
THIRD QUARTER 2020 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

Q3-2020 Results

Consistent Performance

- Adjusted EBITDA of \$15.1 million
- Net income of \$7.6 million
- \$48.1 million cash, restricted cash and cash equivalents

Fleet

Working Fleet

- 17 drybulk ships and one barge in owned and controlled fleet at September 30, 2020

Operations

Extensive and varied experience

- Operating 52 vessels on average during Q3 2020
- 7.4 million tons carried; 123 voyages performed for 46 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.

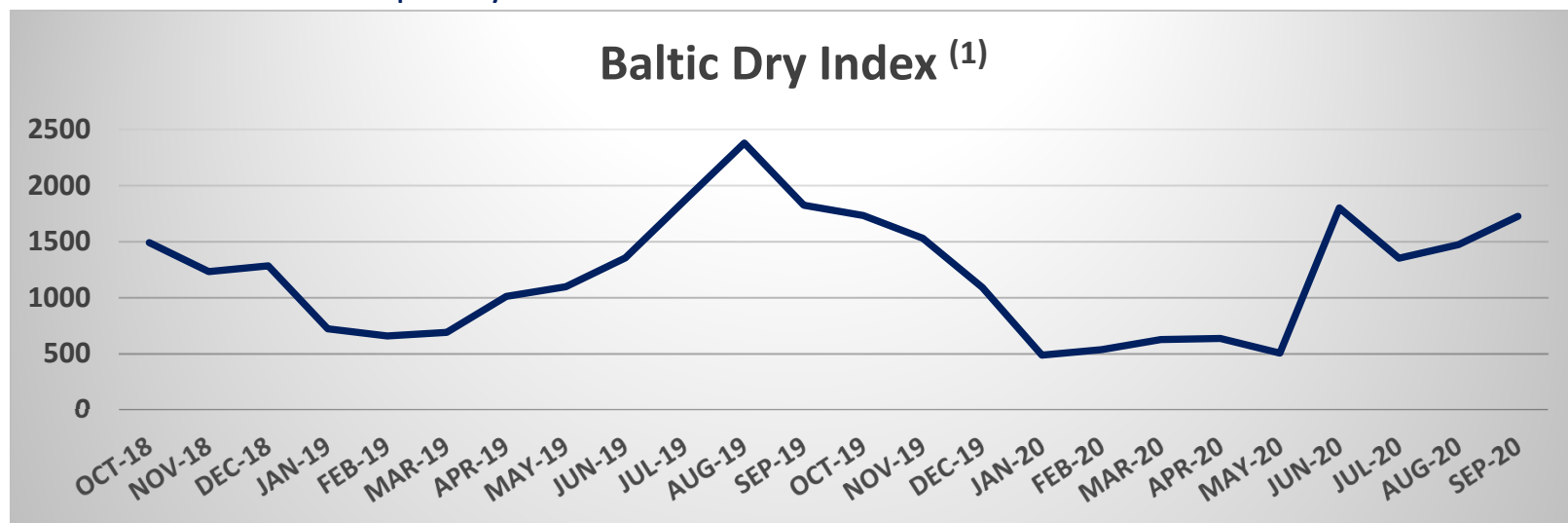


DRIVERS OF PERFORMANCE

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

Targeted Business: Specialty tonnage provides superior returns – 29% premium over average market rates in Q3 – 2020

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



⁽¹⁾ Per reported indices



FINANCIAL HIGHLIGHTS

3rd Quarter Highlights

- Net income attributable to Pangaea Logistics Solutions Ltd. was \$7.6 million for three months ended September 30, 2020 as compared to \$8.3 million of net income for the same period of 2019.
 - Non-GAAP adjusted net income attributable to Pangaea Logistics Solutions Ltd. of \$8.1 million as compared to \$8.6 million for the three months ended September 30, 2019.
- Diluted net income per share was \$0.17 for three months ended September 30, 2020 as compared to earnings per share of \$0.19 for the same period of 2019.
- Pangaea's TCE rates were \$13,316 for the three months ended September 30, 2020 and \$15,915 for the three months ended September 30, 2019. The market average for the third quarter of 2020 was approximately \$10,286, giving the Company an overall average premium over market rates of approximately \$3,030 or 29%.
- Adjusted EBITDA of \$15.1 million for the three months ended September 30, 2020, compared to \$18.0 million for the same period of 2019.
- At the end of the quarter, Pangaea had \$48.1 million in cash, restricted cash and cash equivalents.
- The Company acquired an additional one-third equity interest in its partially-owned consolidated subsidiary Nordic Bulk Holding Company Ltd. (NBHC), which owns six modern 1-A ice-class panamax bulk vessels, increasing its equity interest to 66.7%.



SELECTED INCOME STATEMENT DATA

(in thousands, may not foot due to rounding)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Voyage revenue	\$ 98,120	\$ 103,806	\$ 251,501	\$ 247,088
Charter revenue	5,646	15,079	18,541	34,632
Total revenue	103,767	118,885	270,043	281,720
Expenses:				
Voyage expense	40,729	45,103	120,283	114,501
Charter hire expense	34,970	41,980	82,499	85,245
Vessel operating expenses	9,700	11,332	28,959	32,161
General and administrative	3,692	2,768	11,558	12,161
Depreciation and amortization	4,230	4,653	12,818	13,521
Loss on impairment of vessels	-	-	1,801	-
Loss on sale of vessels	486	-	705	-
Loss on sale and leaseback of vessels	-	-	-	-
Total expenses	93,807	105,835	258,623	257,589
Income from operations	9,960	13,050	11,420	24,132
Total other expense, net	(1,673)	(2,631)	(6,608)	(4,073)
Net income	8,287	10,419	4,812	20,059
Income attributable to noncontrolling interests	(734)	(2,097)	(1,050)	(4,002)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 7,552	\$ 8,322	\$ 3,762	\$ 16,057
Adjusted EBITDA ⁽¹⁾	\$ 15,068	\$ 18,023	\$ 28,660	\$ 39,019

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.



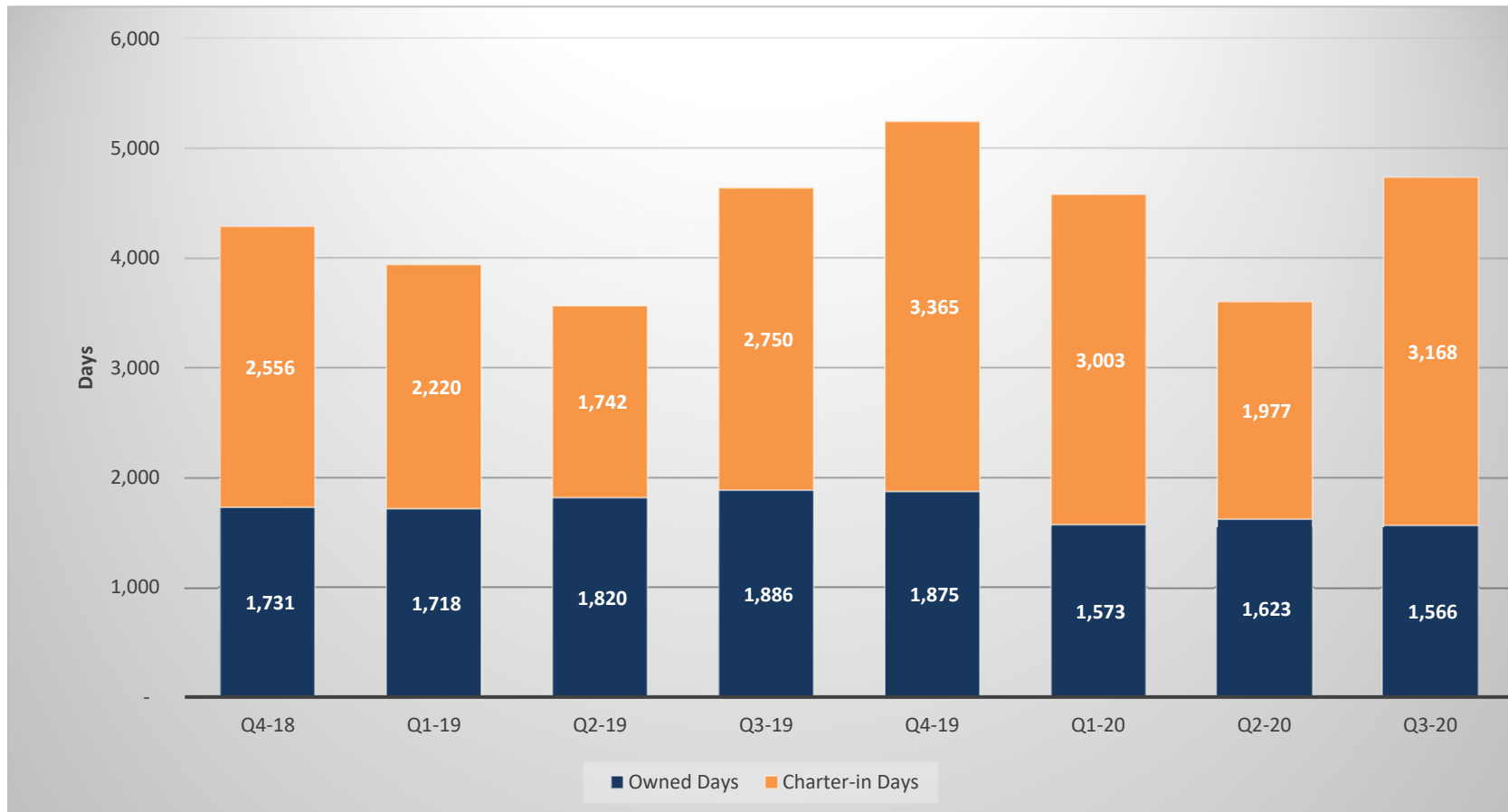
SELECTED BALANCE SHEET & CASH FLOW DATA

<i>(in thousands)</i>	September 30, 2020	December 31, 2019
Current Assets		
Cash and cash equivalents	\$ 45,559	\$ 50,555
Restricted cash	\$ 1,500	\$ 1,000
Accounts receivable, net	19,939	28,309
Other current assets	40,155	48,091
Total current assets	107,153	127,955
 Restricted cash	 1,000	 1,500
Fixed assets, including finance lease right of use assets, net	321,350	335,090
Investment in newbuildings in-process	15,391	15,357
Total assets	\$ 444,893	\$ 479,903
 Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 39,093	\$ 39,974
Related party debt	243	333
Current portion long-term debt and finance lease liabilities	38,573	35,540
Other current liabilities	10,486	15,008
Total current liabilities	88,394	90,855
 Secured long-term debt and finance lease liabilities, net	 117,791	 141,148
Other long-term liabilities	10,062	4,828
 Total Pangaea Logistics Solutions Ltd. equity	 175,769	 170,246
Non-controlling interests	51,376	72,826
Total stockholders' equity	227,145	243,072
Total liabilities and stockholders' equity	\$ 443,393	\$ 479,903
 Cash flows for the years ended:	 September 30, 2020	 September 30, 2019
Net cash provided by operating activities	\$ 22,441	\$ 23,402
Net cash used in investing activities	\$ (6,042)	\$ (48,186)
Net cash used in financing activities	\$ (21,395)	\$ 5,341

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

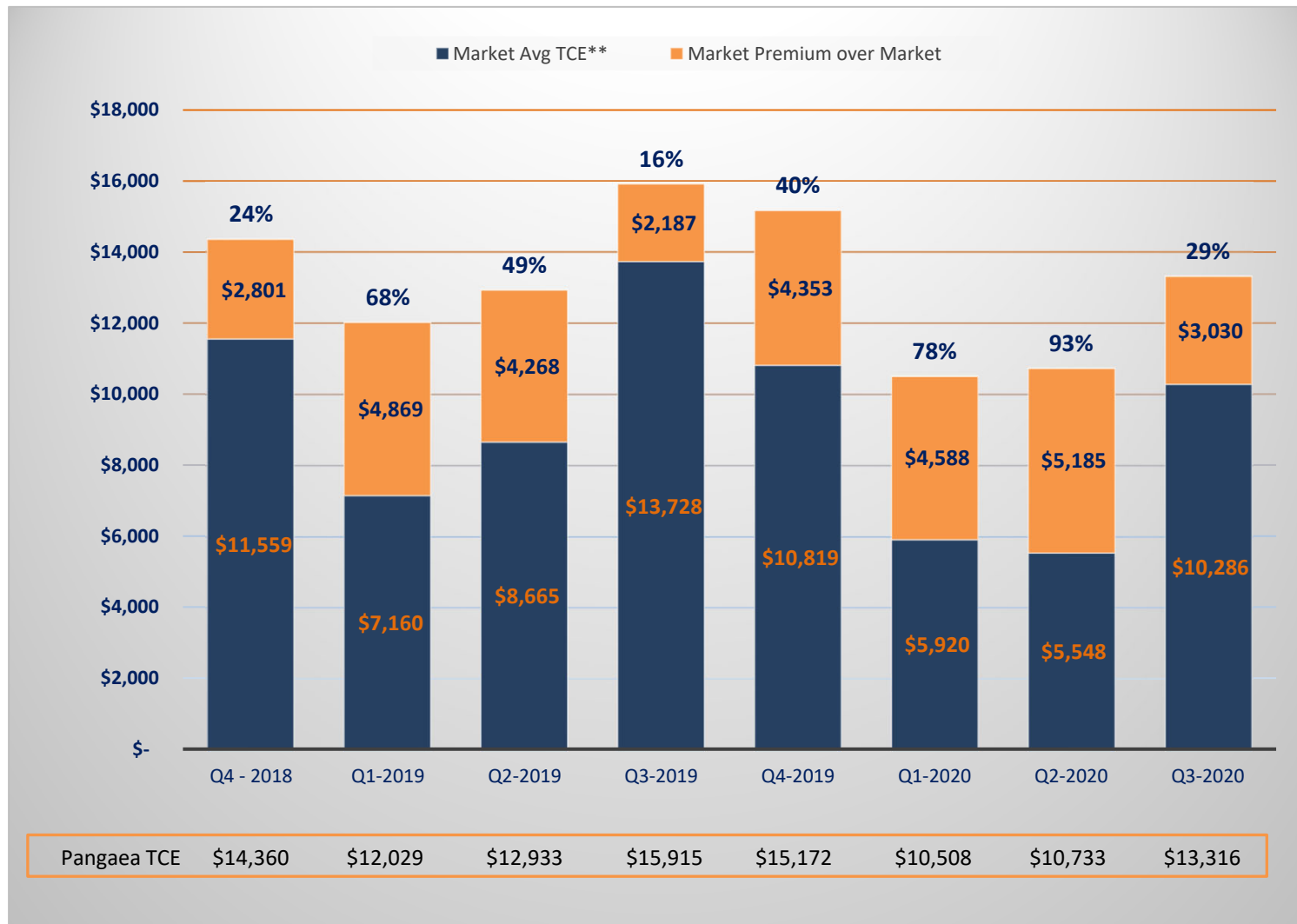


Capital Efficiency: Leveraged owned fleet by chartering-in market vessels

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



PANGAEA TCE v. AVERAGE MARKET TCE

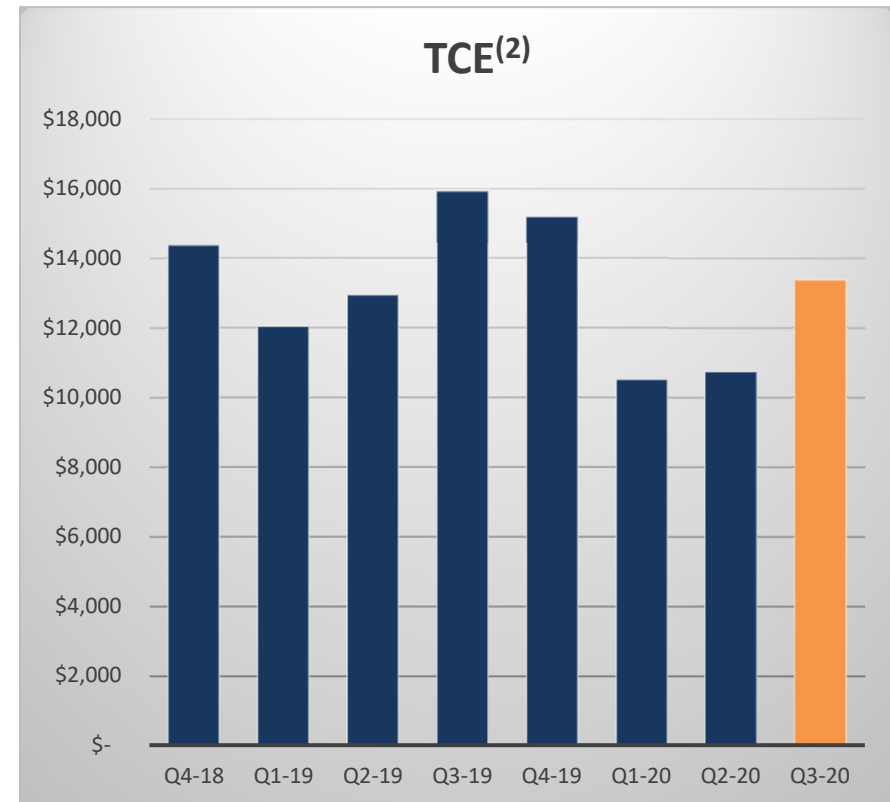
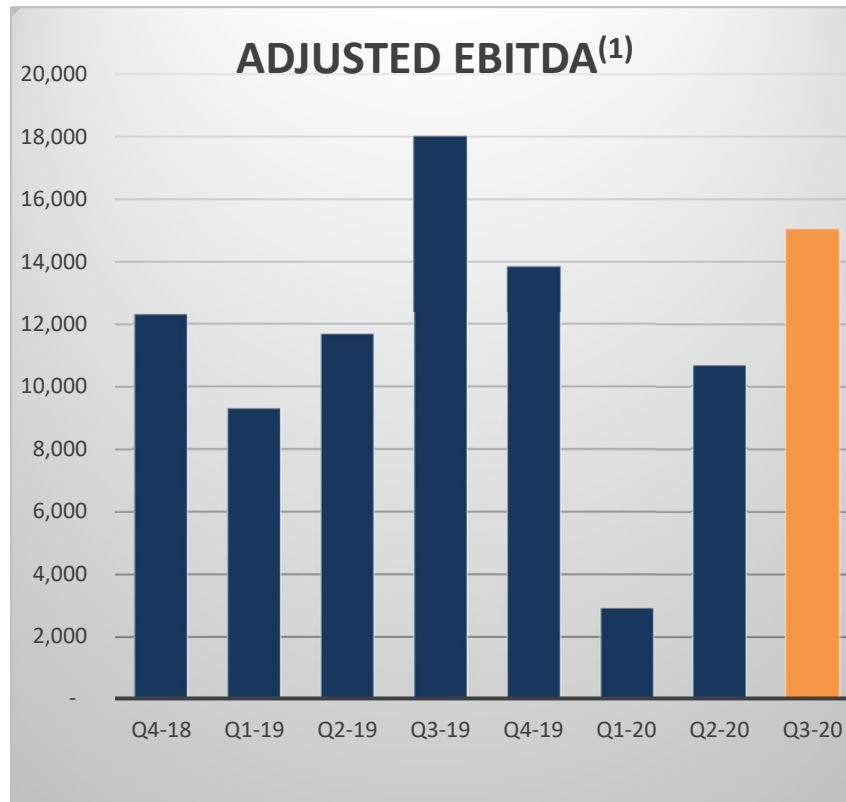


Consistently outperforming against average Panamax and Supramax index

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



FINANCIAL PERFORMANCE Q4-2018 THROUGH Q3-2020

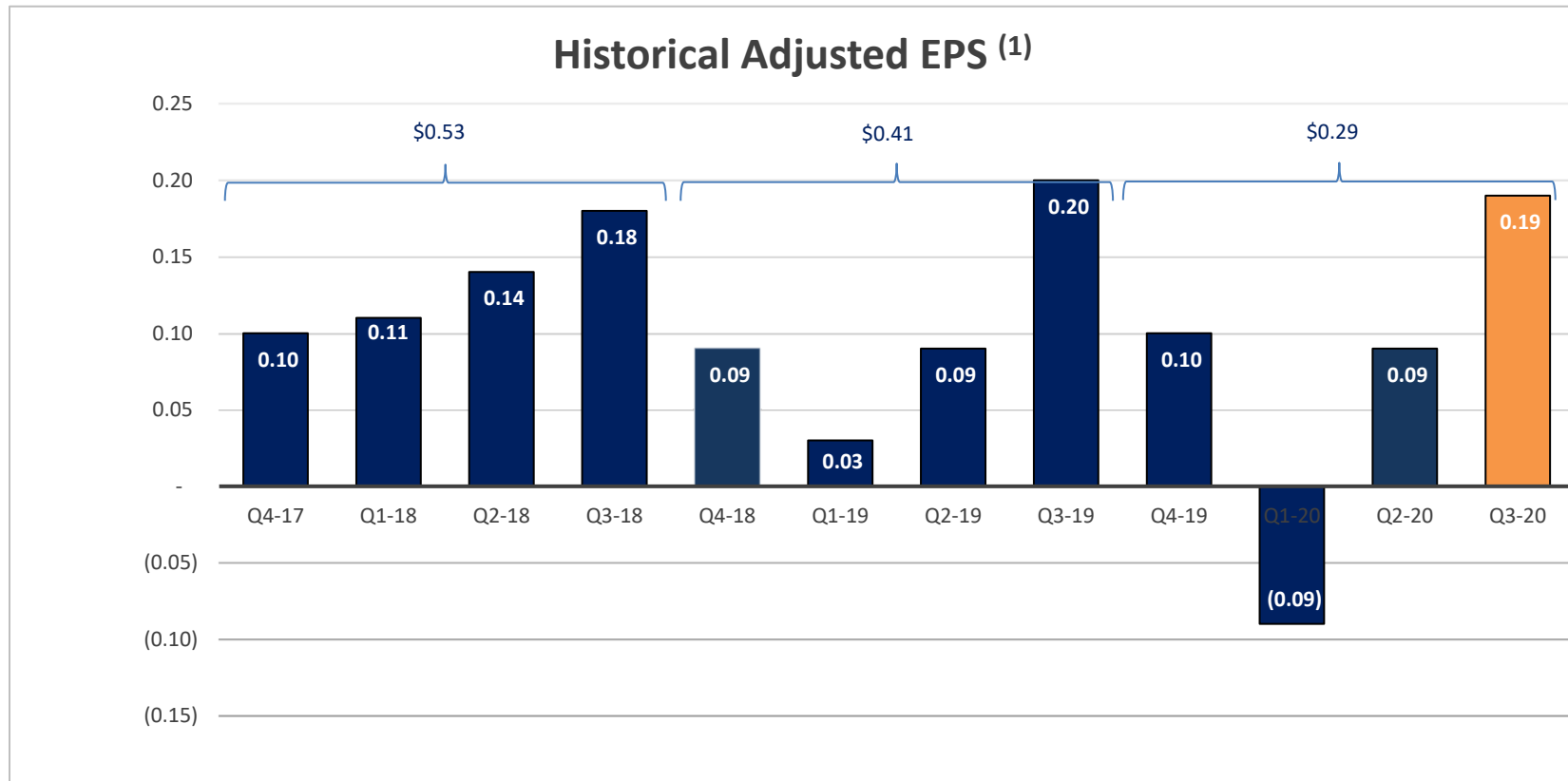


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents operating earnings before interest expense, income taxes, depreciation and amortization, share-based compensation, loss on sale and leaseback of vessels and other non-operating income and/or expense, if any.
- 2) **TCE** is defined as total 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 \$0.19 for Q3-2020



⁽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.

