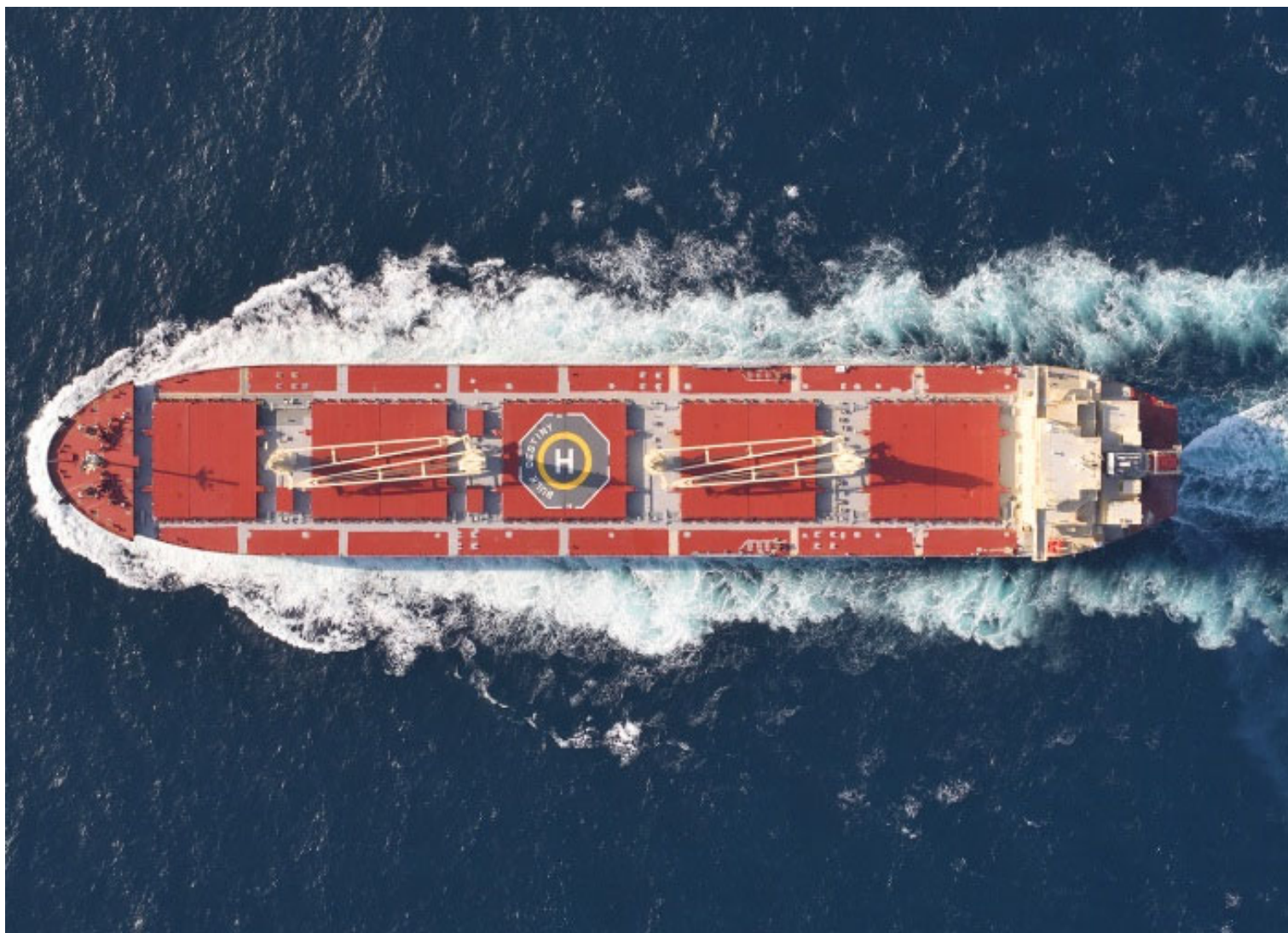


# FOURTH QUARTER 2020 EARNINGS CONFERENCE CALL PRESENTATION



**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

## Q4-2020 Results

### Consistent Performance

- Adjusted EBITDA of \$12.9 million
- Net income of \$7.6 million
- \$48.4 million cash, restricted cash and cash equivalents

## Fleet

### Working Fleet

- 17 drybulk ships and one barge in owned and controlled fleet at December 31, 2020

## Operations

### Extensive and varied experience

- Operating 53 vessels on average during Q4 2020
- 6.7 million tons carried; 122 voyages performed for 59 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.

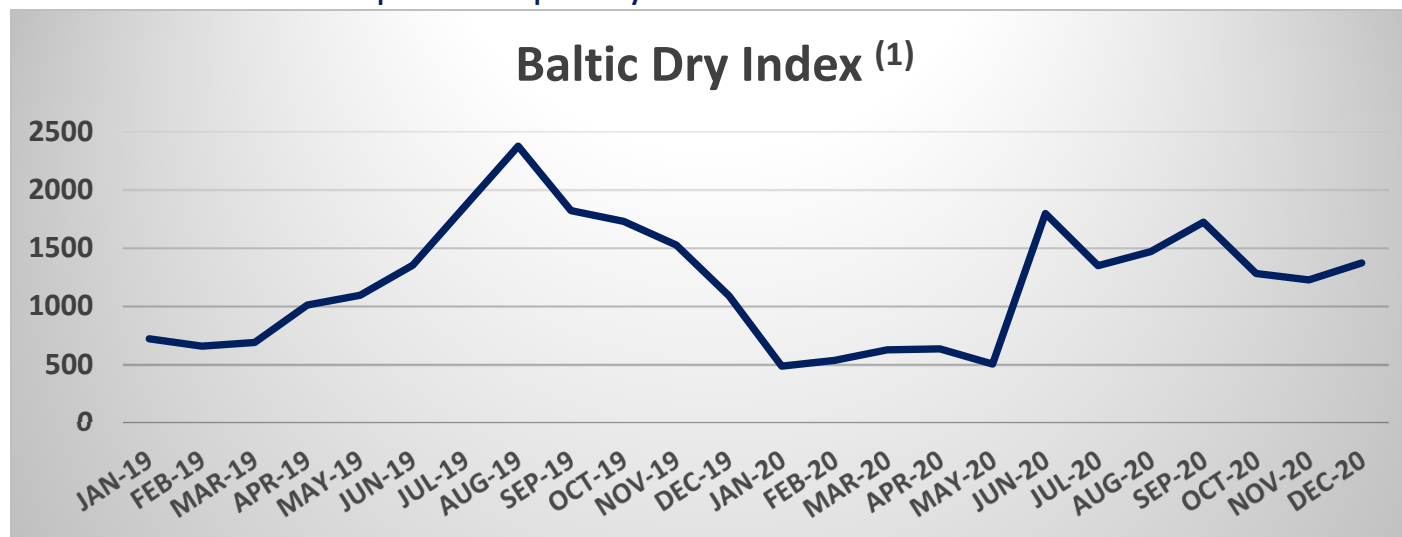


## DRIVERS OF PERFORMANCE

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

**Targeted Business:** Specialty tonnage provides superior returns – 42% premium over average market rates in Q4 – 2020

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



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



# FINANCIAL HIGHLIGHTS

## 4th Quarter Highlights

- Net income attributable to Pangaea Logistics Solutions Ltd. was \$7.6 million for three months ended December 31, 2020 as compared to \$4.4 million of net loss for the same period of 2019.
  - Non-GAAP adjusted net income attributable to Pangaea Logistics Solutions Ltd. of \$6.2 million as compared to \$4.4 million for the three months ended December 31, 2019.
- Adjusted Earnings per share was \$0.14 for three months ended December 31, 2020 as compared to \$0.10 for the same period of 2019.
- Pangaea's TCE rates were \$14,640 for the three months ended December 31, 2020. The market average for the fourth quarter of 2020 was approximately \$10,326, giving the Company an overall average premium over market rates of approximately \$4,314 or 42%.
- Adjusted EBITDA of \$12.9 million for the three months ended December 31, 2020, compared to \$13.8 million for the same period of 2019.
- At the end of the quarter, Pangaea had \$48.4 million in cash, restricted cash and cash equivalents.





# SELECTED INCOME STATEMENT DATA

(in thousands, may not foot due to rounding)

	Three months ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
	(unaudited)	(unaudited)		
Revenues:				
Voyage revenue	\$ 98,237	\$ 118,627	\$ 349,738	\$ 365,715
Charter revenue	14,617	11,851	33,158	46,483
Total revenue	112,853	130,478	382,896	412,198
Expenses:				
Voyage expense	41,598	50,978	161,881	165,479
Charter hire expense	45,270	47,706	127,769	132,950
Vessel operating expenses	9,088	13,106	38,047	45,266
General and administrative	4,357	5,218	15,915	17,379
Depreciation and amortization	4,237	5,008	17,055	18,529
Loss on impairment of vessels	-	4,751	1,801	4,751
Loss on sale of vessels	25	4,585	730	4,585
Total expenses	104,576	131,351	363,199	388,940
Income from operations	8,277	(873)	19,697	23,258
Total other expense, net	(397)	(2,137)	(7,005)	(6,209)
Net income	7,880	(3,010)	12,692	17,049
Income attributable to noncontrolling interests	(290)	(1,389)	(1,340)	(5,391)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 7,590	\$ (4,399)	\$ 11,352	\$ 11,658
Adjusted EBITDA <sup>(1)</sup>	\$ 12,939	\$ 13,842	\$ 41,598	\$ 52,861

- 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

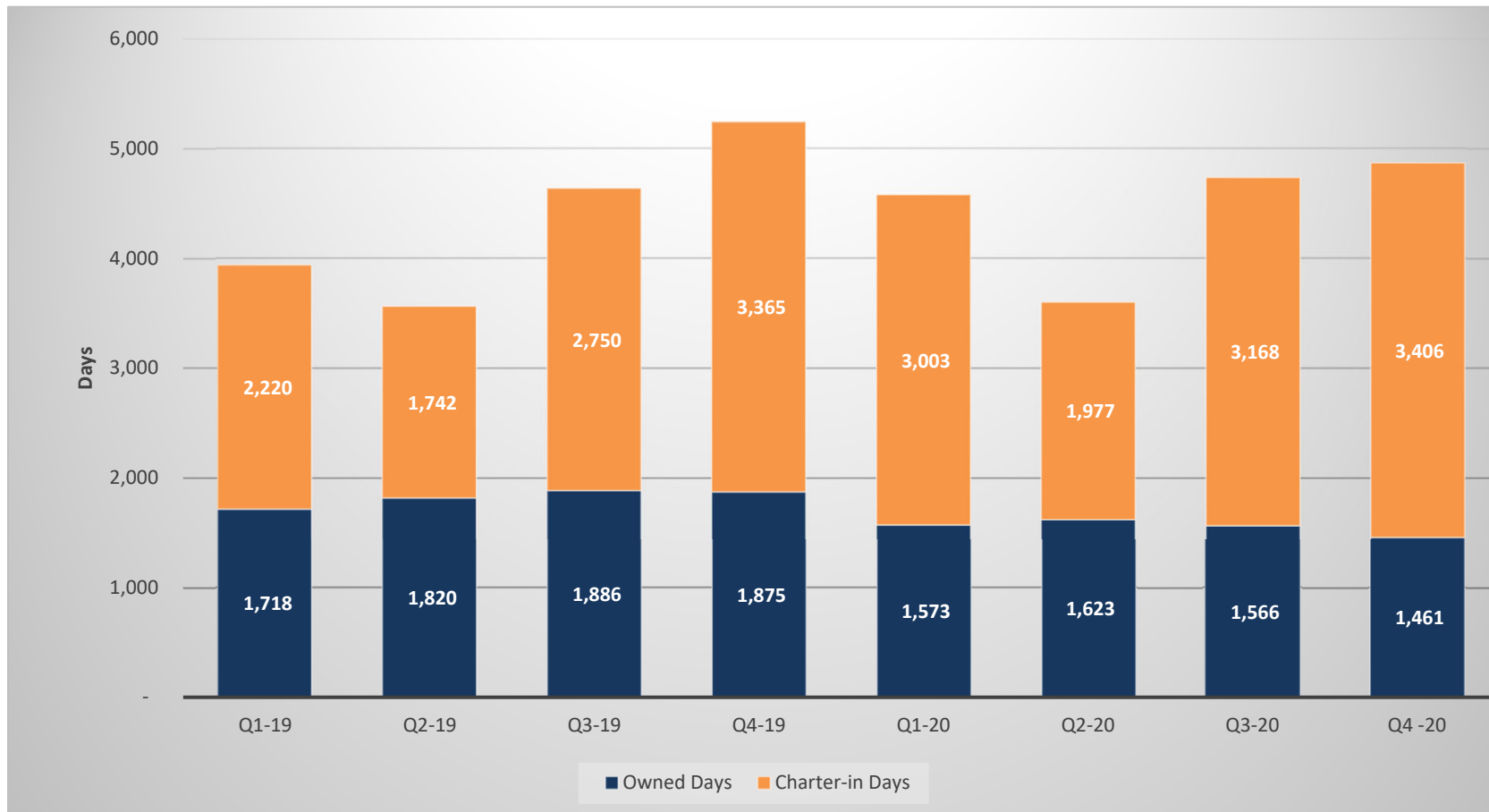
(in thousands)

	December 31, 2020	December 31, 2019
<b>Current Assets</b>		
Cash and cash equivalents	\$ 46,897	\$ 50,555
Restricted cash	1,500	1,000
Accounts receivable, net	29,152	28,309
Other current assets	35,482	48,091
<b>Total current assets</b>	<b>113,032</b>	<b>127,955</b>
 Restricted cash	 -	 1,500
Fixed assets, including finance lease right of use assets, net	321,982	335,090
Investment in newbuildings in-process	15,391	15,357
<b>Total assets</b>	<b>\$ 450,404</b>	<b>\$ 479,903</b>
 <b>Current liabilities</b>		
Accounts payable, accrued expenses and other current liabilities	\$ 32,400	\$ 39,974
Related party debt	243	333
Current portion long-term debt and finance lease liabilities	64,361	35,540
Other current liabilities	13,805	15,008
<b>Total current liabilities</b>	<b>110,809</b>	<b>90,855</b>
 Secured long-term debt and finance lease liabilities, net	 95,028	 141,148
Other long-term liabilities	10,135	4,828
 Total Pangaea Logistics Solutions Ltd. equity	 182,766	 170,246
Non-controlling interests	51,666	72,826
Total stockholders' equity	234,431	243,072
<b>Total liabilities and stockholders' equity</b>	<b>\$ 450,404</b>	<b>\$ 479,903</b>
 <b>Cash flows for the years ended:</b>	 <b>December 31, 2020</b>	 <b>December 31, 2019</b>
Net cash provided by operating activities	\$ 20,836	\$ 44,459
Net cash used in investing activities	\$ (6,888)	\$ (46,602)
Net cash used in financing activities	\$ (18,606)	\$ (916)

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



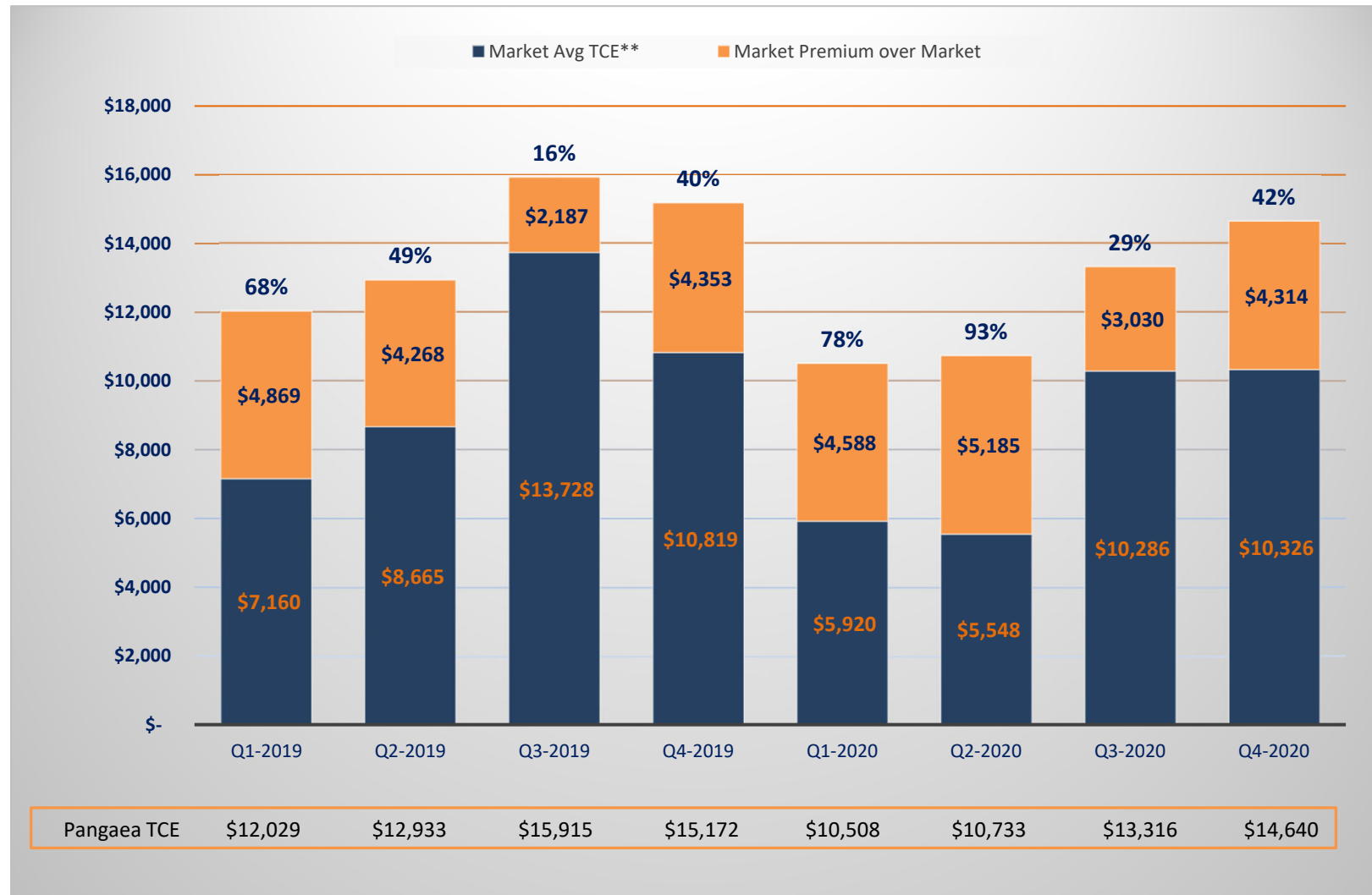
**Capital Efficiency:** Leveraged owned fleet by chartering-in market vessels

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





# PANGAEA TCE v. AVERAGE MARKET TCE

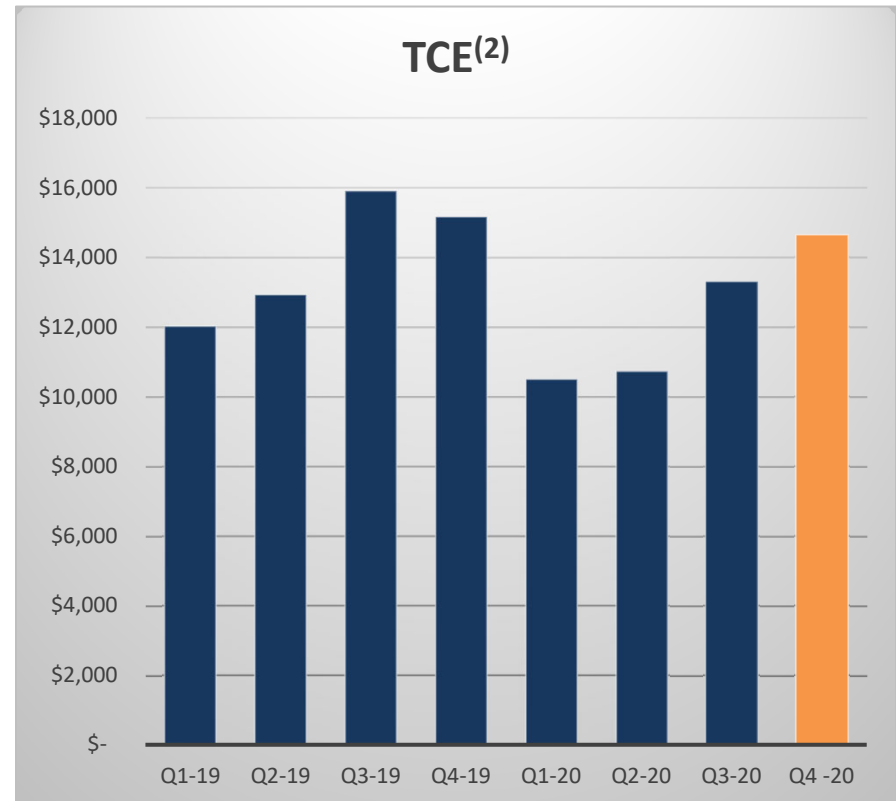
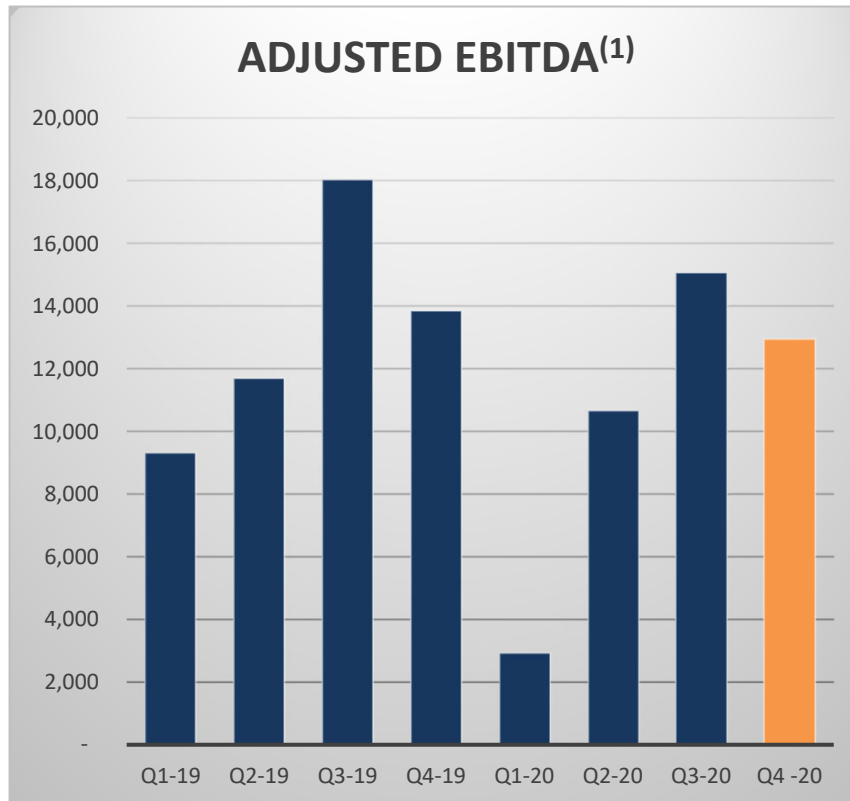


*Consistently outperforming against average Panamax and Supramax index*

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



# FINANCIAL PERFORMANCE Q1-2019 THROUGH Q4-2020

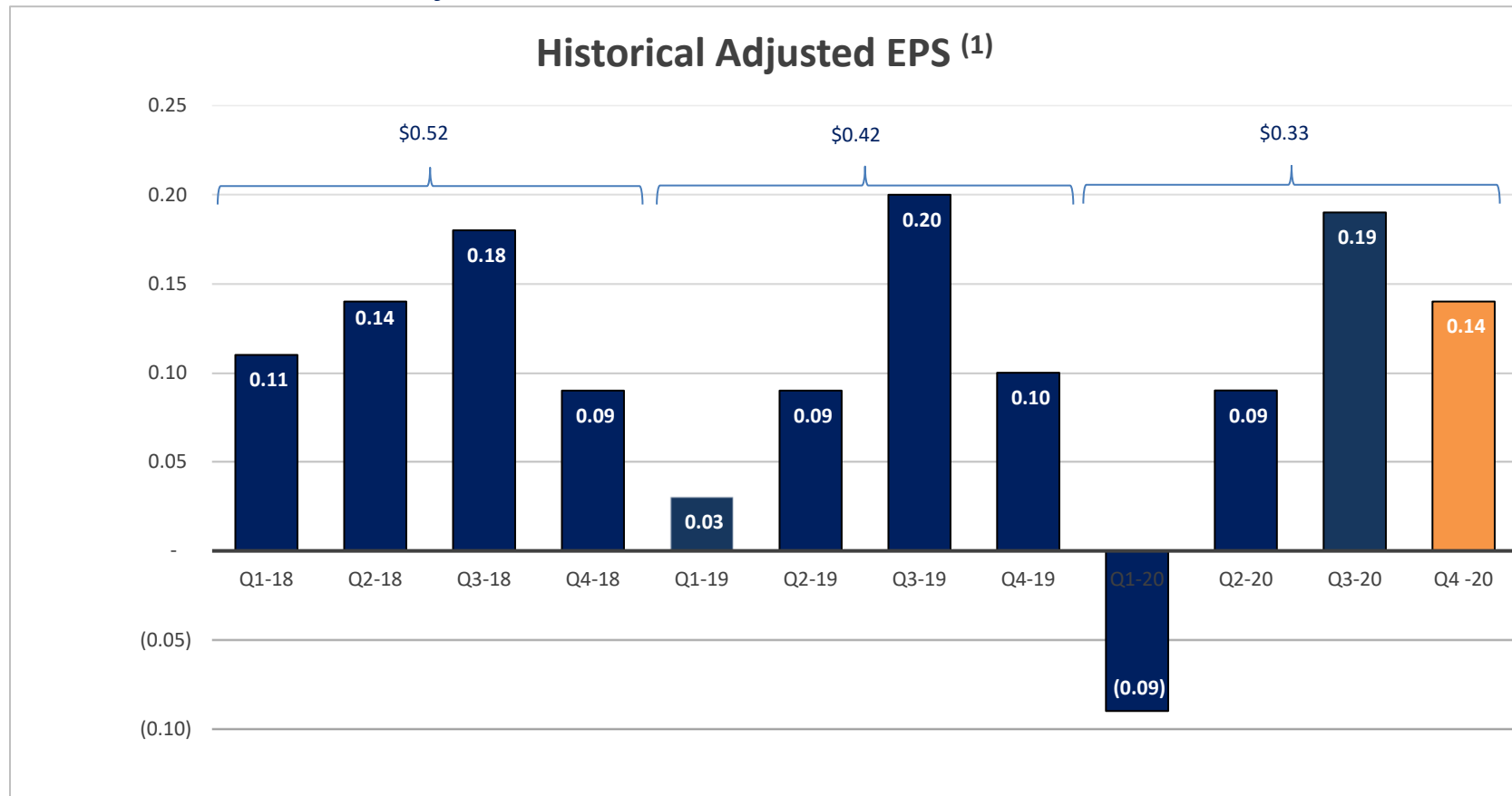


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents operating earnings before interest expense, income taxes, depreciation and amortization, share-based compensation, loss on sale and leaseback of vessels and other non-operating income and/or expense, if any.
- 2) **TCE** is defined as total 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 \$0.14 for Q4-2020



<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.

