

---

# FOURTH QUARTER 2019 EARNINGS CONFERENCE CALL PRESENTATION



**PANGAEA**  
LOGISTICS SOLUTIONS



---

## SAFE HARBOR

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future financial performance, future growth and future acquisitions. These statements are based on Pangaea's and managements' current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, and other risks and uncertainties affecting the operation of Pangaea's business. These risks, uncertainties and contingencies include: business conditions; weather and natural disasters; changing interpretations of GAAP; outcomes of government reviews; inquiries and investigations and related litigation; continued compliance with government regulations; legislation or regulatory environments; requirements or changes adversely affecting the business in which Pangaea is engaged; fluctuations in customer demand; management of rapid growth; intensity of competition from other providers of logistics and shipping services; general economic conditions; geopolitical events and regulatory changes; and other factors set forth in Pangaea's filings with the Securities and Exchange Commission and the filings of its predecessors. The information set forth herein should be read in light of such risks. Further, investors should keep in mind that certain of Pangaea's financial results are unaudited and do not conform to SEC Regulation S-X and as a result such information may fluctuate materially depending on many factors. Accordingly, Pangaea's financial results in any particular period may not be indicative of future results. Pangaea is not under any obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.



# BUSINESS HIGHLIGHTS

## Q4-2019 Results

### Consistent Performance

- Adjusted EBITDA of \$13.5 million
- Net loss of \$4.4 million
- \$53.1 million cash, restricted cash and cash equivalents

## Fleet

### Working Fleet

- 20 drybulk ships and one barge in owned and controlled fleet during Q4 2019

## Operations

### Extensive and varied experience

- Operating 57 vessels on average during Q4 2019
- 6.9 million tons carried; 131 voyages performed for 71 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.

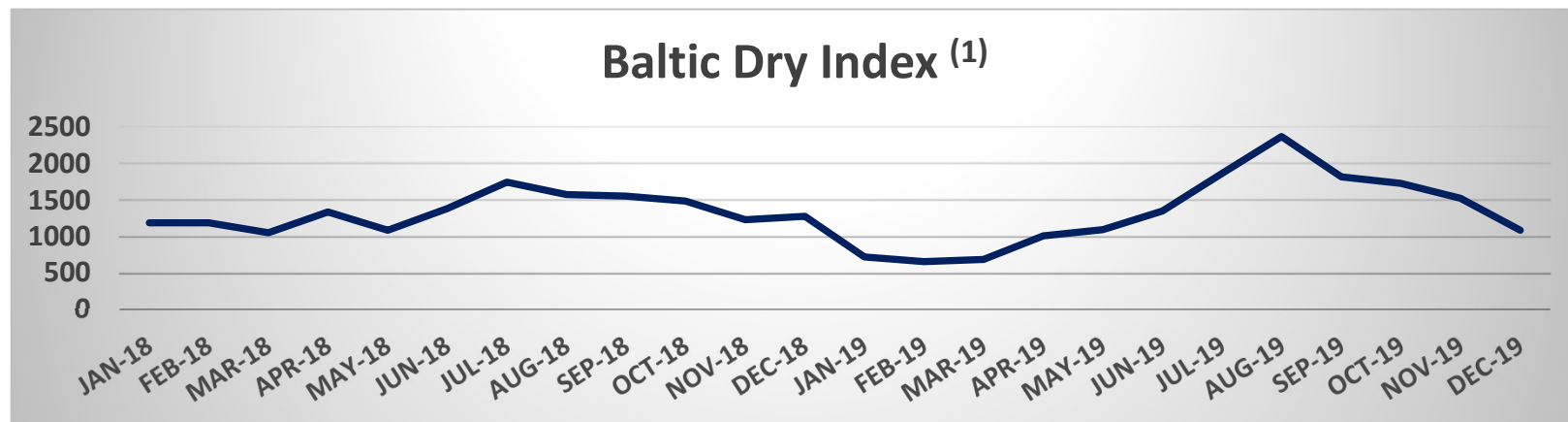


## DRIVERS OF PERFORMANCE

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

**Targeted Business:** Specialty tonnage provides superior returns – 40% premium over average market rates in Q4 – 2019

**Rate Environment:** The Baltic Dry Index average increased in the fourth quarter compared to prior year.



<sup>(1)</sup> Per reported indices



---

## FINANCIAL HIGHLIGHTS

- Pangaea's TCE rate of \$15,172 for the three months ended December 31, 2019 was \$4,353 or 40% over comparable market index averages.
- Total revenue increased to \$130.5 million for the three months ended December 31, 2019, from \$101.8 million for the three months ended December 31, 2018.
- Adjusted EBITDA increased to \$13.5 million for the three months ended December 31, 2019, from \$12.2 million for the three months ended December 31, 2018.
- At the end of the quarter, Pangaea had \$53.1 million in cash, restricted cash and cash equivalents.



# SELECTED INCOME STATEMENT DATA

(in thousands)

	Three months ended December 31,		Twelve months ended December 31,	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Revenues:				
Voyage revenue	\$ 118,627	\$ 85,774	\$ 365,715	\$ 319,753
Charter revenue	11,851	16,055	46,483	53,217
	<b>130,478</b>	101,829	<b>412,198</b>	372,970
Expenses:				
Voyage expense	50,978	40,266	165,479	145,146
Charter hire expense	47,706	35,045	132,950	116,958
Vessel operating expenses	13,106	10,070	45,266	39,830
General and administrative	5,218	4,273	17,379	16,484
Depreciation and amortization	5,008	4,480	18,529	17,621
Loss on impairment of vessels	4,751	-	4,751	-
Loss on sale of vessels	4,585	-	4,585	-
Loss on sale and leaseback of vessels	-	-	-	860
Total expenses	<b>131,351</b>	94,135	<b>388,940</b>	336,900
(Loss)/income from operations	<b>(873)</b>	7,694	<b>23,258</b>	36,071
Total other expense, net	<b>(2,137)</b>	(6,518)	<b>(6,209)</b>	(12,089)
Net (loss)/income	<b>(3,010)</b>	1,177	<b>17,049</b>	23,982
Income attributable to noncontrolling interests	<b>(1,389)</b>	(1,795)	<b>(5,391)</b>	(6,225)
Net (loss)/income attributable to Pangaea Logistics Solutions Ltd.	<b>\$ (4,399)</b>	\$ (618)	<b>\$ 11,658</b>	\$ 17,757
Adjusted EBITDA <sup>(1)</sup>	<b>\$ 13,471</b>	\$ 12,175	<b>\$ 51,124</b>	\$ 54,552

- 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

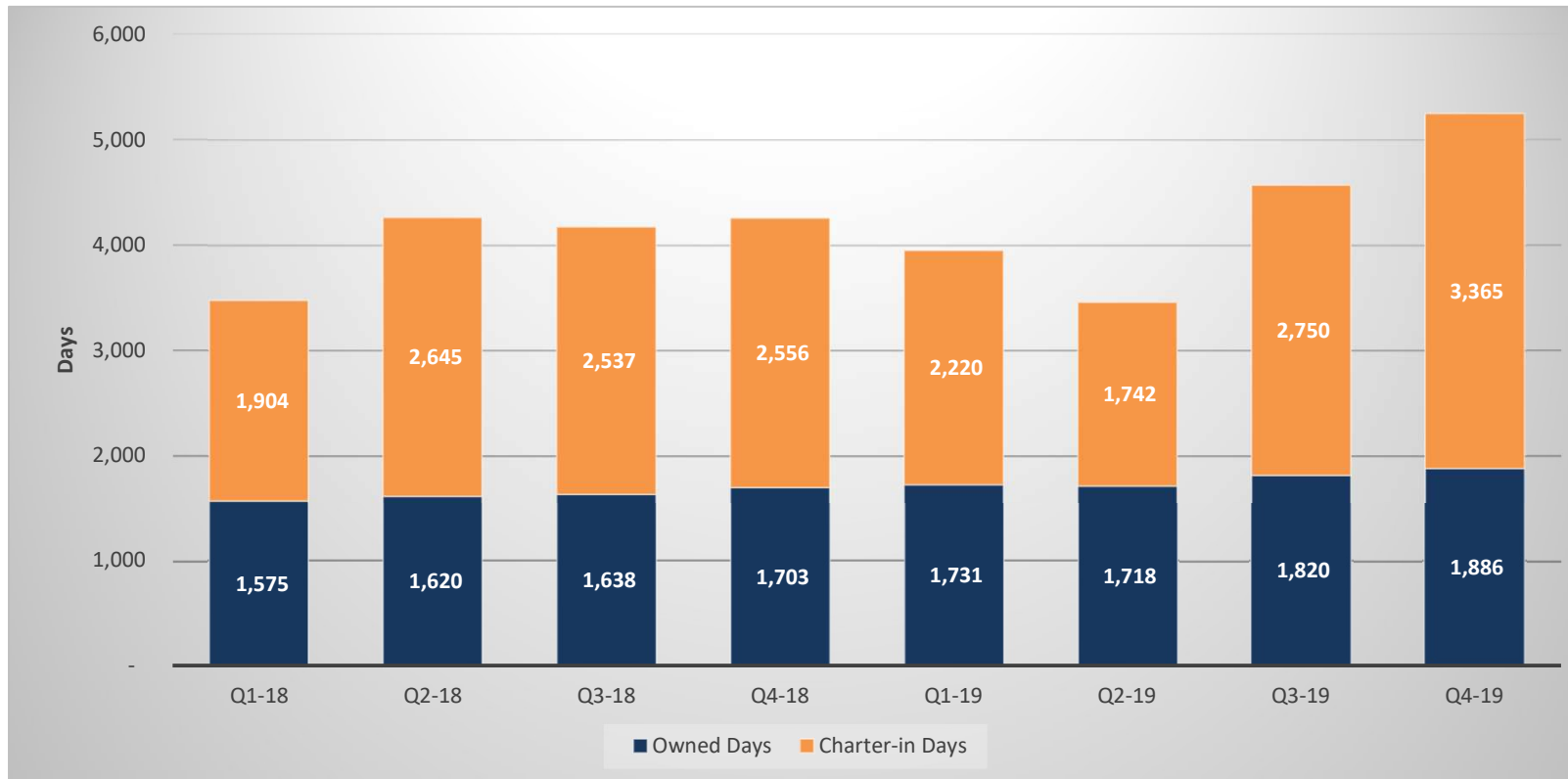
(in thousands)

	December 31, 2019	December 31, 2018
<b>Current Assets</b>		
Cash and cash equivalents	\$ 50,555	\$ 53,615
Accounts receivable, net	28,309	28,482
Other current assets	48,091	31,410
<b>Total current assets</b>	<b>126,955</b>	<b>113,506</b>
 Restricted cash	 2,500	 2,500
Fixed assets, including finance lease right of use assets, net	335,090	337,468
	15,357	
<b>Total assets</b>	<b>\$ 479,903</b>	<b>\$ 453,475</b>
 <b>Current liabilities</b>		
Accounts payable, accrued expenses and other current liabilities	\$ 39,974	\$ 31,898
Related party debt	333	2,878
Current portion long-term debt and finance lease liabilities	35,540	25,493
Other current liabilities	15,008	18,781
<b>Total current liabilities</b>	<b>90,855</b>	<b>79,049</b>
 Secured long-term debt and finance lease liabilities, net	 141,148	 141,059
Other long-term liabilities	4,828	-
 Total Pangaea Logistics Solutions Ltd. equity	 170,246	 161,688
Non-controlling interests	72,826	71,679
Total stockholders' equity	243,072	233,367
<b>Total liabilities and stockholders' equity</b>	<b>\$ 479,903</b>	<b>\$ 453,475</b>
 <b>Cash flows for the years ended:</b>	 <b>December 31, 2019</b>	 <b>December 31, 2018</b>
Net cash provided by operating activities	\$ 44,459	\$ 40,135
Net cash used in investing activities	\$ (46,602)	\$ (17,510)
Net cash used in financing activities	\$ (916)	\$ (5,042)

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



## TOTAL SHIPPING DAYS



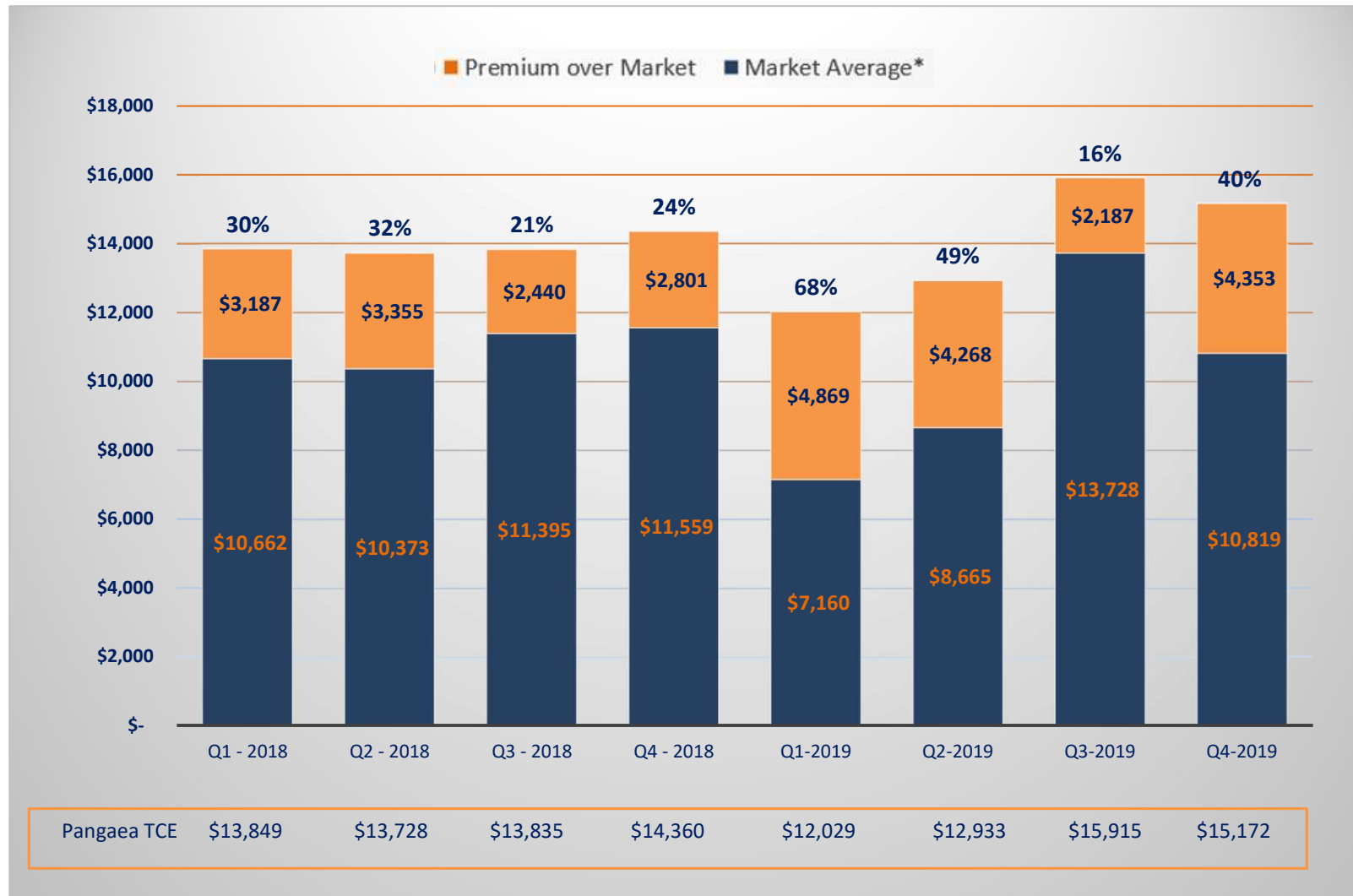
**Capital Efficiency:** Leveraged owned fleet by chartering-in market vessels

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





# PANGAEA TCE v. AVERAGE MARKET TCE

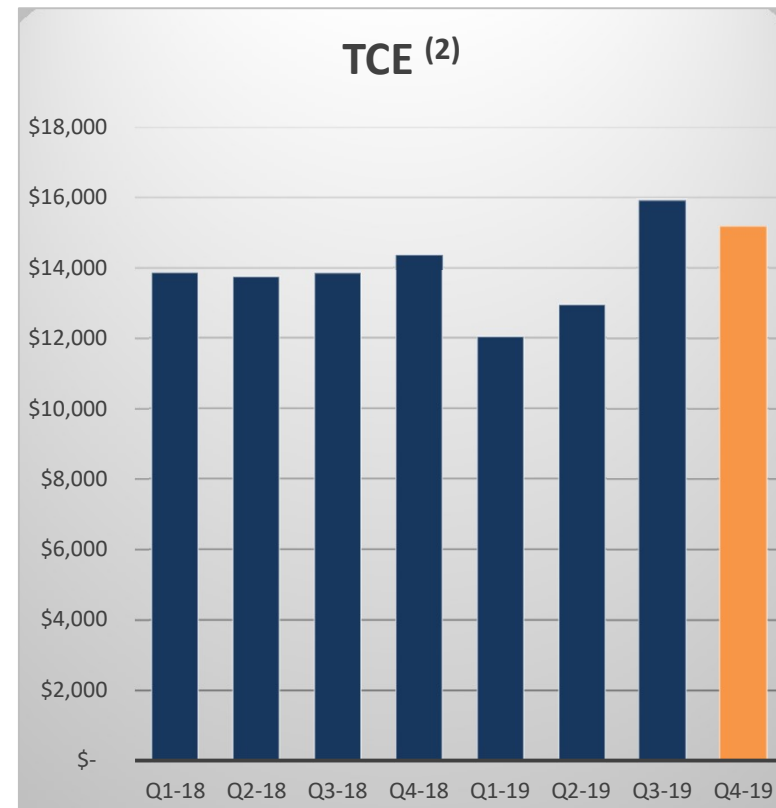
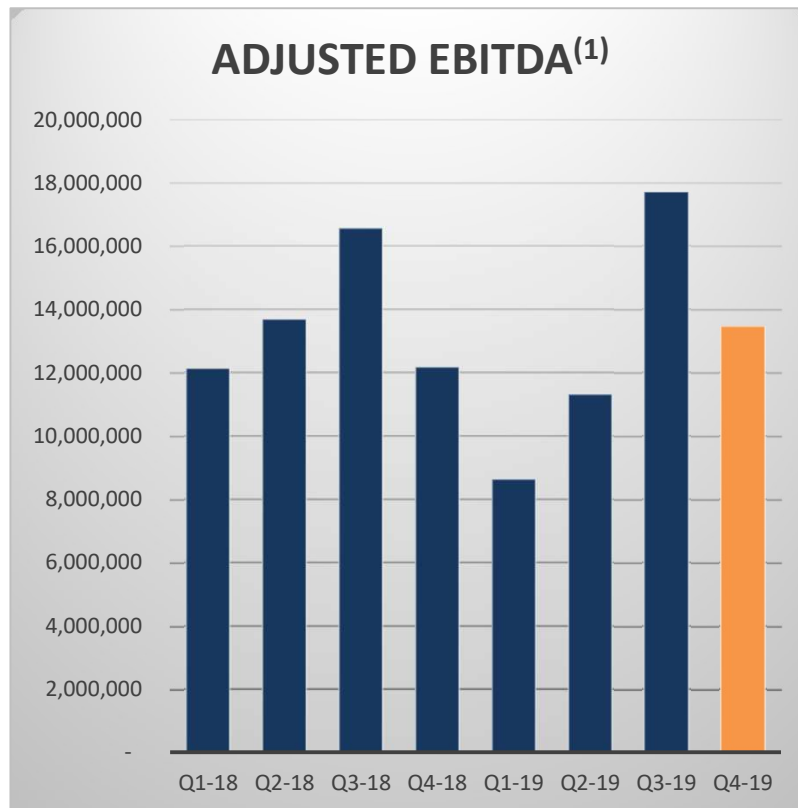


*Consistently outperforming against average Panamax and Supramax index*

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



# FINANCIAL PERFORMANCE Q1-2018 THROUGH Q4-2019

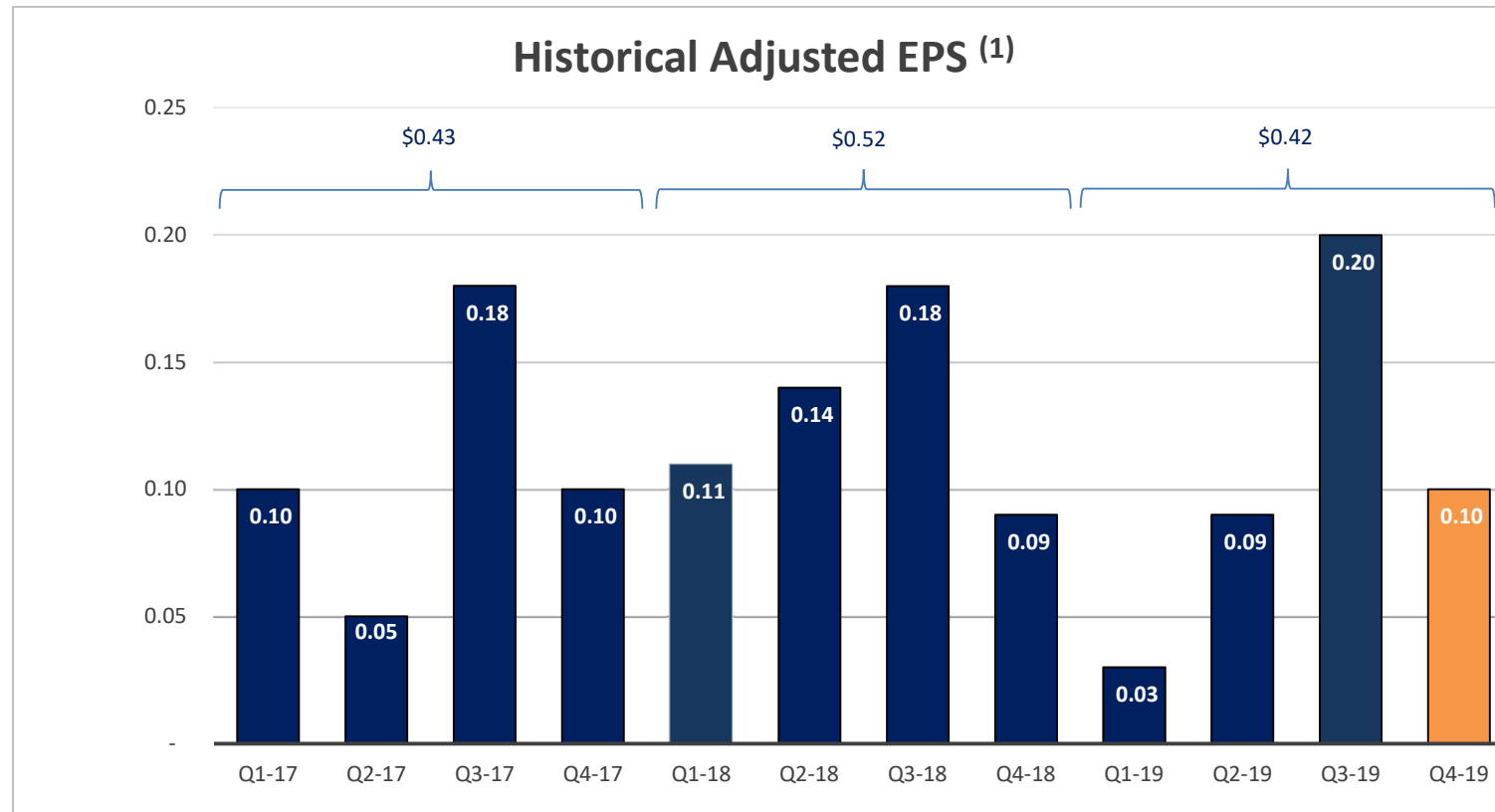


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessels, and when applicable, loss on impairment of vessels and certain non-recurring items.
- 2) **TCE** is defined as total revenues less 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 \$0.42 for 2019



<sup>(1)</sup> 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.

