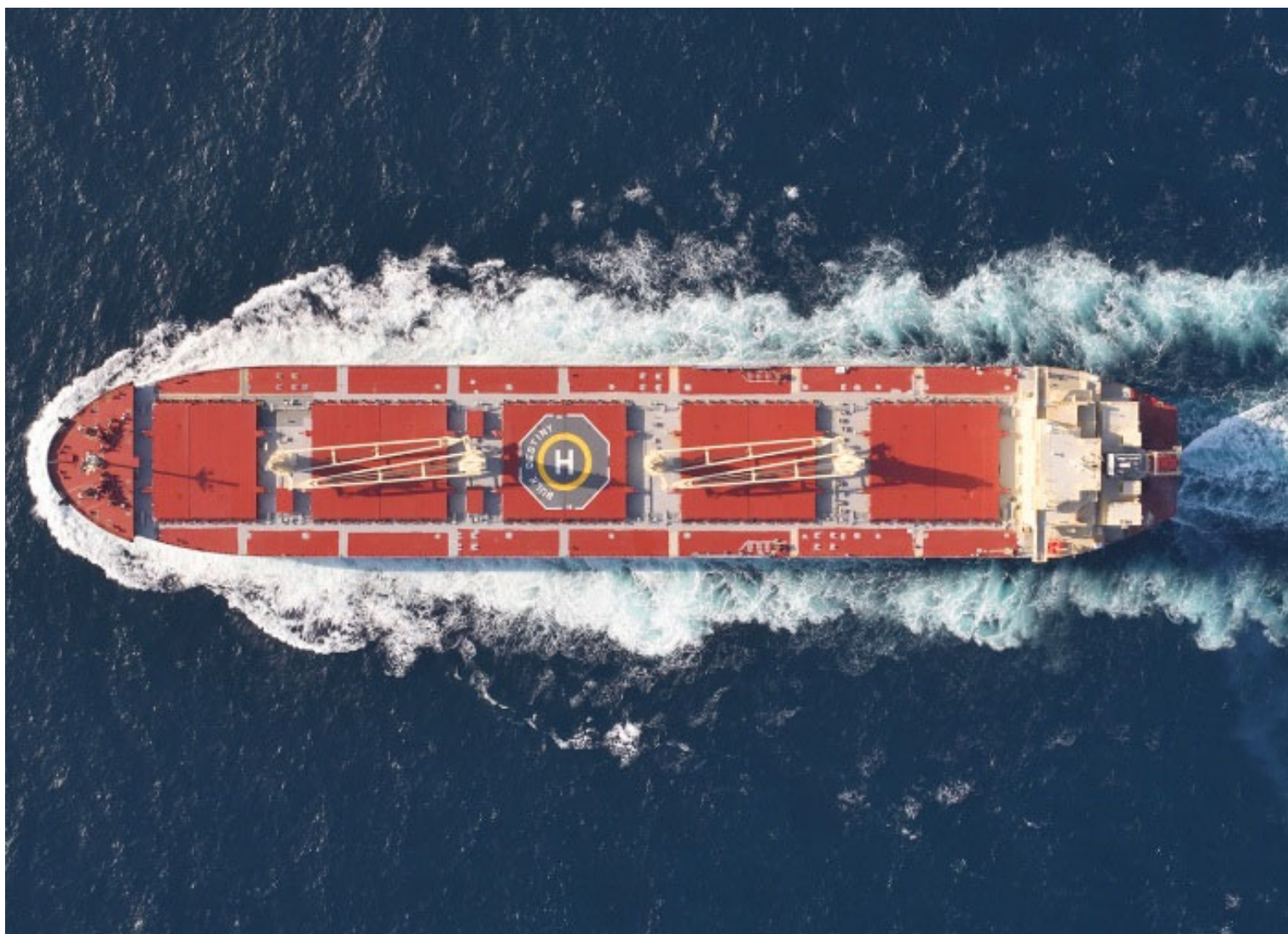


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# FIRST QUARTER 2020 EARNINGS CONFERENCE CALL PRESENTATION



**PANGAEA**  
LOGISTICS SOLUTIONS



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## 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

## Q1-2020 Results

Consistent  
Performance

- Adjusted EBITDA of \$2.9 million
- Net loss of \$6.8 million
- \$42.5 million cash, restricted cash and cash equivalents

## Fleet

Working Fleet

- 18 drybulk ships and one barge in owned and controlled fleet during Q1 2020

## Operations

Extensive and varied  
experience

- Operating 50 vessels on average during Q1 2020
- 6.1 million tons carried; 107 voyages performed for 51 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, share-based compensation, and when applicable, loss on impairment of vessels and certain non-recurring items.

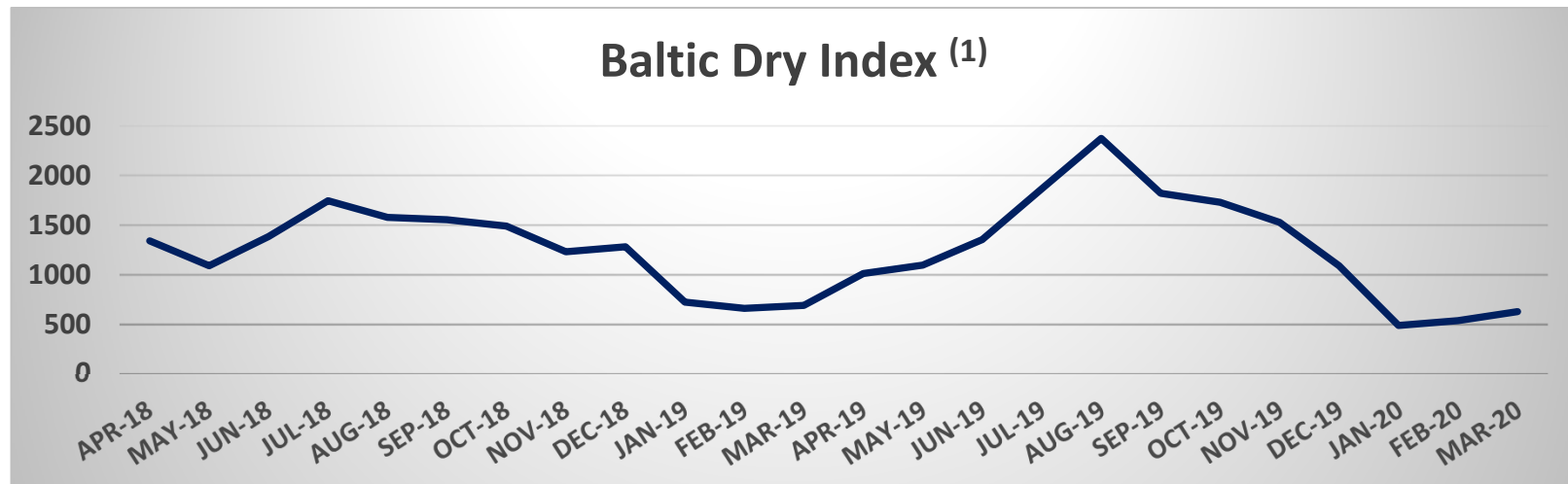


# DRIVERS OF PERFORMANCE

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

**Targeted Business:** Specialty tonnage provides superior returns – 78% premium over average market rates in Q1 – 2020

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



(1) Per reported indices



# FINANCIAL HIGHLIGHTS

- Net loss attributable to Pangaea Logistics Solutions Ltd. was \$6.8 million for three months ended March 31, 2020 as compared to \$3.7 million net income for the same period of 2019.
  - Non-GAAP adjusted net loss attributable to Pangaea Logistics Solutions Ltd. of \$4.0 million as compared to \$1.4 million net income for the three months ended March 31, 2019.
- Net loss per share was \$0.16 for three months ended March 31, 2020 as compared to earnings per share of \$0.09 for the same period of 2019.
  - Adjusted loss per share of \$0.09, compared to adjusted earnings per share of \$0.03 for the three months ended March 31, 2019.
- Pangaea's TCE rates were \$10,508 for the three months ended March 31, 2020 and \$12,029 for the three months ended March 31, 2019 while the market average for the first quarter of 2020 was approximately \$5,920, giving the Company an overall average premium over market rates of approximately \$4,588 or 78%.
- Adjusted EBITDA of \$2.9 million for the three months ended March 31, 2020.
- Total revenue increased to \$95.9 million for the three months ended March 31, 2020, from \$79.5 million for the three months ended March 31, 2019 due to an increase in shipping days.
- At the end of the quarter, Pangaea had \$42.5 million in cash, restricted cash and cash equivalents.





# SELECTED INCOME STATEMENT DATA

(in thousands)

	Three months ended March 31,	
	2020 (unaudited)	2019 (unaudited)
Revenues:		
Voyage revenue	\$ 86,524	\$ 65,851
Charter revenue	9,356	13,693
	<b>95,880</b>	79,544
Expenses:		
Voyage expense	47,796	32,174
Charter hire expense	32,325	24,947
Vessel operating expenses	9,934	9,754
General and administrative	3,993	4,034
Depreciation and amortization	4,242	4,377
Gain on sale of vessels	(78)	-
Total expenses	<b>98,213</b>	75,287
(Loss) income from operations	<b>(2,333)</b>	4,257
Total other expense, net	<b>(4,437)</b>	224
Net (loss) income	<b>(6,770)</b>	4,481
Income attributable to noncontrolling interests	(26)	(778)
Net (loss) income attributable to Pangaea Logistics Solutions Ltd.	<b>\$ (6,795)</b>	<b>\$ 3,703</b>
Adjusted EBITDA <sup>(1)</sup>	<b>\$ 2,934</b>	<b>\$ 9,309</b>

- 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, share-based compensation, and when applicable, loss on impairment of vessels and certain non-recurring items.



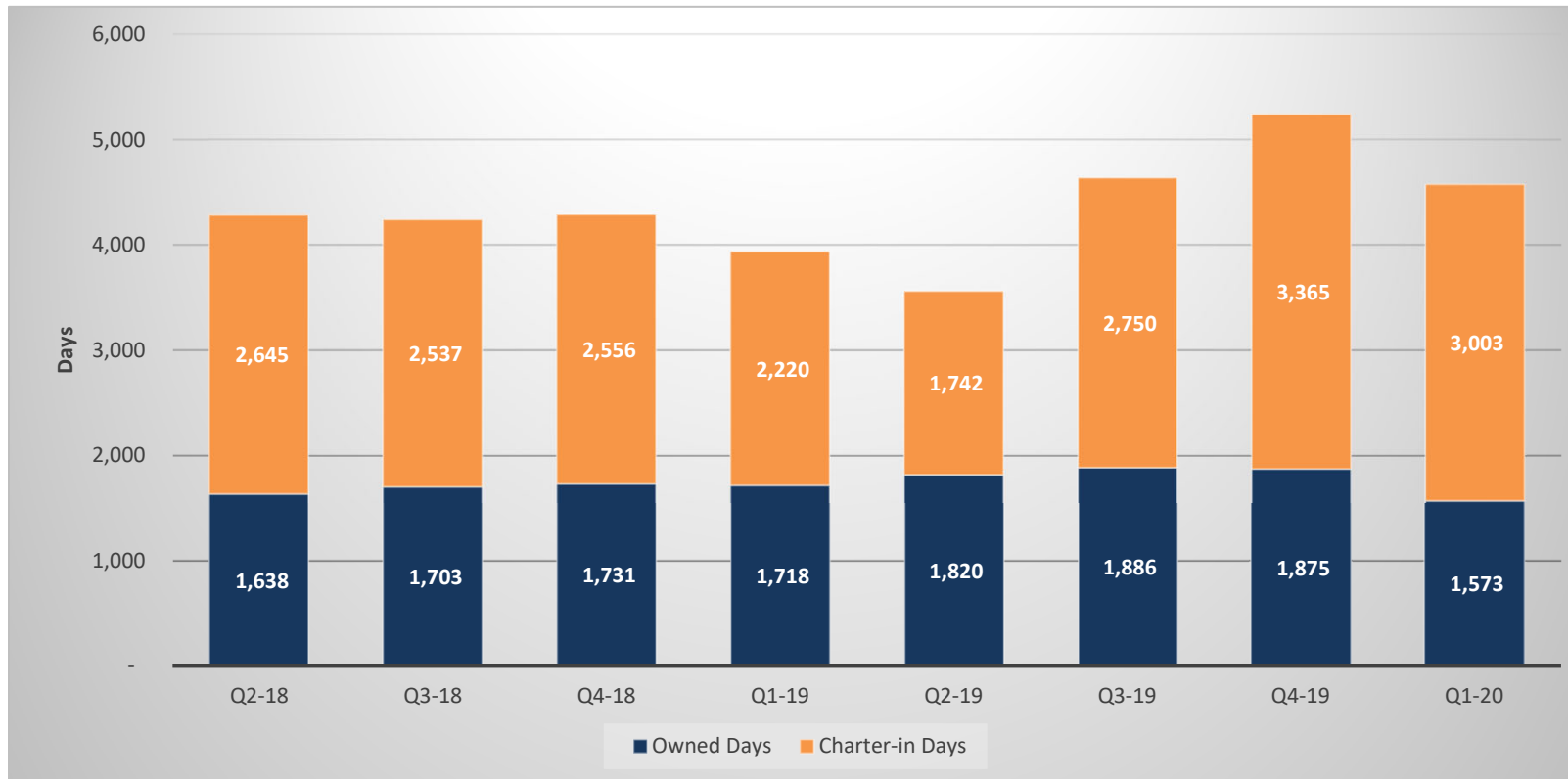
# SELECTED BALANCE SHEET & CASH FLOW DATA

<i>(in thousands)</i>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 39,973	\$ 50,555
Accounts receivable, net	23,140	28,309
Other current assets	37,988	49,091
<b>Total current assets</b>	<u>101,101</u>	<u>127,955</u>
Restricted cash	1,500	1,500
Fixed assets, including finance lease right of use assets, net	334,027	335,090
	15,391	15,357
<b>Total assets</b>	<u>\$ 452,018</u>	<u>\$ 479,903</u>
<b>Current liabilities</b>		
Accounts payable, accrued expenses and other current liabilities	\$ 35,557	\$ 39,974
Related party debt	243	333
Current portion long-term debt and finance lease liabilities	29,143	35,540
Other current liabilities	7,750	15,008
<b>Total current liabilities</b>	<u>72,692</u>	<u>90,855</u>
Secured long-term debt and finance lease liabilities, net	136,912	141,148
Other long-term liabilities	5,053	4,828
Total Pangaea Logistics Solutions Ltd. equity	164,510	170,246
Non-controlling interests	72,851	72,826
Total stockholders' equity	<u>237,362</u>	<u>243,072</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 452,018</u>	<u>\$ 479,903</u>
<b>Cash flows for the years ended:</b>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Net cash (used in) provided by operating activities	\$ (6,845)	\$ 11,960
Net cash provided by (used in) investing activities	\$ 7,452	\$ (11,586)
Net cash (used in) provided by financing activities	\$ (11,190)	\$ 5,134

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



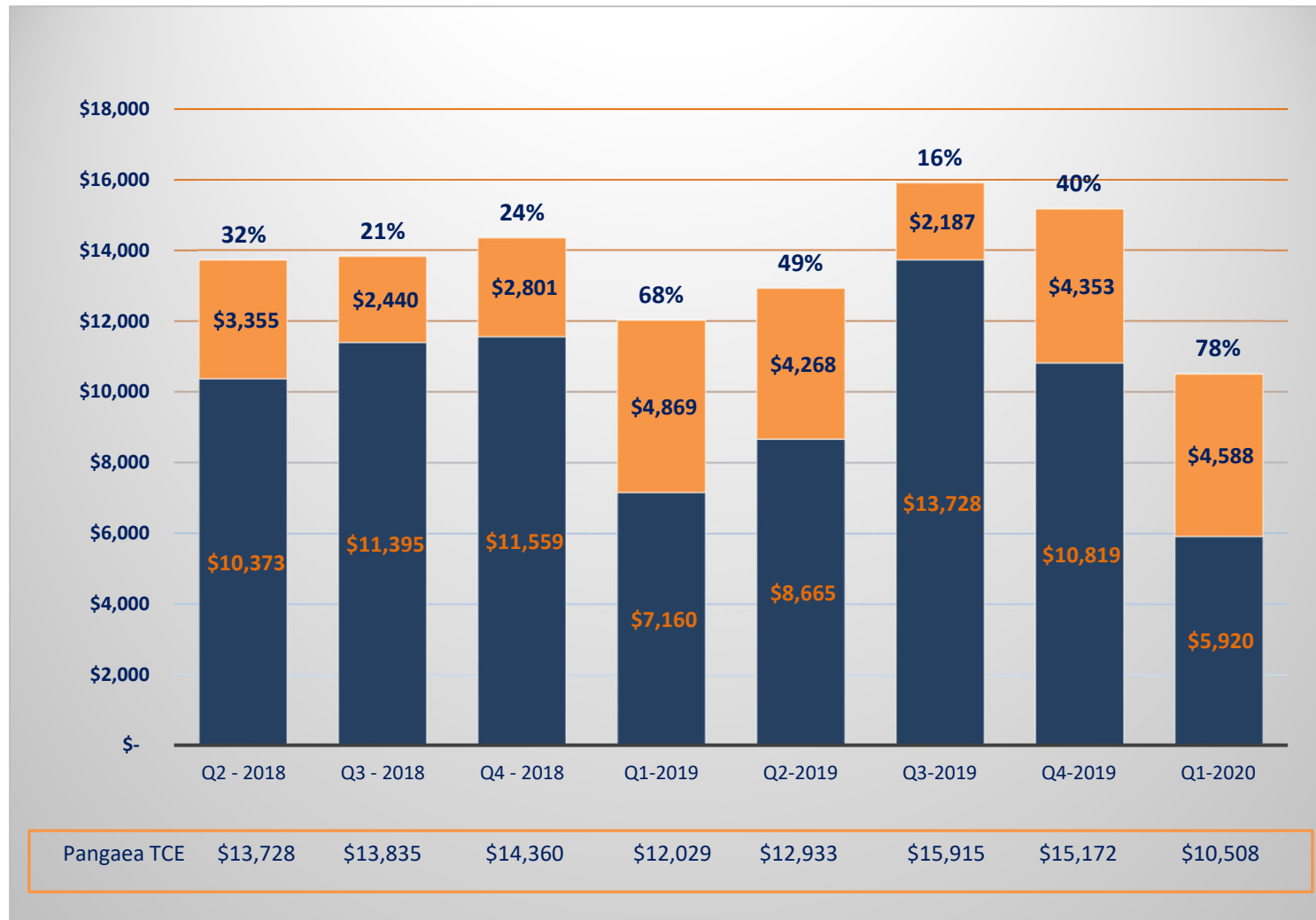
**Capital Efficiency:** Leveraged owned fleet by chartering-in market vessels

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





# PANGAEA TCE v. AVERAGE MARKET TCE

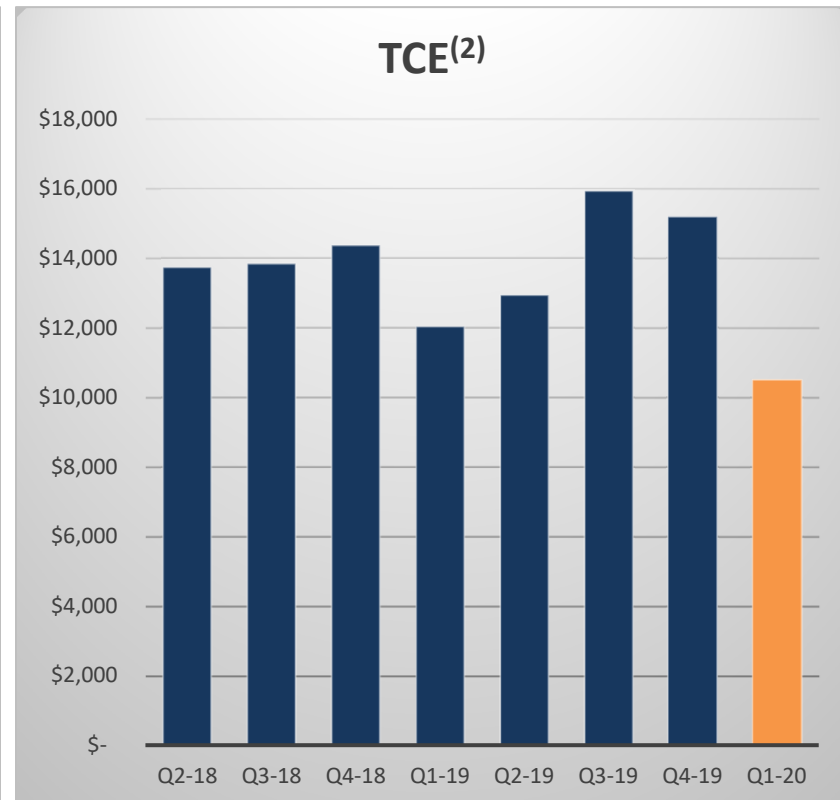
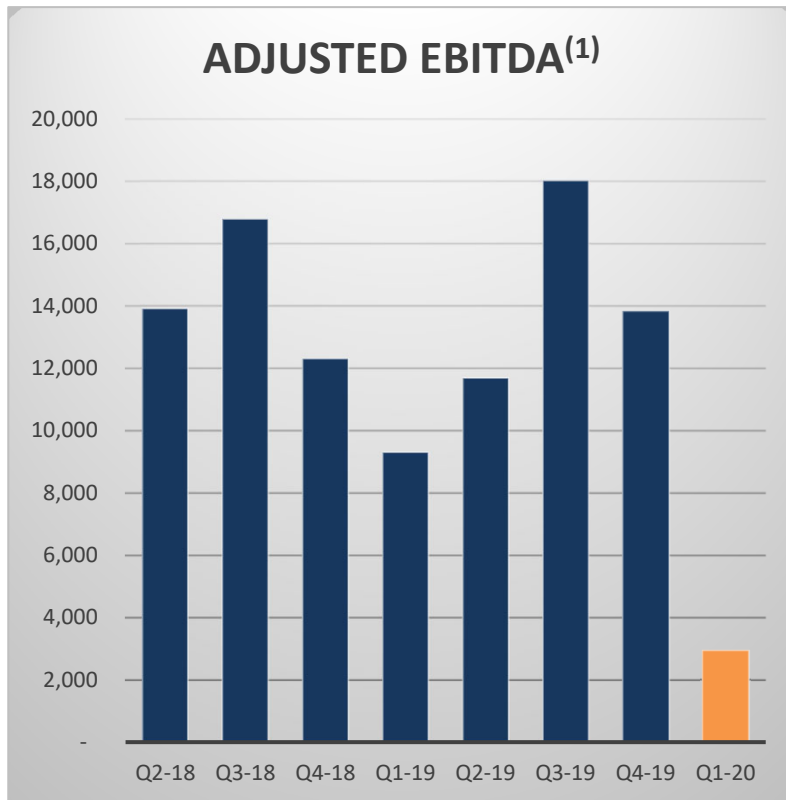


*Consistently outperforming against average Panamax and Supramax index*

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



# FINANCIAL PERFORMANCE Q2-2018 THROUGH Q1-2020

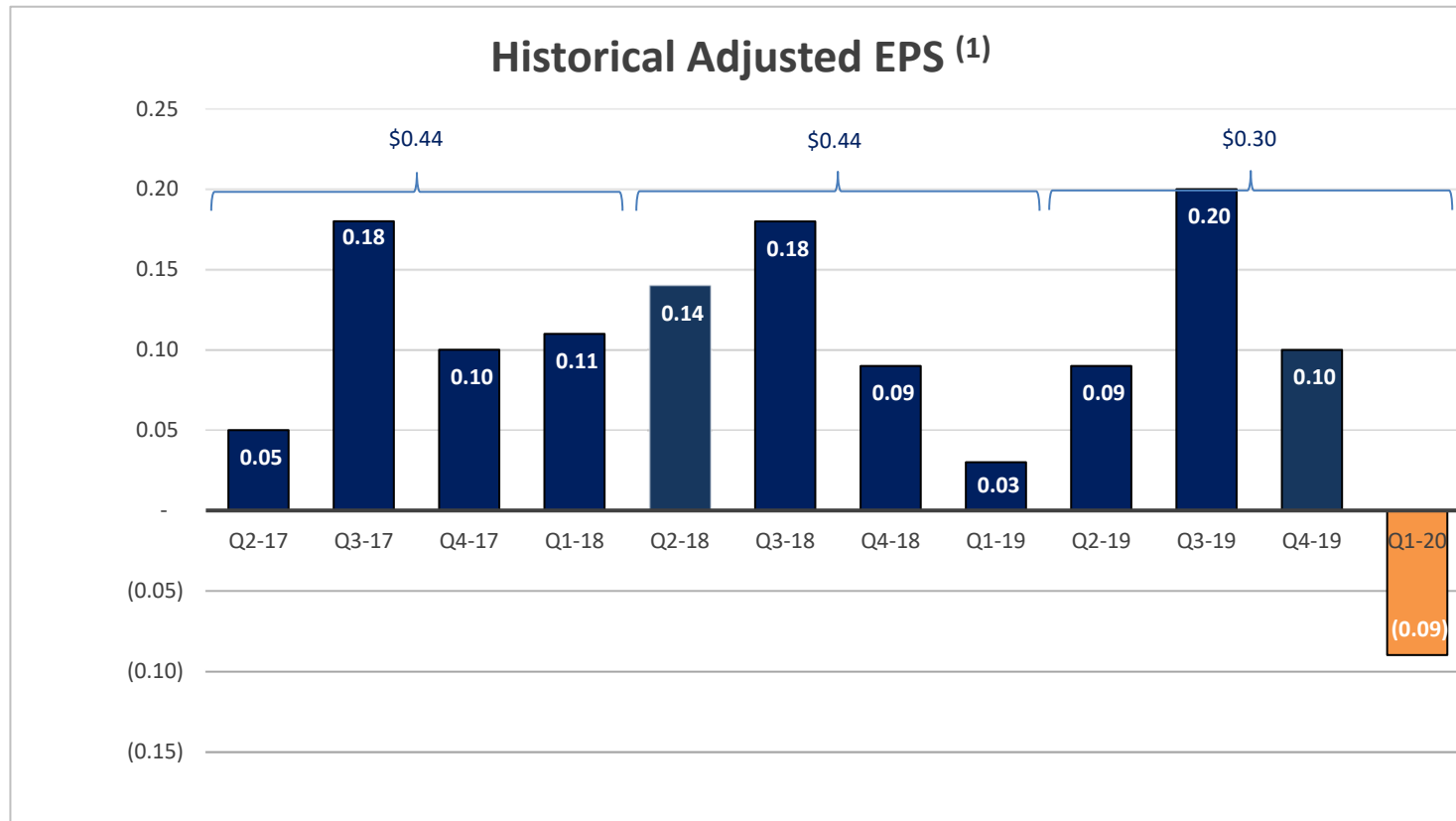


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents operating earnings before interest expense, income taxes, depreciation and amortization, share-based compensation, loss on sale and leaseback of vessels and other non-operating income and/or expense, if any.
- 2) **TCE** is defined as total 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 (\$0.09) for Q1-2020



<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.

