
SECOND QUARTER 2020 EARNINGS CONFERENCE CALL PRESENTATION



PANGAEA
LOGISTICS SOLUTIONS



SAFE HARBOR

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BUSINESS HIGHLIGHTS

Q2-2020 Results

Consistent Performance

- Adjusted EBITDA of \$10.7 million
- Net income of \$3.0 million
- \$49.5 million cash, restricted cash and cash equivalents

Fleet

Working Fleet

- 18 drybulk ships and one barge in owned and controlled fleet during Q2 2020

Operations

Extensive and varied experience

- Operating 40 vessels on average during Q2 2020
- 5.6 million tons carried; 101 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.

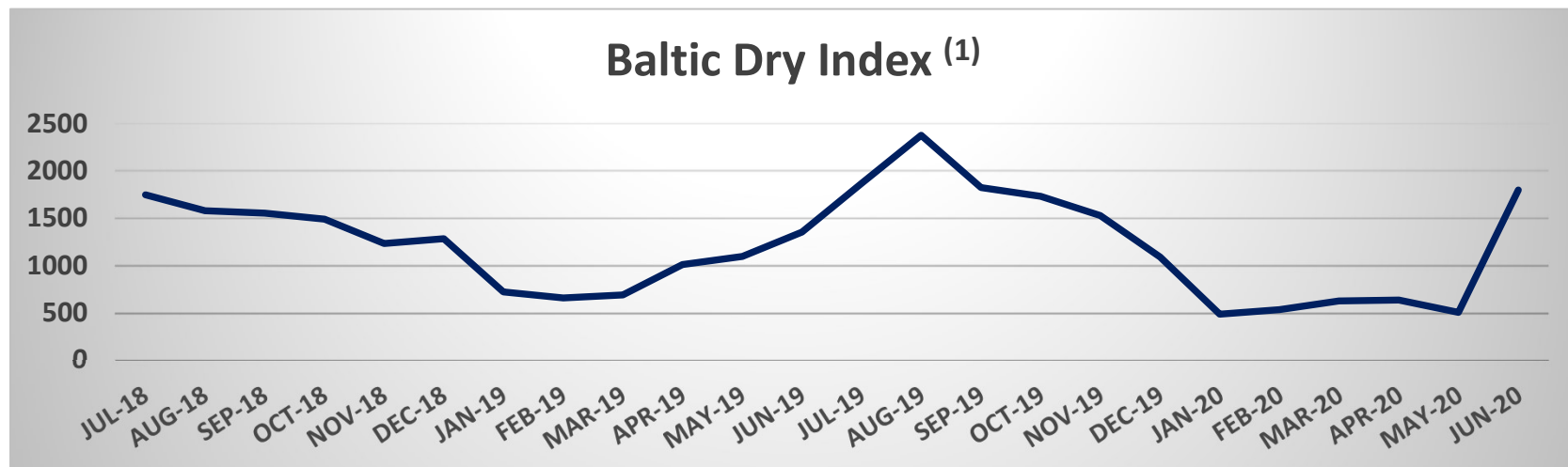


DRIVERS OF PERFORMANCE

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

Targeted Business: Specialty tonnage provides superior returns – 93% premium over average market rates in Q2 – 2020

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



⁽¹⁾ Per reported indices



FINANCIAL HIGHLIGHTS

- Net income attributable to Pangaea Logistics Solutions Ltd. was \$3.0 million for three months ended June 30, 2020 as compared to \$4.0 million of net income for the same period of 2019.
 - Non-GAAP adjusted net income attributable to Pangaea Logistics Solutions Ltd. of \$3.7 million as compared to \$3.8 million for the three months ended June 30, 2019.
- Net income per share was \$0.07 for three months ended June 30, 2020 as compared to earnings per share of \$0.09 for the same period of 2019.
- Pangaea's TCE rates were \$10,733 for the three months ended June 30, 2020 and \$12,933 for the three months ended June 30, 2019. The market average for the second quarter of 2020 was approximately \$5,548, giving the Company an overall average premium over market rates of approximately \$5,185 or 93%.
- Adjusted EBITDA of \$10.7 million for the three months ended June 30, 2020. Total revenue decreased to \$70.4 million for the three months ended June 30, 2020, from \$83.3 million for the three months ended June 30, 2019 due to a decrease in market hire and freight rates.
- At the end of the quarter, Pangaea had \$49.5 million in cash, restricted cash and cash equivalents.



SELECTED INCOME STATEMENT DATA

(in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Voyage revenue	\$ 66,857	\$ 77,430	\$ 153,381	\$ 143,281
Charter revenue	3,539	5,861	12,895	19,553
	70,396	83,291	166,276	162,835
Expenses:				
Voyage expense	31,758	37,224	79,554	69,399
Charter hire expense	15,204	18,317	47,529	43,265
Vessel operating expenses	9,325	11,075	19,259	20,829
General and administrative	3,872	5,359	7,866	9,393
Depreciation and amortization	4,346	4,491	8,588	8,869
Loss on impairment of vessels	1,801	-	1,801	-
Loss on sale of vessels	297	-	219	-
Total expenses	66,603	76,467	164,816	151,753
Income from operations	3,793	6,824	1,460	11,081
Total other expense, net	(498)	(1,665)	(4,934)	(1,441)
Net income (loss)	3,295	5,159	(3,474)	9,640
Income attributable to noncontrolling interests	(290)	(1,127)	(316)	(1,905)
Net income (loss) attributable to Pangaea Logistics Solutions Ltd.	\$ 3,005	\$ 4,033	\$ (3,790)	\$ 7,735
Adjusted EBITDA ⁽¹⁾	\$ 10,658	\$ 11,686	\$ 13,591	\$ 20,996

- 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.



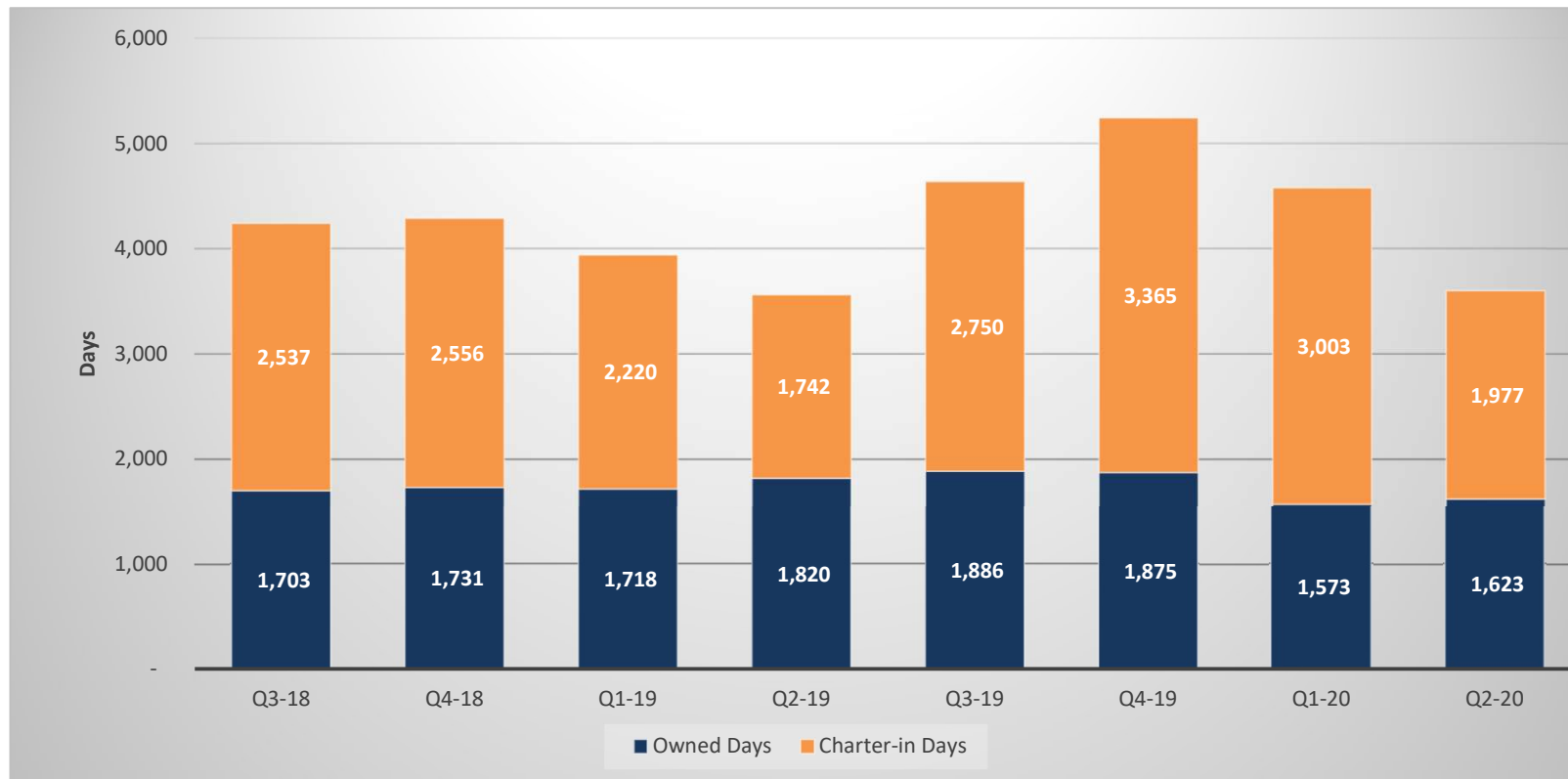
SELECTED BALANCE SHEET & CASH FLOW DATA

<i>(in thousands)</i>	June 30, 2020	December 31, 2019
Current Assets		
Cash and cash equivalents	\$ 46,993	\$ 50,555
Restricted cash	1,000	1,000
Accounts receivable, net	18,198	28,309
Other current assets	31,787	48,091
Total current assets	97,978	127,955
Restricted cash	1,500	1,500
Fixed assets, including finance lease right of use assets, net	324,643	335,090
	15,391	15,357
Total assets	\$ 439,511	\$ 479,903
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 26,528	\$ 39,974
Related party debt	243	333
Current portion long-term debt and finance lease liabilities	28,418	35,540
Other current liabilities	5,439	15,008
Total current liabilities	60,628	90,855
Secured long-term debt and finance lease liabilities, net	132,808	141,148
Other long-term liabilities	5,109	4,828
Total Pangaea Logistics Solutions Ltd. equity	167,825	170,246
Non-controlling interests	73,142	72,826
Total stockholders' equity	240,967	243,072
Total liabilities and stockholders' equity	\$ 439,511	\$ 479,903
Cash flows for the years ended:	June 30, 2020	June 30, 2019
Net cash provided by operating activities	\$ 6,907	\$ 19,584
Net cash used in investing activities	\$ 5,778	\$ (33,495)
Net cash used in financing activities	\$ (16,247)	\$ 1,457

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

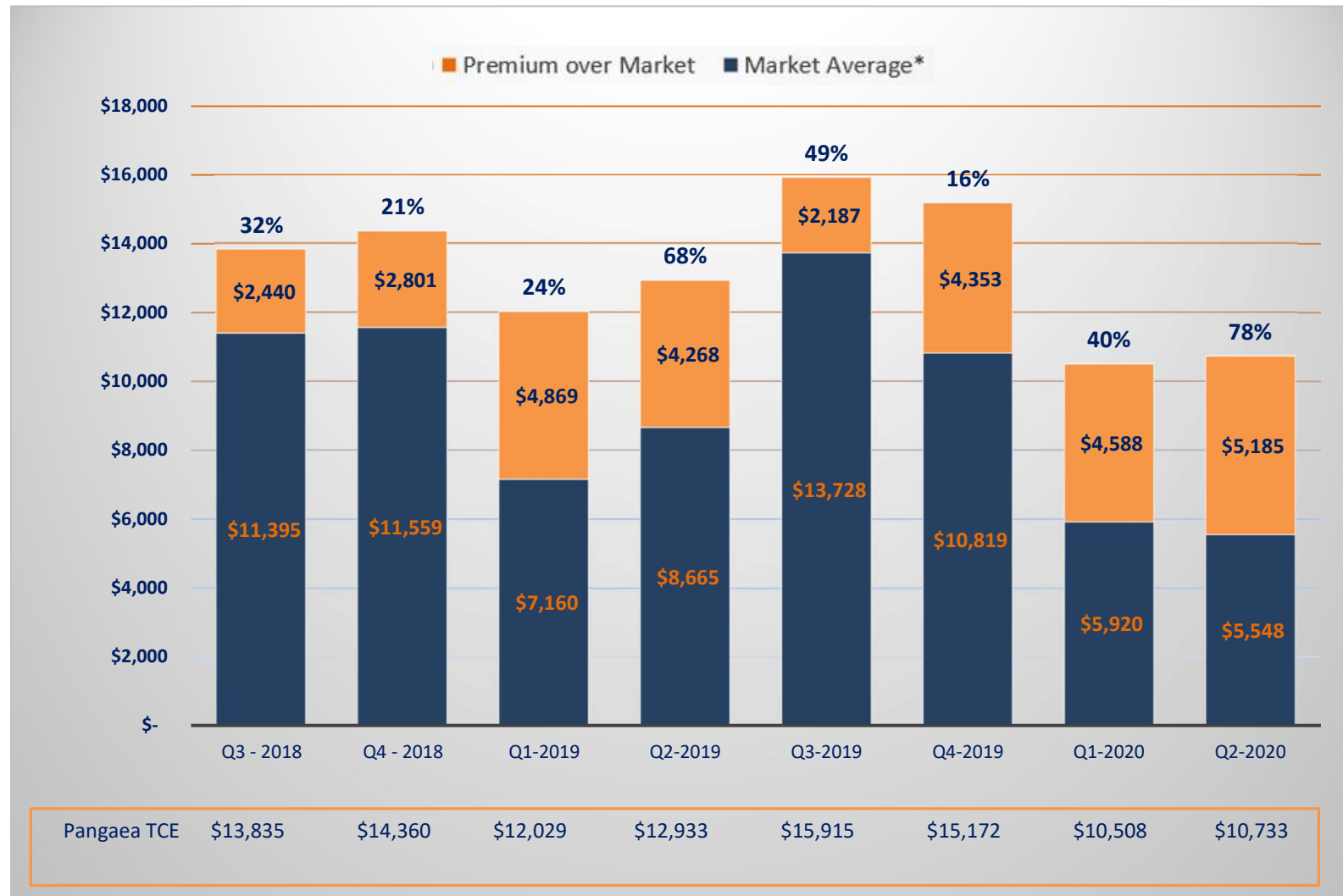


Capital Efficiency: Leveraged owned fleet by chartering-in market vessels

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



PANGAEA TCE v. AVERAGE MARKET TCE

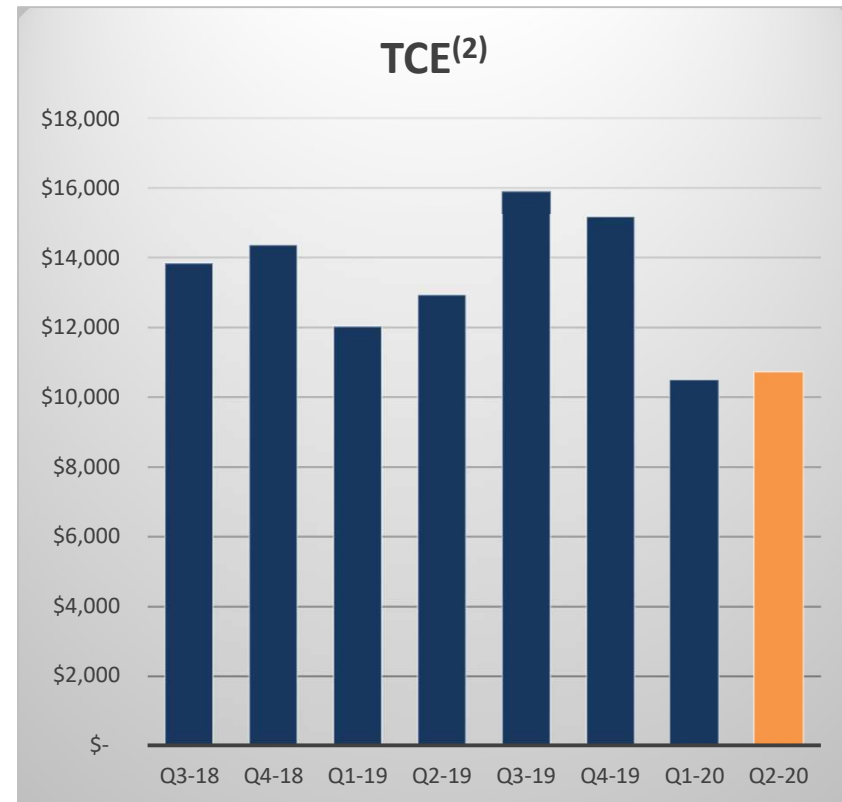
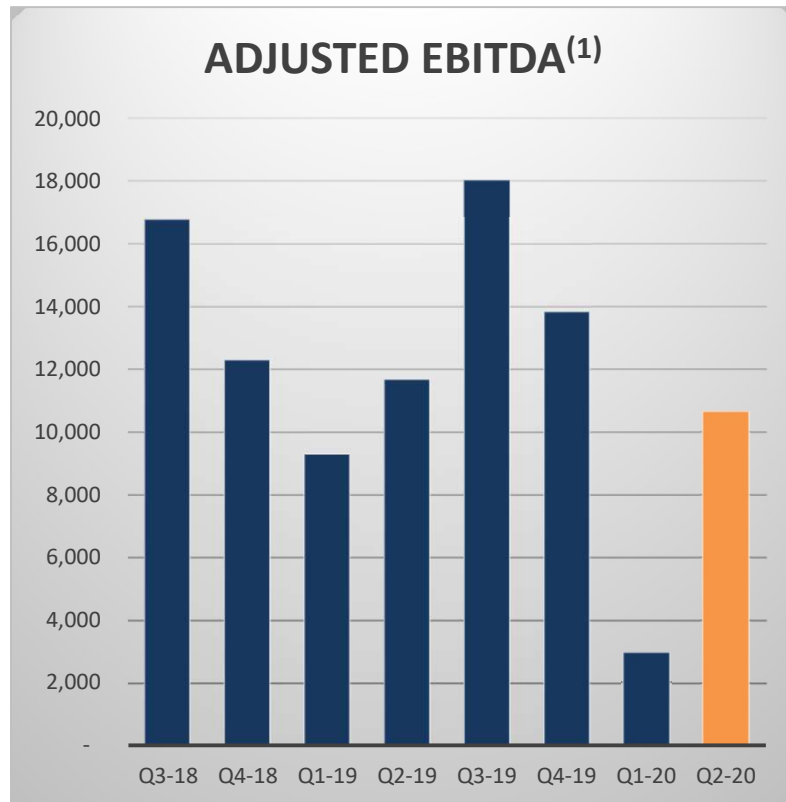


Consistently outperforming against average Panamax and Supramax index

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



FINANCIAL PERFORMANCE Q3-2018 THROUGH Q2-2020

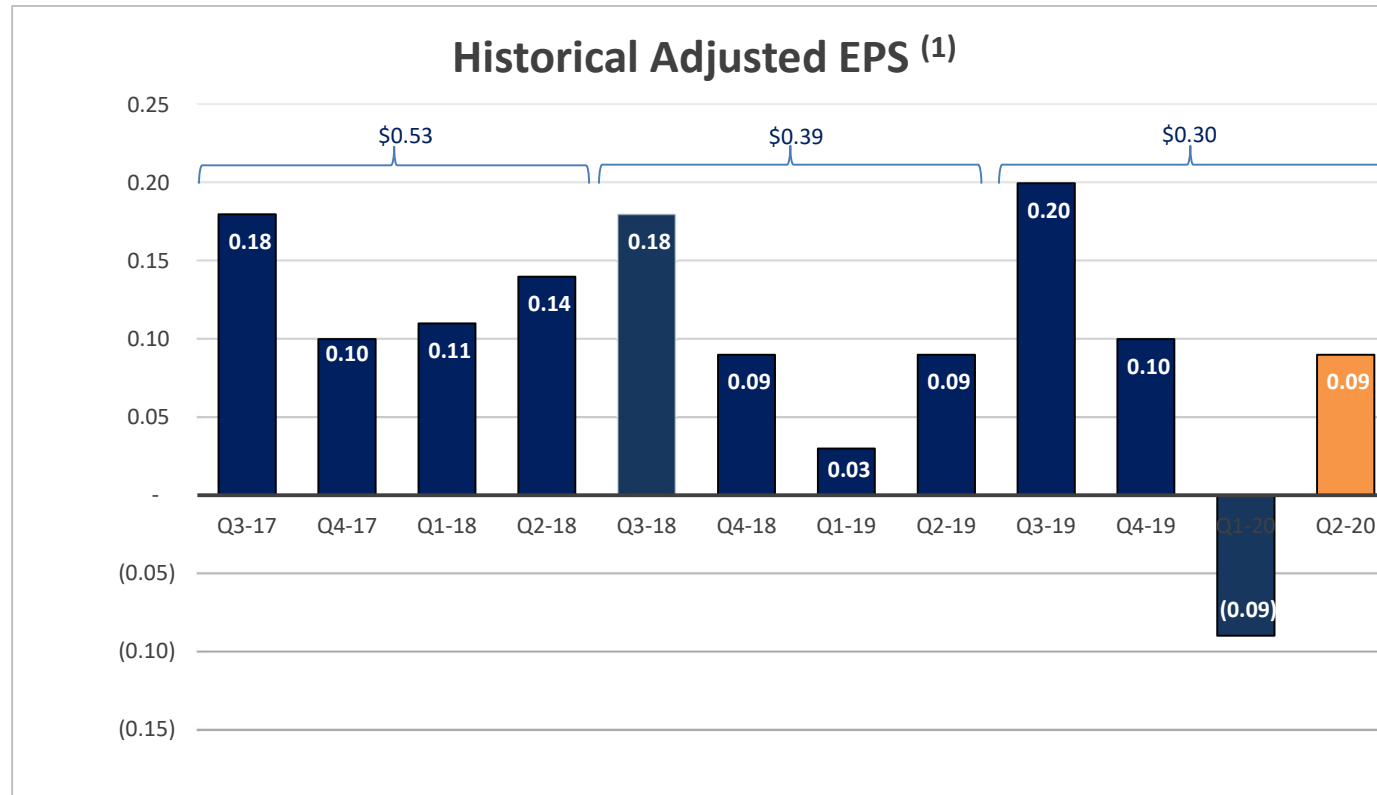


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents operating earnings before interest expense, income taxes, depreciation and amortization, share-based compensation, loss on sale and leaseback of vessels and other non-operating income and/or expense, if any.
- 2) **TCE** is defined as total 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 Q2-2020



⁽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.

