

SECOND QUARTER 2019 EARNINGS CONFERENCE CALL PRESENTATION



PANGAEA
LOGISTICS SOLUTIONS



SAFE HARBOR

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BUSINESS HIGHLIGHTS

Q2-2019 Results

Consistent Performance

- Adjusted EBITDA of \$11.3 million
- Net income of \$4.0 million
- \$43.7 million cash, restricted cash and cash equivalents

Fleet

Working Fleet

- 21 drybulk ships and one barge in owned and controlled fleet

Operations

Extensive and varied experience

- Operating 40 vessels on average during Q2-2019
- 6 million tons carried; 104 voyages performed for 50 clients

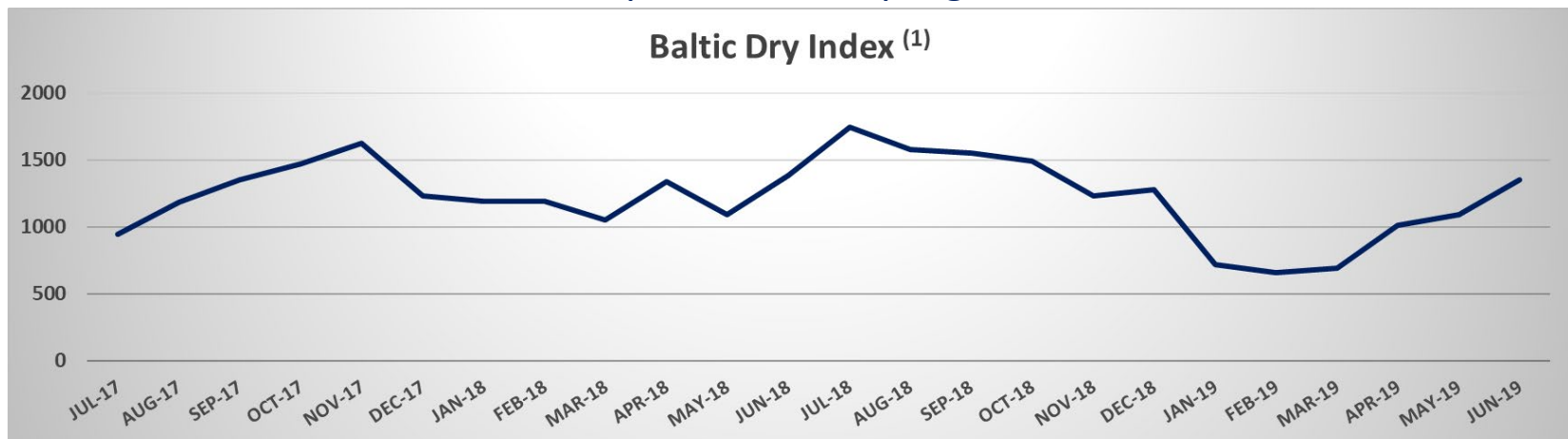
1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessel, and when applicable, loss on impairment of vessels and certain non-recurring items.

DRIVERS OF PERFORMANCE

Customer Focus: Long-term, fixed contract employment and recurring business with new and longstanding customers

Targeted Business: Specialty tonnage provides superior returns – 49% premium over average market rates in Q2 – 2019

Rate Environment: The Baltic Dry Index average declined quarter over quarter, but rates improved as Q2 progressed.



⁽¹⁾ Per reported indices



FINANCIAL HIGHLIGHTS

- Net income attributable to Pangaea Logistics Solutions Ltd. approximately \$4.0 million for three months ended June 30, 2019 as compared to approximately \$5.8 million for the same period of 2018.
- Earnings per share were \$0.09 as compared to \$0.13 for the three months ended June 30, 2018.
- Pangaea's TCE rates were \$12,933 for the three months ended June 30, 2019 while the market average for the second quarter of 2019 was approximately \$8,665, giving the Company an overall average premium over market rates of approximately \$4,268 or 49%. The Company's long-term COAs, cargo focus, and specialized fleet give rise to this premium.
- At the end of the quarter, Pangaea had \$43.7 million in cash, restricted cash and cash equivalents.
- Initiated and paid quarterly cash dividend of \$0.035 per common share



SELECTED INCOME STATEMENT DATA

(in thousands)

	Three months ended March 30,		Six months ended September 30,	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Voyage revenue	\$ 77,430	\$ 81,848	\$ 143,281	\$ 152,167
Charter revenue	5,861	14,976	19,553	23,630
	83,291	96,823	162,835	175,796
Expenses:				
Voyage expense	37,224	38,027	69,399	68,196
Charter hire expense	18,317	30,684	43,265	53,380
Vessel operating expenses	11,075	10,047	20,829	19,896
General and administrative	5,359	4,379	9,393	8,507
Depreciation and amortization	4,491	4,391	8,869	8,729
Loss on sale of vessels	-	860	-	860
Total expenses	76,467	88,388	151,753	159,568
Income from operations	6,824	8,435	11,081	16,229
Total other expense, net	(1,665)	(1,562)	(1,441)	(3,821)
Net income	5,159	6,873	9,640	12,408
Income attributable to noncontrolling interests	(1,127)	(1,100)	(1,905)	(2,310)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 4,032	\$ 5,773	\$ 7,735	\$ 10,098
Adjusted EBITDA ⁽¹⁾	\$ 11,315	\$ 13,686	\$ 19,950	\$ 25,818

1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessel, and when applicable, loss on impairment of vessels and certain non-recurring items.



SELECTED BALANCE SHEET & CASH FLOW DATA

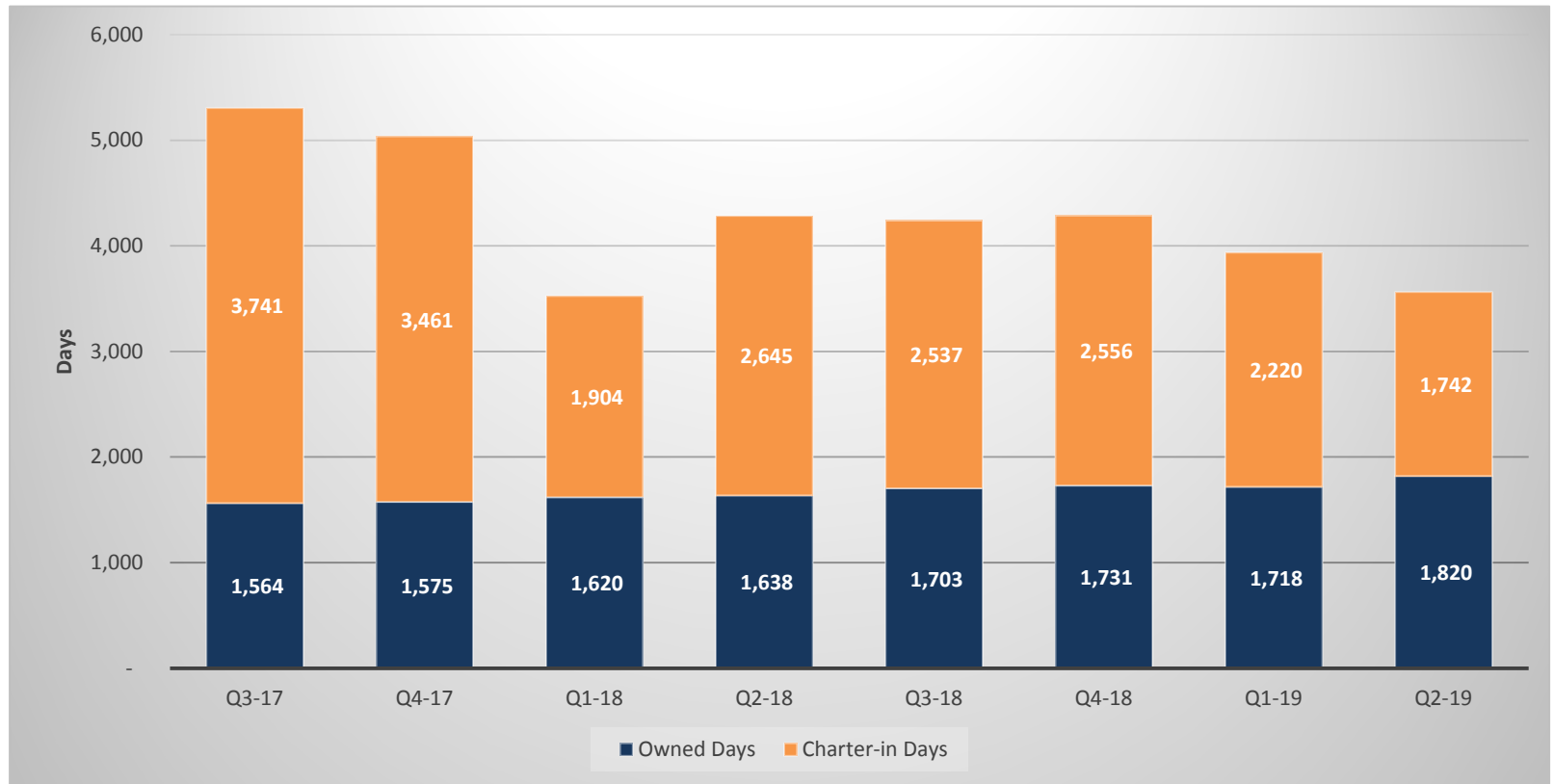
(in thousands)

	June 30, 2019 (unaudited)	December 31, 2018
Current Assets		
Cash and cash equivalents	\$ 41,161	\$ 53,615
Accounts receivable, net	15,996	28,482
Other current assets	35,941	31,410
Total current assets	93,098	113,506
Restricted Cash	2,500	2,500
Fixed assets, including finance lease right of use assets, net	301,097	281,356
Investment in newbuildings in-process	7,657	-
Right of Use Asset	54,864	56,113
Total assets	\$ 459,216	\$ 453,475
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 31,169	\$ 31,898
Related party debt	1,186	2,878
Current portion of long-term debt and finance lease liabilities	21,585	25,493
Other current liabilities	10,679	18,781
Total current liabilities	64,619	79,049
Secured long-term debt and capital lease obligations, net	156,903	141,059
Total Pangaea Logistics Solutions Ltd. equity	168,777	161,688
Non-controlling interests	68,917	71,679
Total stockholders' equity	237,694	233,367
Total liabilities and shareholders' equity	\$ 459,216	\$ 453,475
Cash flow data		
	June 30, 2019 (unaudited)	June 30, 2018 (unaudited)
Net cash provided by operations	\$ 19,584	\$ 20,806
Net cash used in investing activities	\$ (33,495)	\$ (2,846)
Net cash provided by (used in) financing activities	\$ 1,457	\$ (4,072)

The amounts in the table below have been calculated based on unrounded numbers. Accordingly, certain amounts may not sum due to the effect of rounding.



TOTAL SHIPPING DAYS

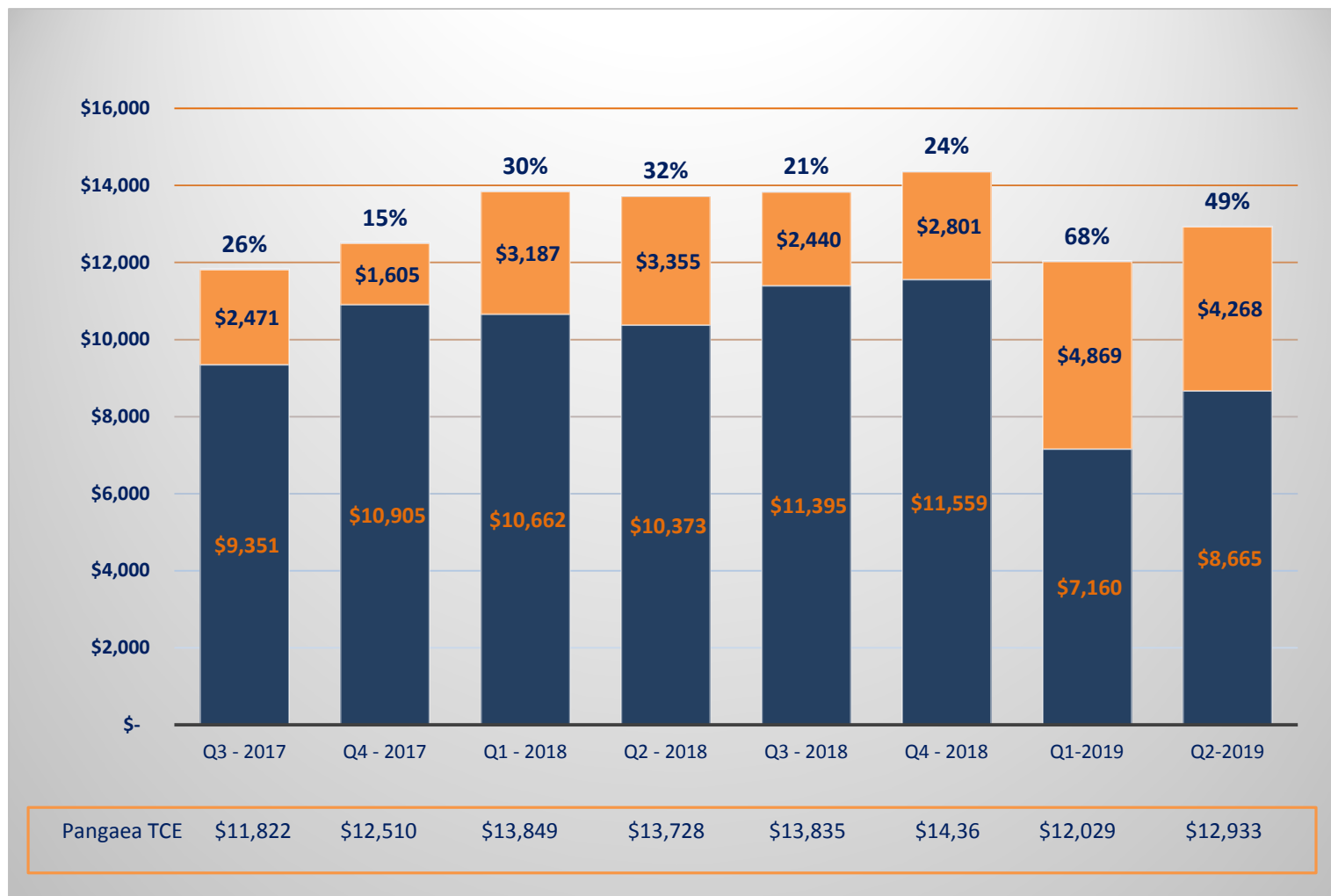


Capital Efficiency: Leveraged owned fleet by chartering-in market vessels

Flexibility: Short-term charters allow us to react quickly and take advantage of arbitrage opportunities



PANGAEA TCE v. AVERAGE MARKET TCE

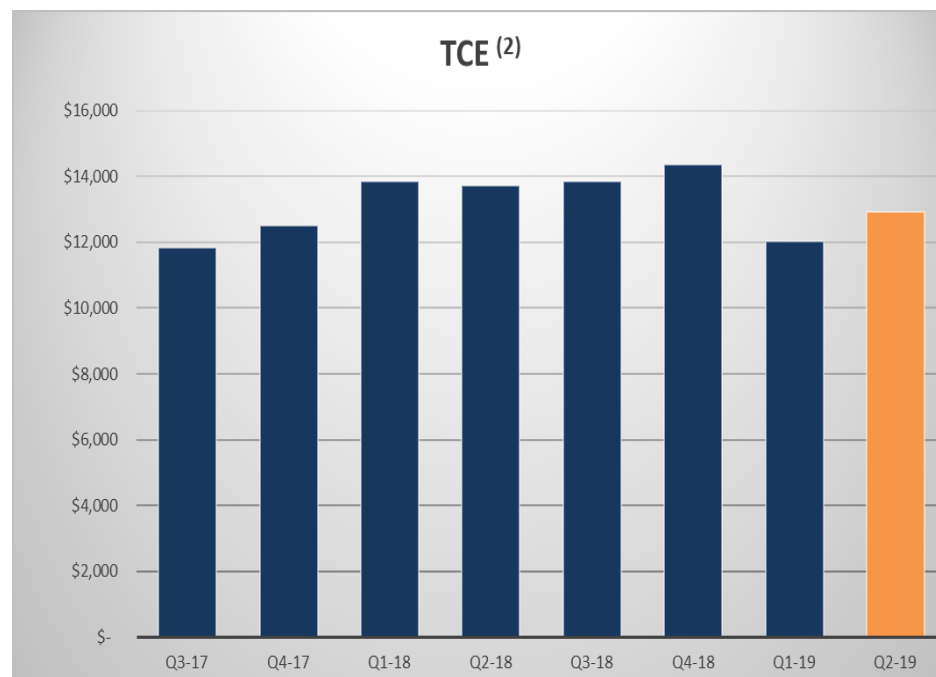
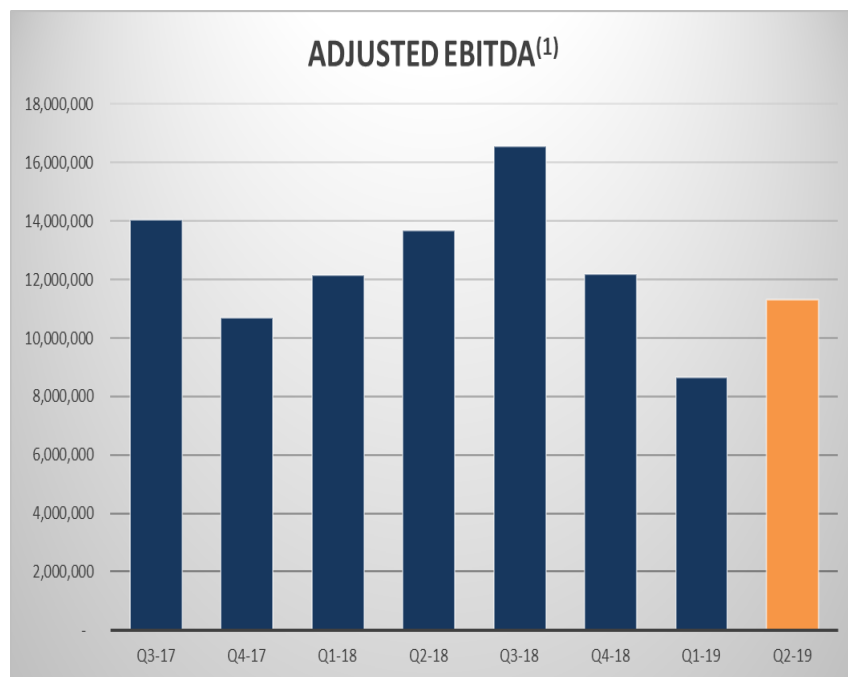


Consistently outperforming against average Panamax and Supramax index

**Average of the published Panamax and Supramax index net of commission*



FINANCIAL PERFORMANCE Q3-2017 THROUGH Q2-2019

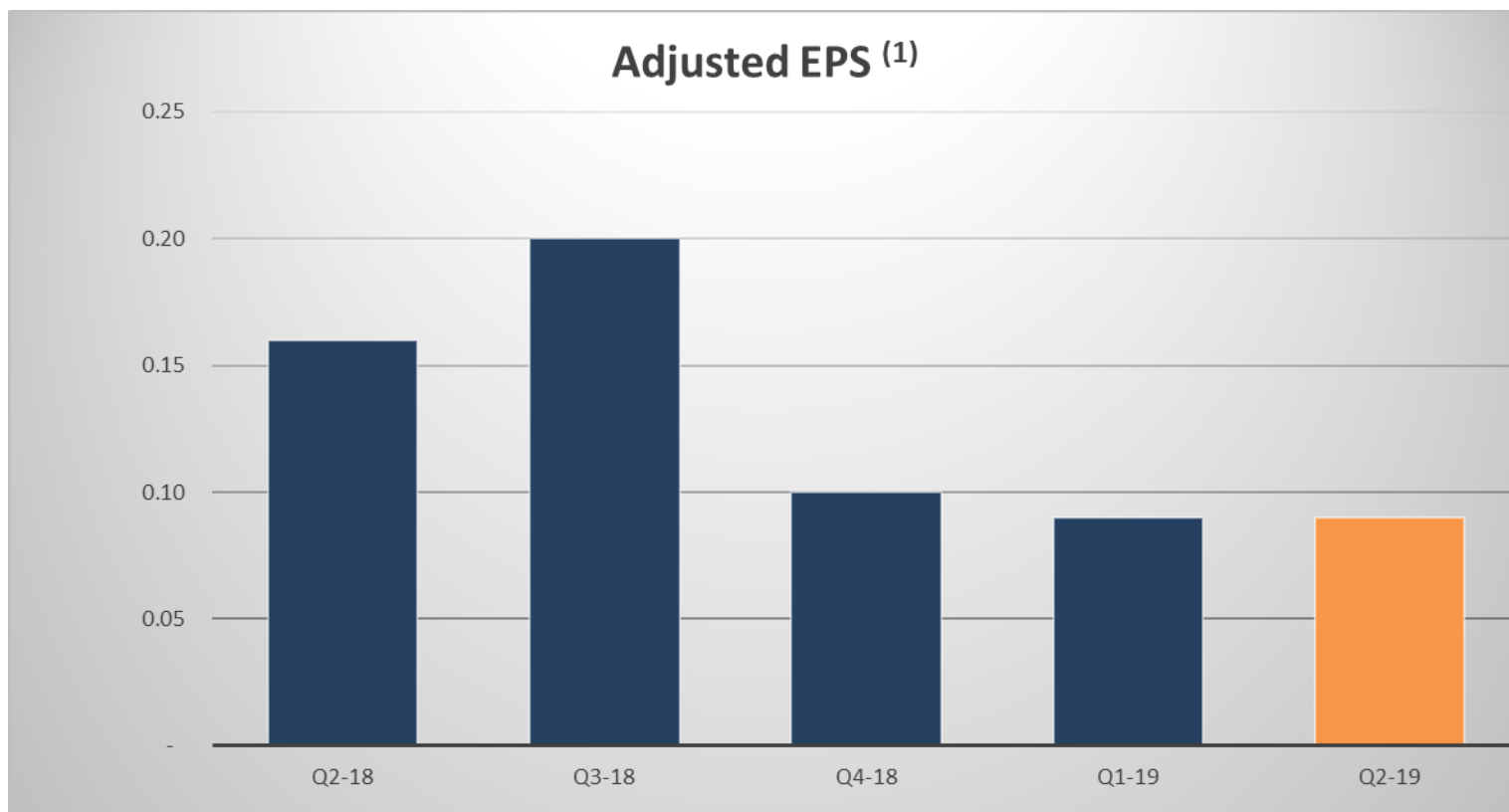


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessels, and when applicable, loss on impairment of vessels and certain non-recurring items.
- 2) **TCE** is defined as total revenues less voyage expenses divided by the number of shipping days, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per-day amounts while charter hire rates for vessels on time charters generally are expressed in per-day amounts.



ADJUSTED EARNINGS PER COMMON SHARE

Adjusted EPS total of \$0.64 since Q2 2018



⁽¹⁾ Adjusted earnings per share represents net income attributable to Pangaea Logistics Solutions Ltd. plus, when applicable, loss on sale and leaseback of vessel, loss on impairment of vessel, gains and losses on derivative instruments, and certain non-recurring charges, divided by the weighted average number of shares of common stock.

