



PROVIDER OF LOGISTICS AND OCEAN TRANSPORTATION SERVICES

SAFE HARBOR

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OVERVIEW



PANGAEA LOGISTICS SOLUTIONS LTD



Leading, specialized dry bulk logistics provider with a 22-year track record

Strategic cargo-driven, commercially-intensive focus on specialized niche markets

Strong relationships with major industrial customers and a core COA book

Flexible operating fleet – typically 45-60 vessels and scalable

Modern, high quality owned fleet comprised primarily of Japanese built vessels

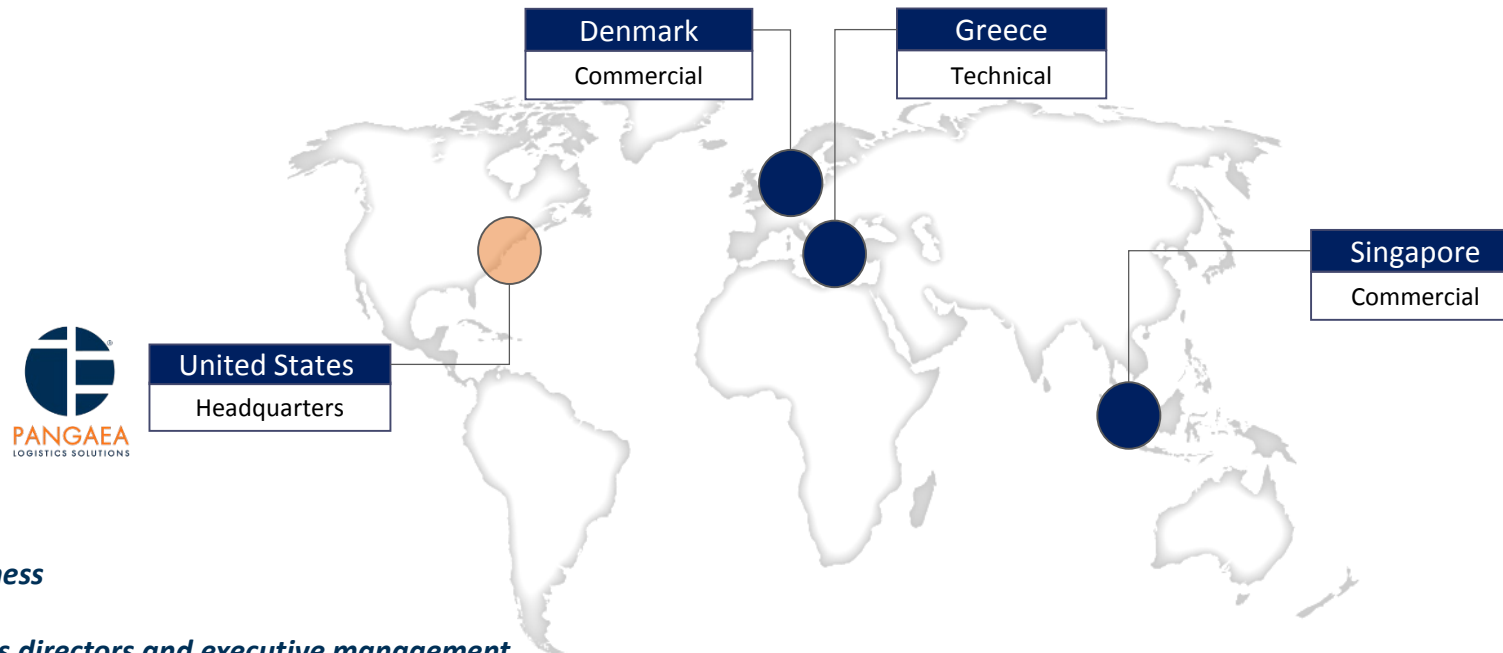
Industry leading TCE performance

Highly experienced management team and high employee retention rate

Underlying dry bulk market recovery with favorable supply/demand dynamics



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Pangaea Today:

- *Over 20 years in business*
- *Founders still active as directors and executive management*
- *75 shore based employees across 4 offices*
- *Control and manage a fleet of 45-60 ocean going ships every day, of which 19 are owned vessels*
- *Offer a wide range of extended services to develop customer relationships*
- *Invest in unique assets to solidify defensive barriers*
- *Employ a unique charter strategy which minimizes downside risk in the cyclical shipping environment*



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DIFFERENTIATION

A Conventional Ship Owner

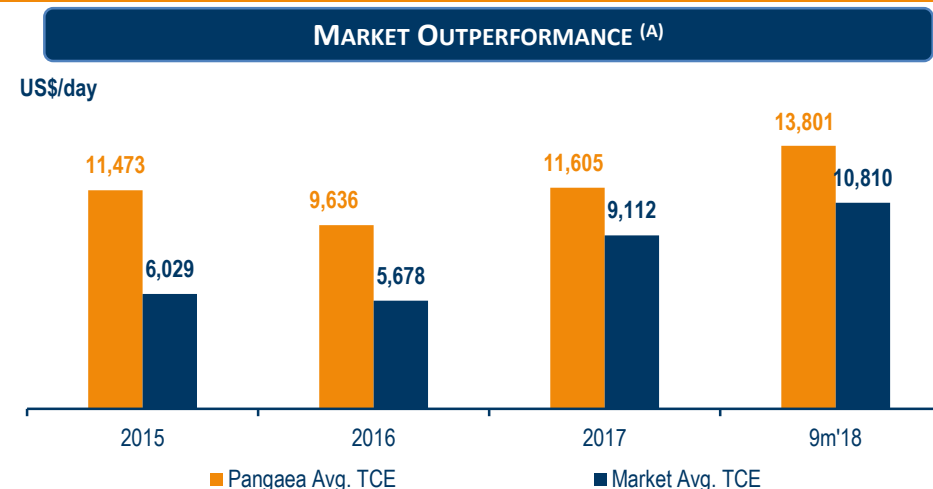
- Loves ships
- First objective: Build / buy fleet
- Market taker for cargo and routes
- Earnings amplify rate environment
- Long ships / short cargo
- Narrow logistics focus

vs.

Pangaea

- ✓ Uses ships as tools to implement cargo strategies
- ✓ First objective: build customer book / cargo trades / niche markets / barriers to entry
- ✓ Buy, build, or charter ships as needed
- ✓ Earnings across rate environments
- ✓ Long cargo / right ships → Balanced fleet
- ✓ Wide logistics focus

CONSISTENT OUTPERFORMANCE



(A) Market average TCE of BSI (6 T/C routes) and BPI (4 T/C routes) net commission

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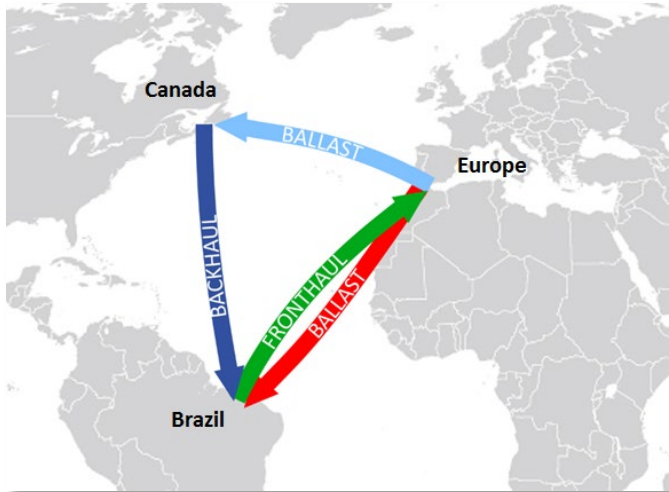
STRATEGY



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1

CARGO FOCUSED BACKHAUL OPERATOR



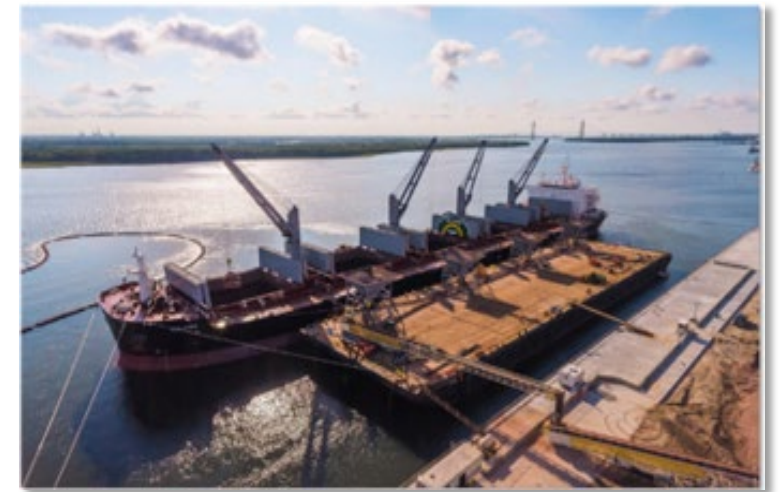
2

ICE CLASS TRADES



3

CUSTOMIZED LOGISTICS SERVICES



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Pangaea builds backhaul routes to position ships for front haul markets and maximize utilization

- **Few backhaul trades offer profitable opportunities in shipping**
 - Too many empty ships compete for limited cargo to cover fuel and opex in their return to load zones
- **Pangaea creates and secures backhaul contracts and relationships that can pay a premium for different services such as:**
 - ✓ Tough-to-carry cargo from / to difficult areas
 - ✓ Payment terms / trade finance
 - ✓ Absorb demurrage risk and / or perform voyage planning
 - ✓ Marketing customer cargo
 - ✓ Backhaul provides foundation to build other backhaul and fronthaul trades / COA
- **Matching a backhaul cargo with the right fronthaul allows:**
 - ✓ Fewer days in ballast / reduces positioning cost
 - ✓ Better resulting margin in full round voyage results
- **Fronthaul routes dominate the market and transparency makes pricing efficient**

1

CARGO FOCUSED BACKHAUL OPERATOR



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ICE CLASS NICHE: PROVEN PREMIUM GENERATING BUSINESS

- Deep expertise and a major presence in the Baltic Sea in the winter and Northern Sea Route between Europe and Asia in the Summer
- First dry bulk vessel to transit the Northwest Passage (Nordic Orion - 2013). Route reduced fuel costs by \$80k and travel time by four days
- **Since 2014 our 1A Ice class fleet earned a premium of c.50% over the comparable index for the same period**
- The Handymax vessels primarily trade in the spot market mixed with shorter term COAs
- The Panamax vessels typically have long-term COA contract cover for 35-40% of annual trading capacity

ICE FLEET

Vessel	Type	Dwt	Ice Class	Shipyard	Built
Nordic Odyssey*	Panamax	76,603	1A	Oshima	2010
Nordic Orion*	Panamax	76,603	1A	Oshima	2011
Nordic Odin*	Panamax	76,180	1A	Oshima	2015
Nordic Oshima*	Panamax	76,180	1A	Oshima	2014
Nordic Olympic*	Panamax	76,180	1A	Oshima	2015
Nordic Oasis*	Panamax	76,180	1A	Oshima	2016
Bulk Endurance	Ultramax	60,000	1C	Oshima	2017
Bulk Destiny	Ultramax	60,000	1C	Oshima	2017
Nordic Barents	Handymax	43,707	1A	Daewoo	1995
Nordic Bothnia	Handymax	43,707	1A	Daewoo	1995

* Vessel is 1/3 owned by Pangaea



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Addressing customer issues beyond shipping needs:

- **Pangaea's experience, coupled with unique opportunities, allows repeatable actions to address client hardware and software issues such as:**
 - ✓ Load on / load off barge dock for temporary port solutions
 - ✓ Demurrage absorption to simplify customer transportation and allow for better planning
 - ✓ Marketing customer cargo

- **Partnerships can expand offered services, leading to other potential opportunities**
 - ✓ Charleston port project partners assisted our salt business in Fall River and subsequently introduce us to cement distribution channels in Charleston

- **Bauxite Customer**
 - ✓ Backhaul supplies for use in mine
 - ✓ Vessel planning



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FINANCIALS



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Net Income increased 15% to \$8.3 million average achieved TCE rate increased 17% to \$13,835, yielding an overall average 21% market premium

PERFORMANCE DRIVERS

✓ Targeted business

- Specialty tonnage backhaul focus, and client focus delivers superior returns (21% premium over average market rates in Q3'18)

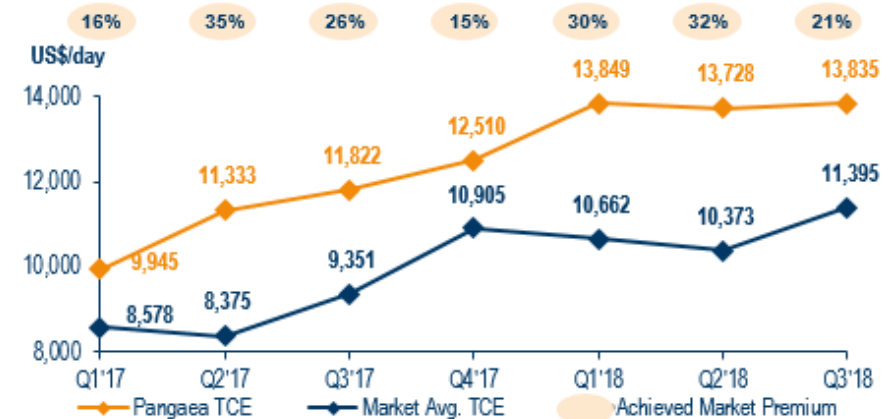
✓ Strong Q3 results driven by a productive summer ice season

- Ice class fleet active in Arctic waters, where the Company holds an unparalleled competitive advantage

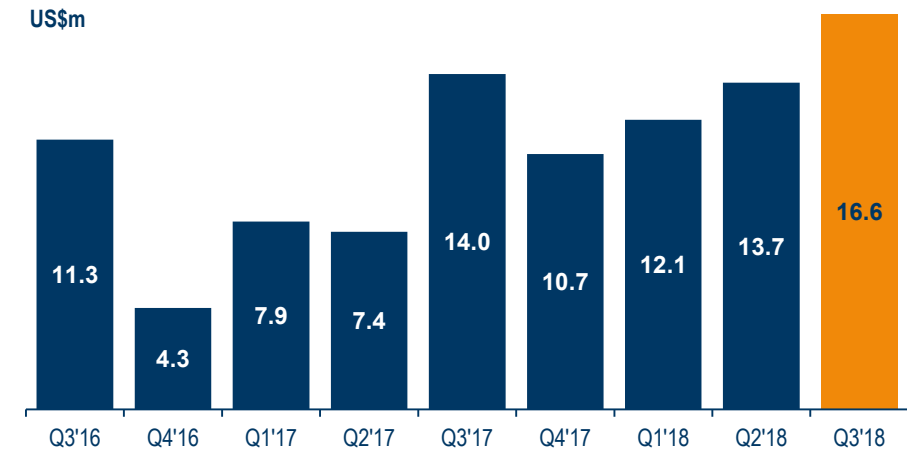
✓ Core fleet of 19 dry bulk vessels

- Prudent capital deployment strategy used to take delivery of m/v Bulk PODS (financed through sale and leaseback transaction for 100% of purchase price)
- Strategically used equity in owned vessels to raise cash for investment in high quality ships (e.g. Bulk Spirit)

CONSISTENT MARKET OUTPERFORMANCE (A)



STRONG EBITDA EXPANSION



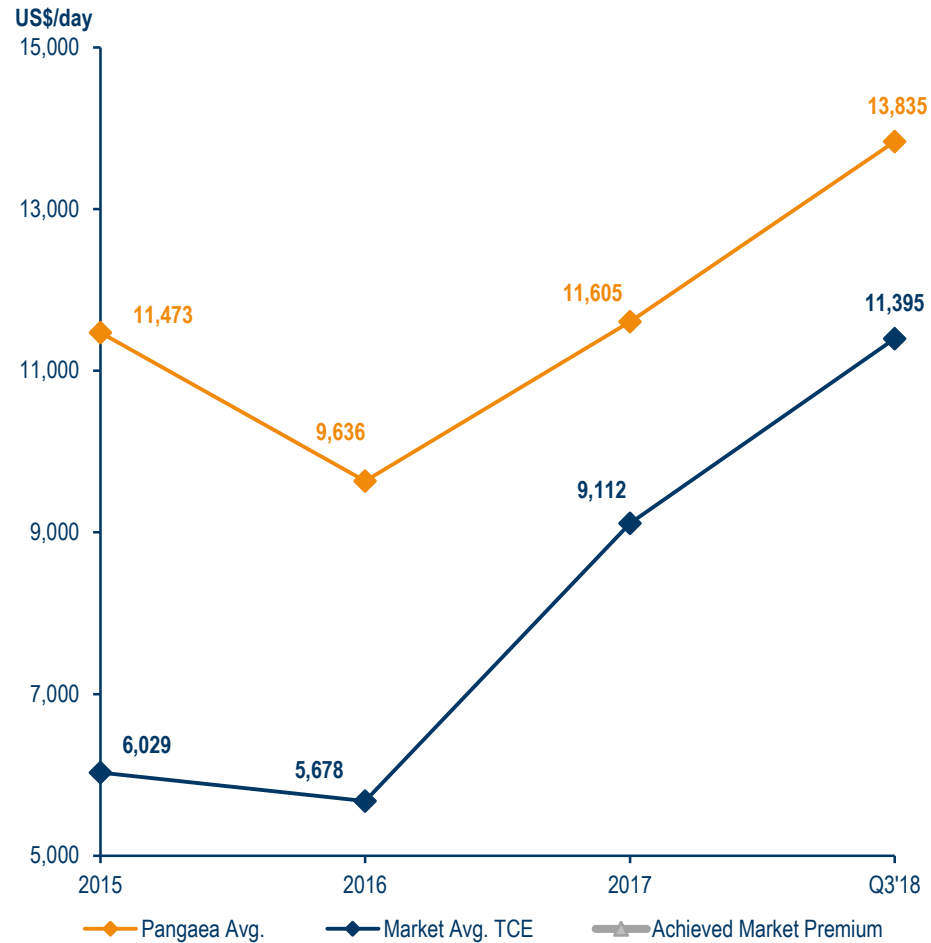
Source: Company report, SEC filings

Note: (A) Average of the published Panamax and Supramax index net of commission

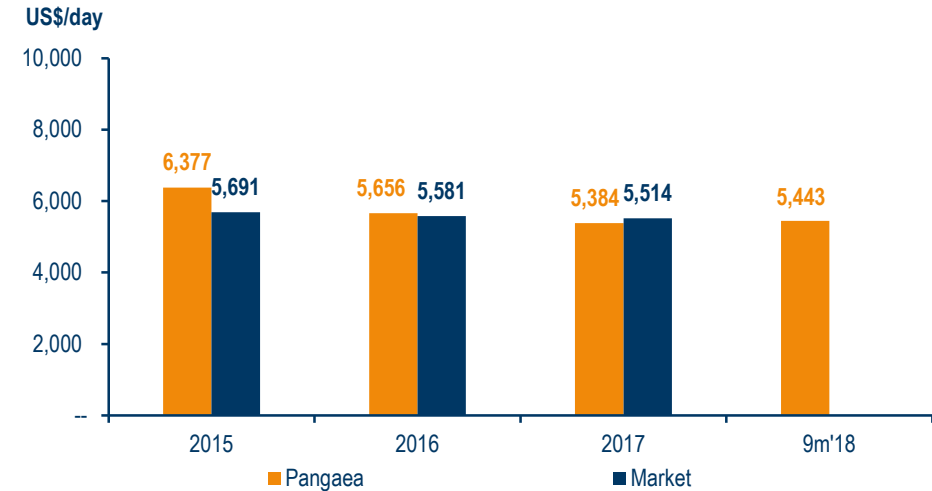


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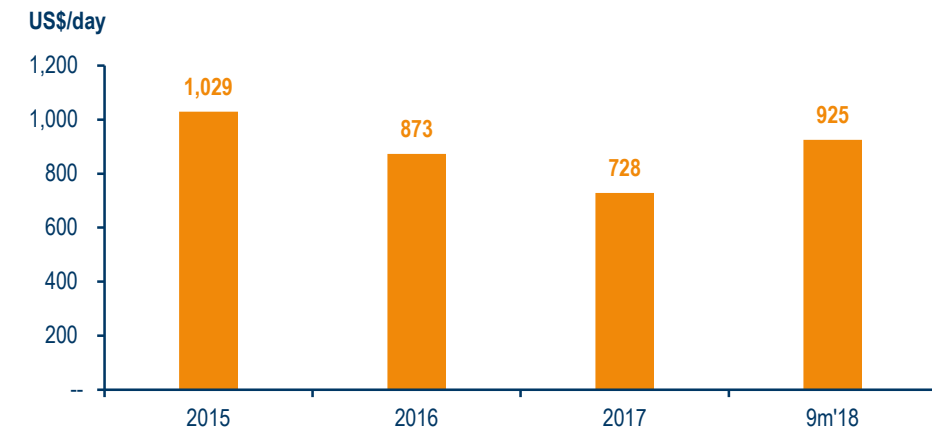
IMPRESSIVE TCE OUTPERFORMANCE AIDED BY COA BOOK (A)



COMPETITIVE OPEX (B)



SG&A / DAY REFLECTING AN ACTIVE OPERATING MODEL (C)



Source: Company report, SEC filings, Investor presentation, Moore Stephens

Note: a Average of the published Panamax and Supramax index net commission

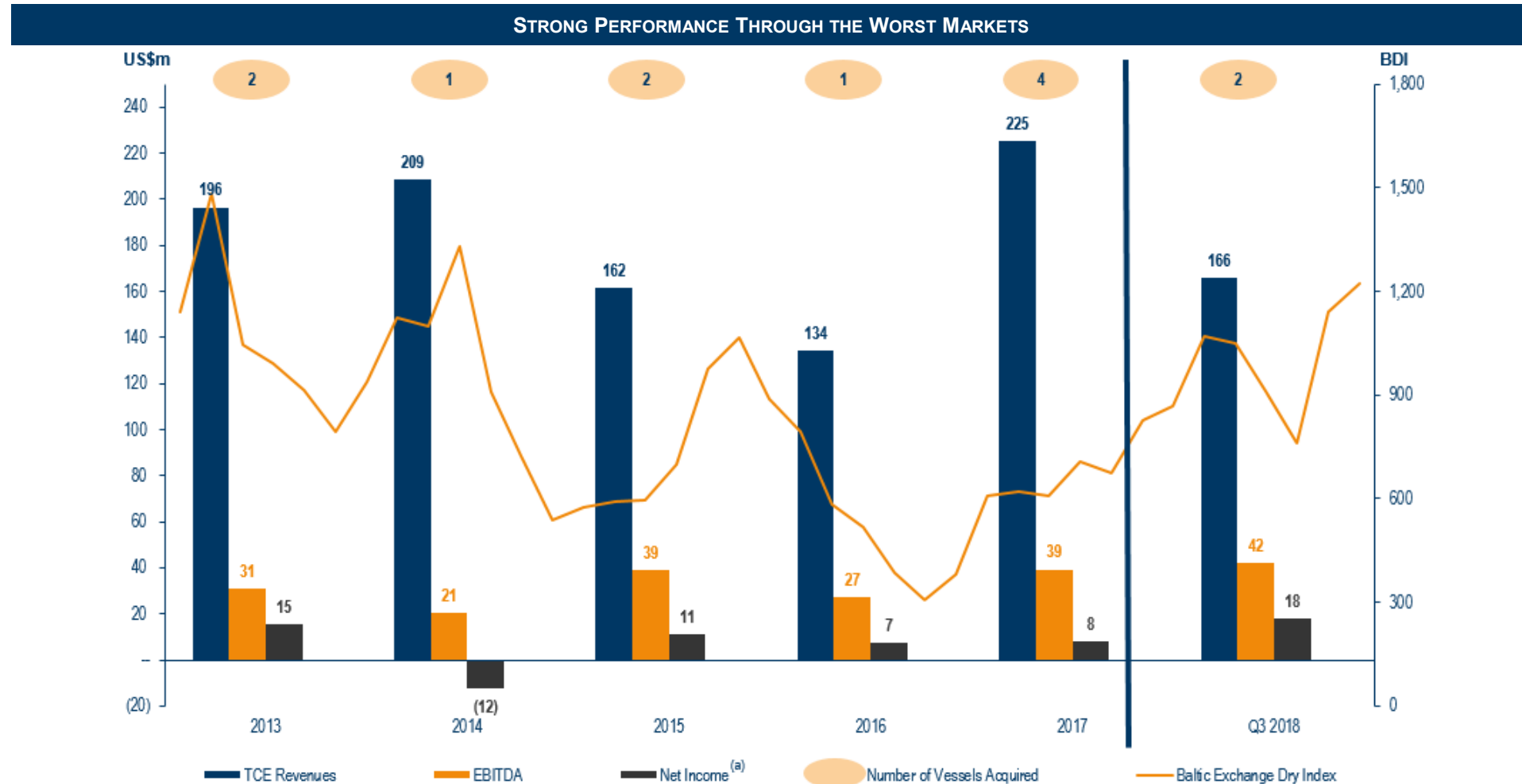
b Pangaea opex = vessel operating expense / by owned and bareboat charter days. Market average = Moore Stephens market weighted average opex of Panamax and Handymax

c SG&A adjusted for non-cash expenses / total shipping days



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Management has consistently demonstrated an ability to execute a long-term strategy through the dry bulk cycle



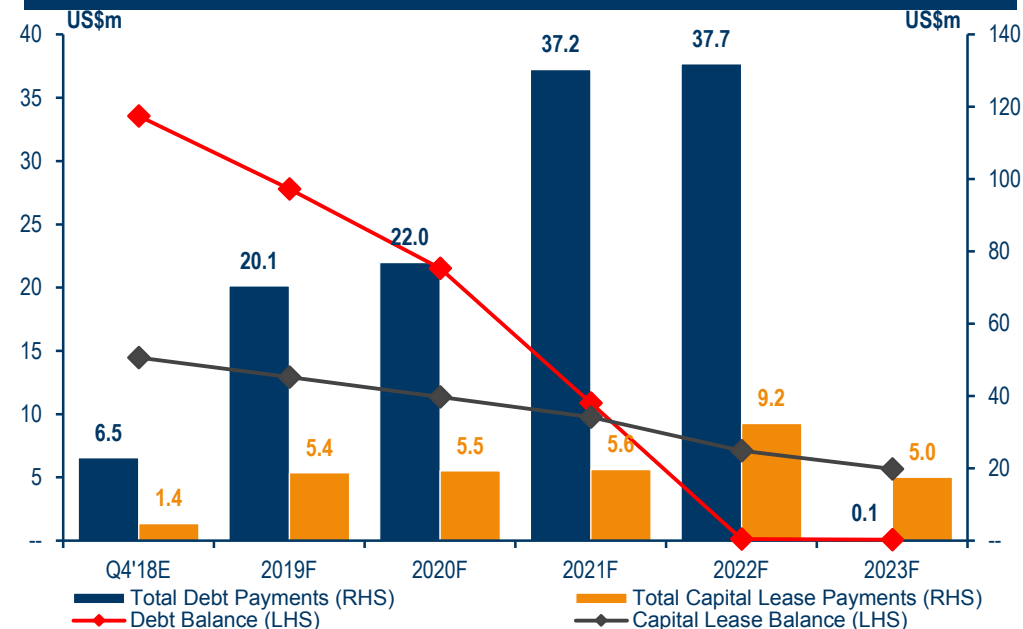
Source: Company report, Investor presentation
a Net income to Pangaea (less non-controlling interest)

PANGAEA LOGISTICS SOLUTIONS LTD.

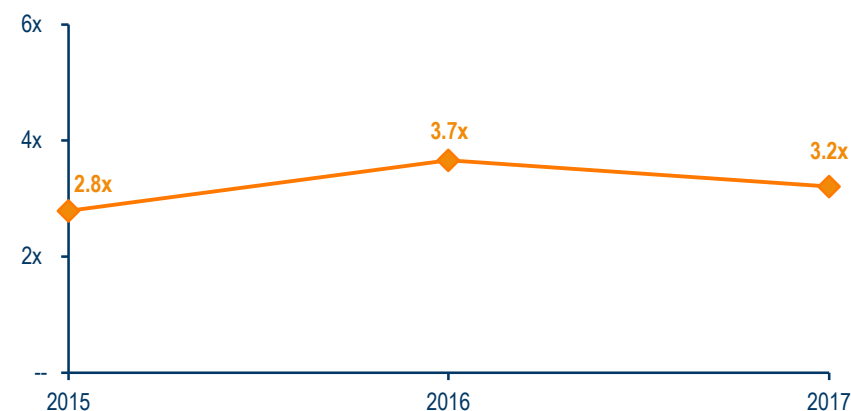
CONSOLIDATED BALANCE SHEET

US\$m	Q3'18
Cash and Cash Equivalents	50.8
Accounts receivable	26.8
Bunker inventory	20.9
Advance hire, prepaid expenses, other current assets	14.1
Current Assets	112.6
Restricted Cash	2.5
Fixed Assets	282.6
Vessels under capital lease	56.1
Non-Current Assets	341.2
Total Assets	453.8
Accounts payable, accrued expenses, other current liabilities	30.1
Related party debt	3.7
Deferred revenue	11.0
Current portion of secured, long-term debt	17.8
Current portion of capital lease obligations	5.3
Dividend payable	5.2
Current Liabilities	73.1
Secured Long-term debt	101.8
Obligations under Capital Lease	47.0
Non-Current Liabilities	148.8
Total Pangaea Logistics Solutions Ltd. Equity	162.2
Non-Controlling Interest	69.7
Total Stockholder's Equity	232.0
Total Liabilities and Stockholder's Equity	453.8

FORECASTED DEBT PROFILE



NET LEVERAGE (A)



THANK YOU

