the sale of M/V Azure Bay (Note 5) the owning company of the subject vessel would be released from its obligations under the loan agreement and all its obligations will be undertaken by the owning company of M/V Resolute Bay. Furthermore, as it was agreed, on April 4, 2017, the cash collateral amount of $7,000 thousand was released to the borrowers.

On August 18, 2017, the Company entered into a supplemental agreement for the DVB/ABN facility ("Sixth Supplemental Agreement'') whereby Lenders provided their consent and permanent waiver for the change of Company's CEO. Furthermore, the Sixth Supplemental Agreement provided for a prepayment in the amount of $3,973 thousand representing the two quarterly repayments beginning on October 2, 2017. Following the prepayment made on August 23, 2017, the outstanding loan amount is repayable in seven quarterly instalments commencing on April 2, 2018, with a total balloon payment of $29,290 thousand to be paid on the last repayment date scheduled for July 2019.

CIT: On August 11, 2014, five of our ship-owning subsidiaries entered into a secured loan facility agreement with CIT for an amount up to $47,410 thousand on a joint and several basis to partially refinance the purchase price of five vessels. The loan bears interest at LIBOR plus a margin and is secured over the respective vessels.

9. Long Term Debt – Continued:

On March 31, 2017, the Company entered into a supplemental loan agreement ("Third Omnibus agreement") with CIT whereby the lender agreed to waive the EBITDA to debt service financial covenant for a period up to June 30, 2018 (not inclusive) and to postpone testing of minimum asset coverage ratio until September 30, 2017 (not inclusive). Furthermore, the Third Omnibus agreement provided for a prepayment in the amount of $4,633 thousand representing the four quarterly repayments beginning on June 30, 2017. Following the prepayment, the outstanding loan amount is repayable in six quarterly instalments commencing on June 30, 2018, with a total balloon payment of $18,885 thousand to be paid on the last repayment date scheduled for September 2019. On April 5, 2017, the Company prepaid the amount of $4,633 thousand.

Sinosure Facility: On May 19, 2015, as amended on July 22, 2015, each of six of our subsidiaries with vessels under construction together with Pioneer Marine Inc. and Pioneer Marine LLC as guarantors each individually entered into a secured loan facility with ABN AMRO Bank, N.V, Deutsche Bank AG and Norddeutche Landesbank Girozentrale aggregating an amount up to the lower of $78,300 thousand and 60% of the market value at the delivery of the vessels to provide post-delivery financing for our remaining six new buildings, with insurance cover to be provided from China Export & Credit Insurance Corporation, or Sinosure. For each facility the other five subsidiaries with vessels under construction act as guarantors. The credit facility bears interest at LIBOR plus a margin and is repayable in forty consecutive quarterly instalments each in a sum equal to one forty-eight (1/48th) of the amount of the loan, which will be advanced on each vessel's delivery, and a balloon repayment together with the final instalment, commencing three months after the delivery date of each newbuilding. An amount of $25,065 thousand was drawn under this facility within 2015 for the partial financing of M/V Falcon Bay and M/V Kite Bay. As a result of the cancellation of the under-construction hulls, the loan facilities relating to remaining four hulls participating into this facility were cancelled and a termination fee of $261 thousand was paid.

On August 17, 2017, the Company entered into a supplemental agreement for the Sinosure facility ("Second Supplemental Agreement") whereby Lenders provided their consent for the change of Company's CEO. Additionally, the Second Supplemental Agreement provided for a prepayment in the amount of $1,044 thousand representing the two quarterly repayments beginning on August 28, 2017. Following the prepayment made on August 23, 2017, the outstanding loan amount for MV Falcon Bay is repayable in thirty-one quarterly instalments commencing on February 28, 2018, with a total balloon payment of $2,175 thousand to be paid on the last repayment date scheduled for August 2025. Furthermore, following the prepayment, the outstanding loan amount for MV Kite Bay is repayable in thirty-two quarterly instalments commencing on February 28, 2018, with a total balloon payment of $2,003 thousand to be paid on the last repayment date scheduled for November 2025.

DVB: On October 17, 2016, PNR Tenacity LLC entered into a secured term loan with DVB Bank SE for an amount of $4,750 thousand to partially finance the acquisition of M/V Tenacity Bay. The loan is repayable in 20 quarterly instalments with a balloon payment amounting to $1,370 thousand to be paid on the last repayment date scheduled for October 2021. The loan bears interest at LIBOR plus a margin and is secured over the respective vessel.

The Company entered into a Side Letter for the DVB facility on August 18, 2017, whereby it was agreed that an amount of $50 thousand will be placed to the earnings account of the Borrower to be applied towards the next two instalments immediately following the date of this Side Letter. This amount of $25 thousand kept in earnings account of the Borrower as at December 31, 2017, is included under Restricted cash in the consolidated Balance Sheet. The outstanding loan balance as at December 31, 2017, is repayable in 16 quarterly instalments with a balloon payment amounting to $1,244 thousand to be paid on the last repayment date scheduled for October 2021.The balloon instalment is reduced by the prepayment of $138 thousand to be made on April 18, 2018, in accordance with the excess cash clause contained in this facility.

The Company's loan facilities provide, among other things, various covenants including asset coverage ratios, value to loan ratio, minimum security deposits, maintenance of minimum cash and other reserve requirements, ratio of net debt to total assets and ratio of EBITDA to debt service payable. The Company was in compliance as at December 31, 2017, with these covenants, apart from the EBITDA to debt service payable requirement in certain of its loan agreements, which however provided for a cure mechanism in the event of non-compliance. In this respect and in line with the provisions of the respective cure mechanism, an amount of $1,573 thousand has been classified within restricted cash, which represents the required amount of additional security, to maintain compliance with the EBITDA to debt service requirements at December 31, 2017.

9. Long Term Debt – Continued:

With respect to the Company's ability to comply with financial covenants after the expiration of the covenant waivers obtained (namely the EBITDA to debt service ratio with CIT), management believes that the required ratio will be met assuming that charter rates stay at current levels.

All credit facilities are secured by a first mortgage over the respective vessels and by other customary maritime securities. Unamortized deferred finance cost amounted to $2,330 thousand as of December 31, 2016. During the year ended December 31, 2017, loan related fees of $112 thousand were incurred in connection with Company's credit facilities. During the same period amortization charge amounted to $807 thousand. Unamortized deferred finance costs amount to $1,635 thousand as at December 31, 2017.

Weighted average interest rate for the period ended December 31, 2017, was 4.58%. (December 31, 2016: 4.19%)

10. Revenue, Net:

Revenue, net comprises of the following:

USD in thousands	**December 31, 2017**	**December 31, 2016**
Time charter revenues	45,274	27,213
Voyage charter revenues	7,298	8,569
Less: Address commissions	(1,538)	(1,080)
Total	**51,034**	**34,702**

11. Voyage and Vessel Operating Expenses:

USD in thousands	**December 31, 2017**	**December 31, 2016**
Voyage Expenses		
Bunkers consumption	2,624	2,545
Agency costs	1,449	1,911
Commissions and other voyage costs	1,190	1,235
Total Voyage Expenses	**5,263**	**5,691**

USD in thousands	**December 31, 2017**	**December 31, 2016**
Vessel Operating Expenses		
Crew wages and expenses	16,659	16,181
Lubricants consumption	1,283	1,149
Stores, spares and repairs	4,875	3,569
Insurance	1,635	1,422
Management fee and expenses	1,880	1,646
Other operating expenses	1,935	1,940
Total Operating Expenses	**28,267**	**25,907**

12. Interest Expenses and Finance Costs, Net:

Interest expense and finance cost, net comprises of the following:

USD in thousands	December 31, 2017	December 31, 2016
Loan interest expense and other finance charges	4,780	4,806
Amortization of deferred finance cost	807	885
Capitalized borrowing cost	-	(576)
Termination fee & write off of deferred finance costs	-	7,231
Interest expense and finance cost, net	**5,587**	**12,346**

For an analysis of termination fee and write off of deferred finance costs please refer to Note 13.

13. Write off of Capitalized Expenses:

On March 17, 2016, the Company effectively terminated the shipbuilding contracts for hulls GY315 to GY319 (“First newbuilding cancellation’’). All instalments and advances for equipment already paid by the Company totalling $41,222 thousand (including the three new buildings cancelled in 2015) were fully refunded within April 2016.

On May 23, 2016, the Company reached an additional agreement with the construction shipyard for the termination of two shipbuilding contracts for hulls GY313 and GY314 (“Second newbuilding cancellation’’). Instalments and advances for equipment already paid by the Company in relation to these two shipbuilding contracts amounted to a total of $12,988 thousand. On July 25, 2016, out of this amount, $12,900 thousand representing instalments to yard were received by the Company. The remaining balance of $88 thousand was written off as at December 31, 2017 as it was deemed non- recoverable.

Based on the agreements entered between the Company and the shipyard for both newbuilding cancellations, the shipyard paid to the Company within 2016 an amount of $4,795 thousand representing interest income calculated from the date of payment of the respective instalments until the actual refund date.

Finally, the agreements entered for both the first and second newbuilding cancellations provided for a total cancellation fee of $8,500 thousand payable to the constructing shipyard, which was settled within 2016.

Capitalized expenses for first and second newbuilding cancellations amounting to $4,409 thousand were expensed and are presented as Write off of capitalised expenses in the accompanying consolidated Statement of Operations for the year ended December 31, 2016.

Write off of deferred finance fees and other costs amounting to $7,231 thousand during the year ended December 31, 2016 represents cancellation fees partially offset with the amount of interest agreed as well as deferred finance fees and other loan costs attributable to the borrowing agreements entered for the post-delivery financing of all cancelled new buildings (Note 9).

There are no write off of capitalized expenses and deferred finance fees for the year ended December 31, 2017.

14. Restructuring cost:

Following the change of senior management announced by the Company on May 30, 2017, expenses incurred in relation to the restructuring program amount to $1,286 thousand as at December 31, 2017. These costs mainly include severance payments to senior management, consulting fees, legal fees and various expenses incurred for the year ended December 31, 2017.

15. Financial Instruments:

The principal financial assets of the Company consist of cash and cash equivalents, restricted cash and trade accounts receivable. The principal financial liabilities of the Company consist of bank debt, accounts payables and accrued liabilities.

(a) ***Interest rate risk:*** The Company's bank loans are based on LIBOR and hence the Company is exposed to movements in LIBOR.

(b) ***Concentration of credit risk:*** Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of trade accounts receivable and cash and cash equivalents. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its trade accounts receivable. The Company places its cash and cash equivalents, with high credit quality financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions.

(c) ***Fair value:*** The carrying values of trade accounts receivable, cash and cash equivalents, restricted cash, accounts payable and accrued liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments. Cash and cash equivalents and restricted cash are considered Level 1 items in accordance with fair value hierarchy as they represent liquid assets with short-term maturities. The fair value of bank debt approximates the recorded value, due to its variable interest rate, being the LIBOR. LIBOR rates are observable at commonly quoted intervals for the full terms of the loans and hence bank loans are considered Level 2 items in accordance with the fair value hierarchy.

(d) ***Asset Measured at Fair Value on a Non-Recurring Basis:*** As of December 31, 2017, and December 31, 2016, the Company reviewed the carrying amount in connection with the estimated amount of each of its vessels. The review indicated that such carrying amount were recoverable for all fleet vessels as at December 31, 2017, and not recoverable for one vessel as of December 31, 2016.

Details of the impairment charge for each vessel are noted in the tables below.

	As of December 31, 2016	
Vessel	**Significant Other Observable Inputs (Level 2) (amounts in $thousand)**	**Loss (amounts in $thousand)**
Azure Bay	$7,130	$303
Total	**$7,130**	**$303**

The Company recognized the total impairment loss of $303 in the year ended December 31, 2016, which was included in the consolidated statements of operations.

The fair value of M/V Azure Bay as at December 31, 2016 is based on the sale price agreed as per Memorandum of Agreement entered on a charter free basis (Note 5).

16. Net Loss Per Share:

	Year ended December 31, 2017	**Year ended December 31, 2016**
Net loss (USD in thousands)	(5,005)	(27,233)
Weighted average number of common shares outstanding, basic and diluted	29,493,703	29,945,418
Net loss per share, basic and diluted in USD	**(0.17)**	**(0.91)**

The computation of basic and diluted loss per share is based on the weighted average number of common shares outstanding during the period presented in the table above. The Company excluded the effect of the 576,923 warrants in calculating dilutive loss per share for the year ended December 31, 2016, as they were anti-dilutive. These warrants expired on March 19, 2017 without being exercised. As of December 31, 2017, there were no warrants outstanding.

17. Taxes:

The entities which are incorporated in the Republic of the Marshall Islands are not subject to Marshall Islands' income tax in accordance with the income tax laws of the Marshall Islands.

In addition, pursuant to § 883 of the Internal Revenue Code of the United States (the "Code"), U.S. source income from the international operation of ships is generally exempt from U.S. Federal income tax on such income upon meeting certain requirements.

The Company does not meet the exemption requirement and as a result, the Company does not qualify for exemption under § 883 of the Code from the 4 % U.S. Federal income tax on its U.S source gross transportation income which for the year ended December 31, 2017, amounted to $152 thousand (2016: $71 thousand) and is included under other expenses and taxes, net in the consolidated statement of operations.

Finally, other minor taxes amounting to $16 thousand (2016: $44 thousand) are included under other expenses and taxes, net in the accompanying consolidated statement of operations.

18. Subsequent Events:

Subsequent events have been evaluated through February 23st, 2018 the date that the financial statements were available to be issued.