
THIRD QUARTER 2021 EARNINGS CONFERENCE CALL PRESENTATION



PANGAEA
LOGISTICS SOLUTIONS



SAFE HARBOR

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BUSINESS HIGHLIGHTS

Q3-2021 Results

Consistent Performance

- Adjusted EBITDA of \$33.6 million
- Net income of \$27.0 million
- \$49.2 million cash, restricted cash and cash equivalents

Fleet

Working Fleet

- 23 drybulk ships and one barge in owned and controlled fleet at September 30, 2021

Operations

Extensive and varied experience

- Operating 58 vessels on average during Q3 2021
- 7.7 million tons carried; 136 voyages performed for 53 clients

1) Adjusted EBITDA represents net income (or loss), determined in accordance with U.S. GAAP, excluding interest expense, income taxes, depreciation and amortization, loss on sale and leaseback of vessels, share-based compensation and other non-operating income and/or expense, if any.

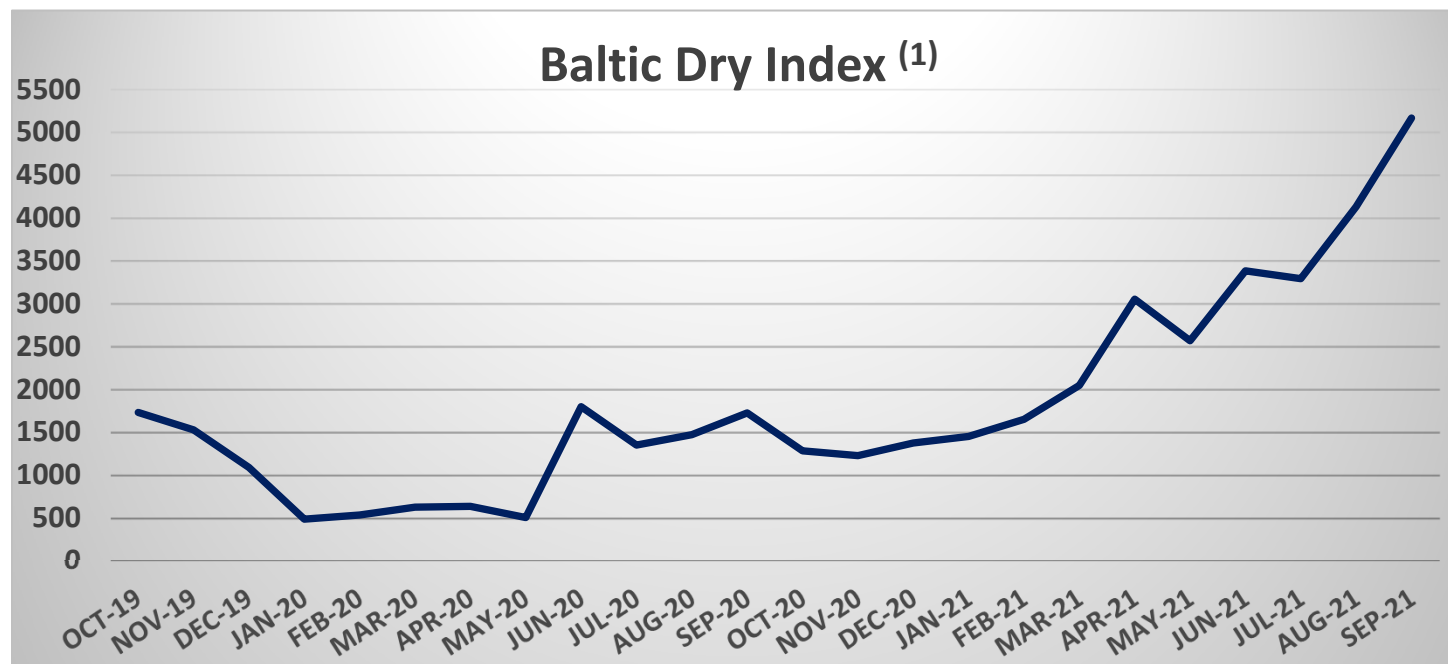


DRIVERS OF PERFORMANCE

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

Targeted Business: Specialty tonnage provides consistent returns through fluctuating market cycles.

Rate Environment: The Baltic Dry Index average increased significantly in the third quarter.



⁽¹⁾ Per reported indices



FINANCIAL HIGHLIGHTS

3rd Quarter Highlights

- Net income attributable to Pangaea Logistics Solutions Ltd. was \$27.0 million for the three months ended September 30, 2021, as compared to a \$7.6 million for the same period of 2020.
 - Non-GAAP adjusted net income attributable to Pangaea Logistics Solutions Ltd. was \$21.7 million, as compared to non-GAAP adjusted net income of \$8.1 million for the three months ended September 30, 2020.
- Diluted net income per share was \$0.60 for the three months ended September 30, 2021, as compared to a diluted net income per share of \$0.17 for the same period of 2020.
- Pangaea's TCE rates were \$28,770 per day for the three months ended September 30, 2021, as compared to \$13,316 per day for the three months ended September 30, 2020.
- Adjusted EBITDA was \$33.6 million for the three months ended September 30, 2021, as compared to \$15.4 million for the same period of 2020.
- At the end of the quarter, Pangaea had \$49.2 million in cash and cash equivalents.

Subsequent Business Update

- On November 5, 2021 the Company entered into a memorandum of agreement to purchase a 2009 built Panamax vessel to add to its operating fleet for \$19.9 million which is expected to deliver during the first quarter of 2022.
- On November 8, 2021, the Company's Board of Directors declared a quarterly cash dividend of \$0.035 per common share, to be paid on December 15, 2021, to all shareholders of record as of December 1, 2021.



SELECTED INCOME STATEMENT DATA

(in thousands, may not foot due to rounding)

	Three months ended September 30,		Nine months ended September 30,	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Revenues:				
Voyage revenue	\$ 186,353	\$ 98,120	\$ 411,978	\$ 251,501
Charter revenue	26,676	5,646	71,568	18,541
Total revenue	213,029	103,767	483,546	270,043
Expenses:				
Voyage expense	60,406	40,729	154,357	120,283
Charter hire expense	103,721	34,970	219,960	82,499
Vessel operating expenses	11,754	9,700	30,022	28,959
General and administrative	4,442	3,692	14,677	11,558
Depreciation and amortization	7,163	4,230	16,451	12,818
Loss on impairment of vessels	-	-	-	1,801
Loss on sale of vessels	-	486	-	705
Total expenses	187,486	93,807	435,468	258,623
Income from operations	25,543	9,960	48,078	11,420
Total other income (expense), net	3,153	(1,673)	6,702	(6,608)
Net income	28,696	8,287	54,780	4,812
Income attributable to noncontrolling interests	(1,700)	(734)	(2,703)	(1,050)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 26,995	\$ 7,552	\$ 52,077	\$ 3,762
Adjusted EBITDA ⁽¹⁾	\$ 33,626	\$ 15,369	\$ 67,066	\$ 29,656

- 1) Adjusted EBITDA represents net income (or loss), determined in accordance with U.S. GAAP, excluding interest expense, income taxes, depreciation and amortization, loss on sale and leaseback of vessels, share-based compensation and other non-operating income and/or expense, if any.



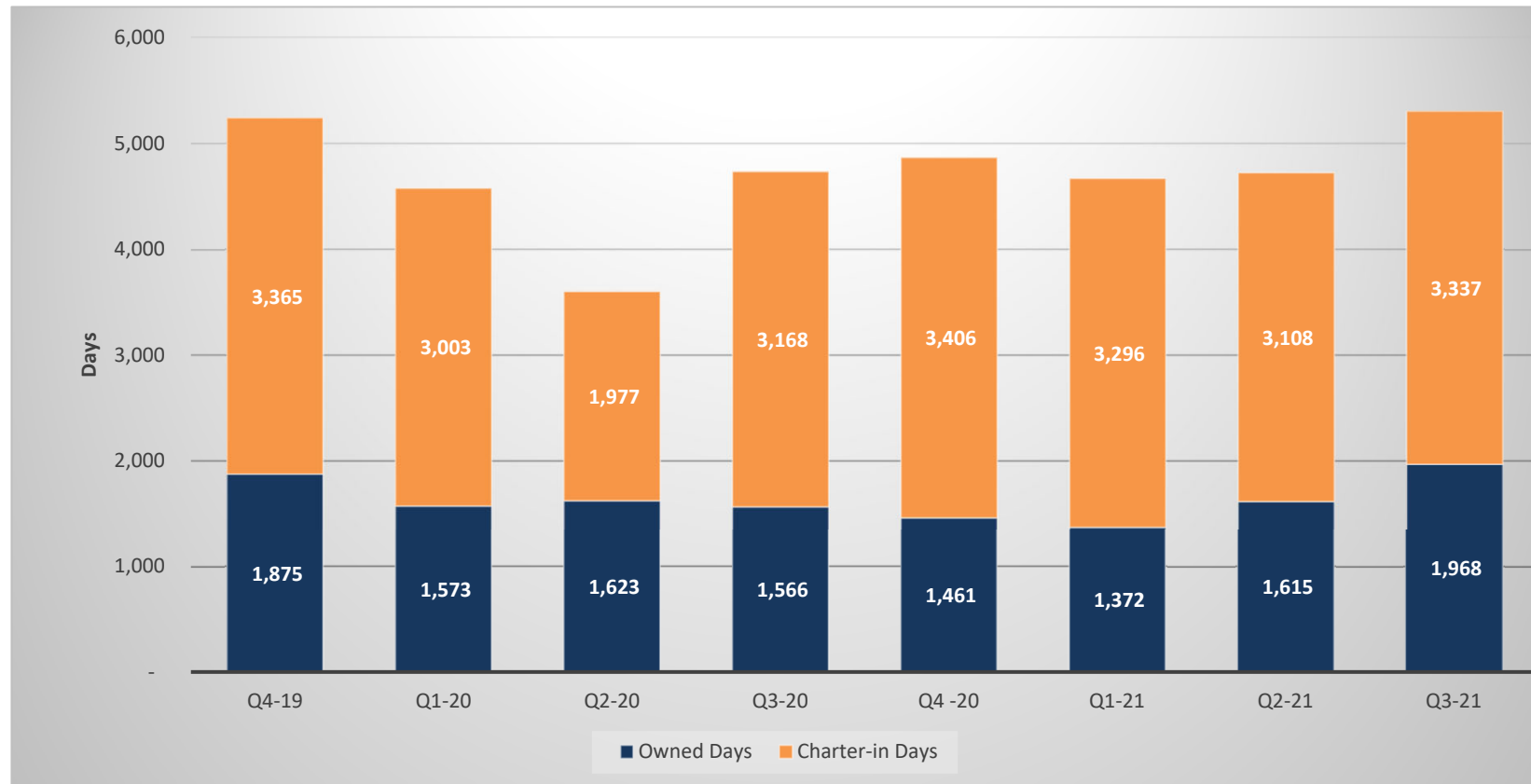
SELECTED BALANCE SHEET & CASH FLOW DATA

<i>(in thousands)</i>	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Current Assets		
Cash and cash equivalents	\$ 49,164	\$ 46,897
Restricted cash	-	1,500
Accounts receivable, net	41,302	29,152
Other current assets	77,716	35,482
Total current assets	168,183	113,032
 Fixed assets, including finance lease right of use assets, net	 484,588	 321,982
Investment in newbuildings in-process	4,013	15,391
Total assets	\$ 656,784	\$ 450,404
 Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 50,889	\$ 32,400
Related party debt	243	243
Current portion long-term debt and finance lease liabilities	28,852	64,361
Other current liabilities	24,884	13,805
Total current liabilities	104,867	110,809
 Secured long-term debt and finance lease liabilities, net	 252,401	 95,028
Other long-term liabilities	15,117	10,135
 Total Pangaea Logistics Solutions Ltd. equity	 233,363	 182,766
Non-controlling interests	51,036	51,666
Total stockholders' equity	284,398	234,431
Total liabilities and stockholders' equity	\$ 656,784	\$ 450,404
 Cash flows for the years ended:	 <u>September 30, 2021</u>	 <u>September 30, 2021</u>
Net cash provided by operating activities	\$ 42,677	\$ 22,441
Net cash (used in) provided by investing activities	\$ (159,848)	\$ (6,042)
Net cash provided by (used in) financing activities	\$ 117,938	\$ (21,395)

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

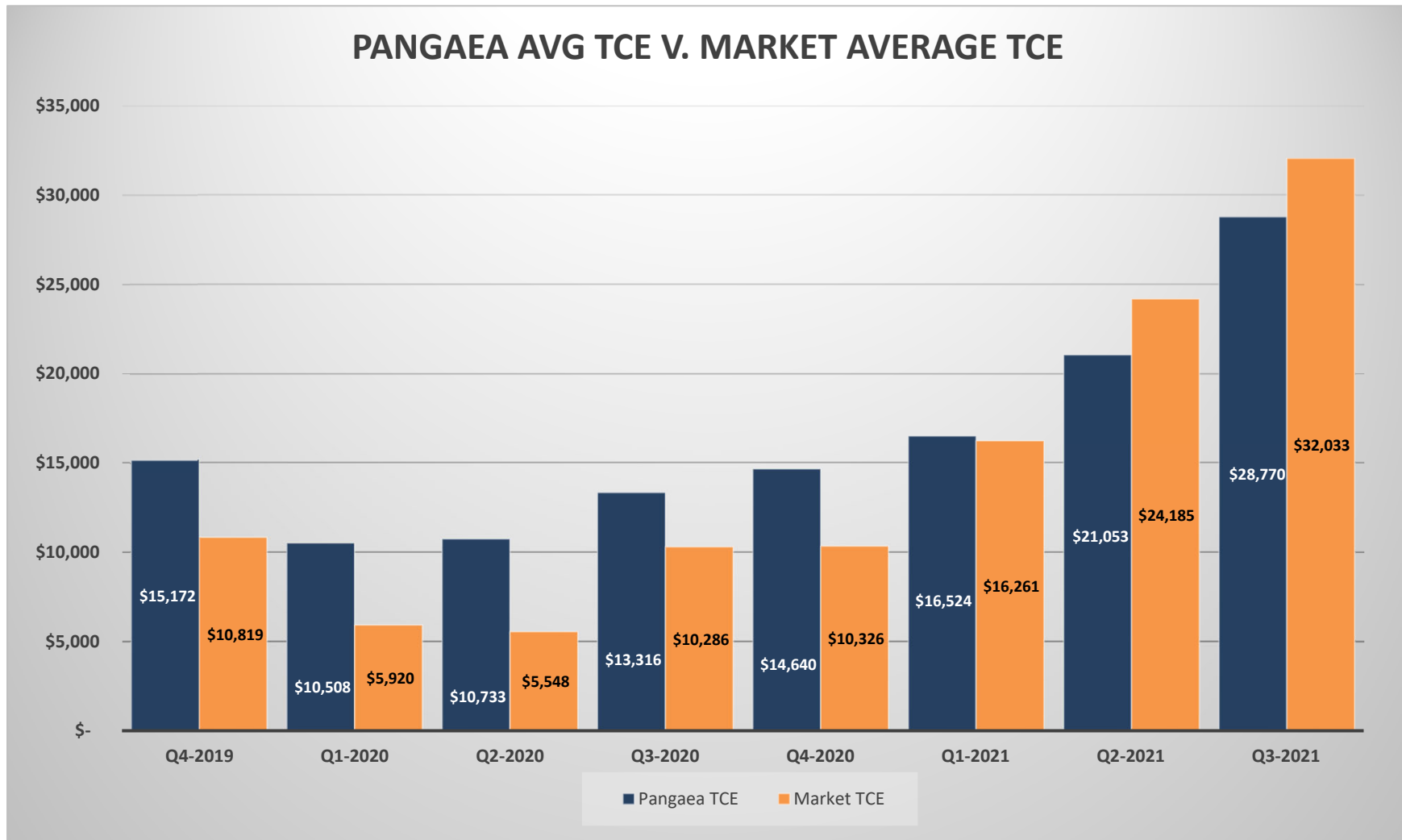


Capital Efficiency: Leveraged owned fleet by chartering-in market vessels

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



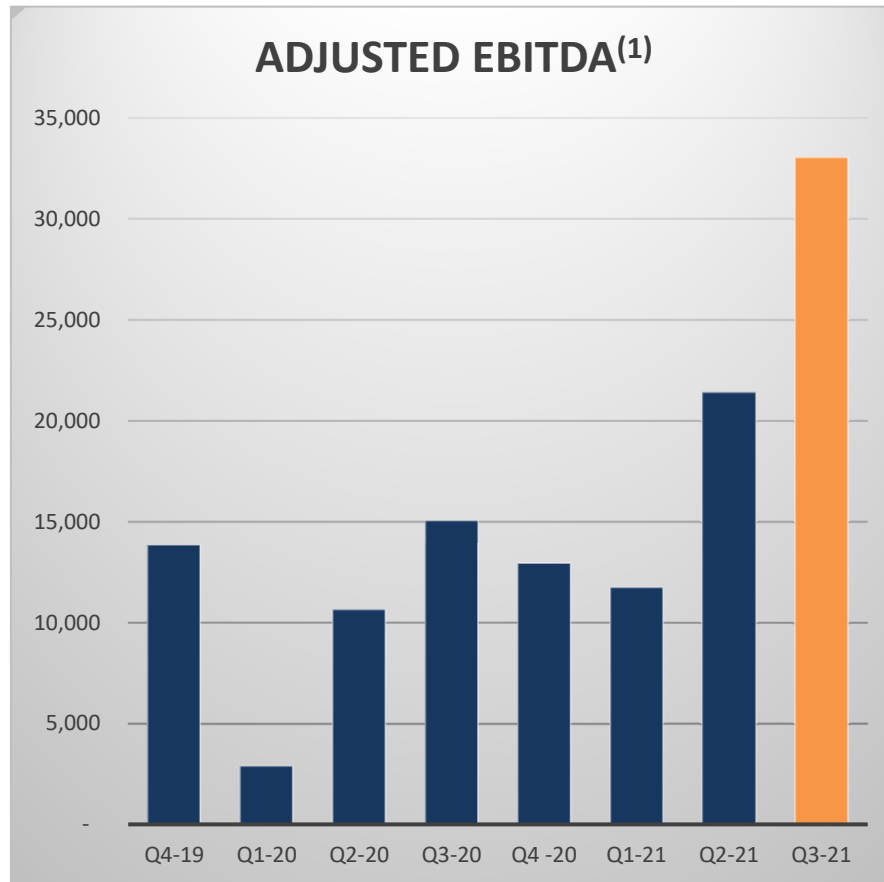
PANGAEA TCE v. AVERAGE MARKET TCE



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



FINANCIAL PERFORMANCE Q4-2019 THROUGH Q3-2021

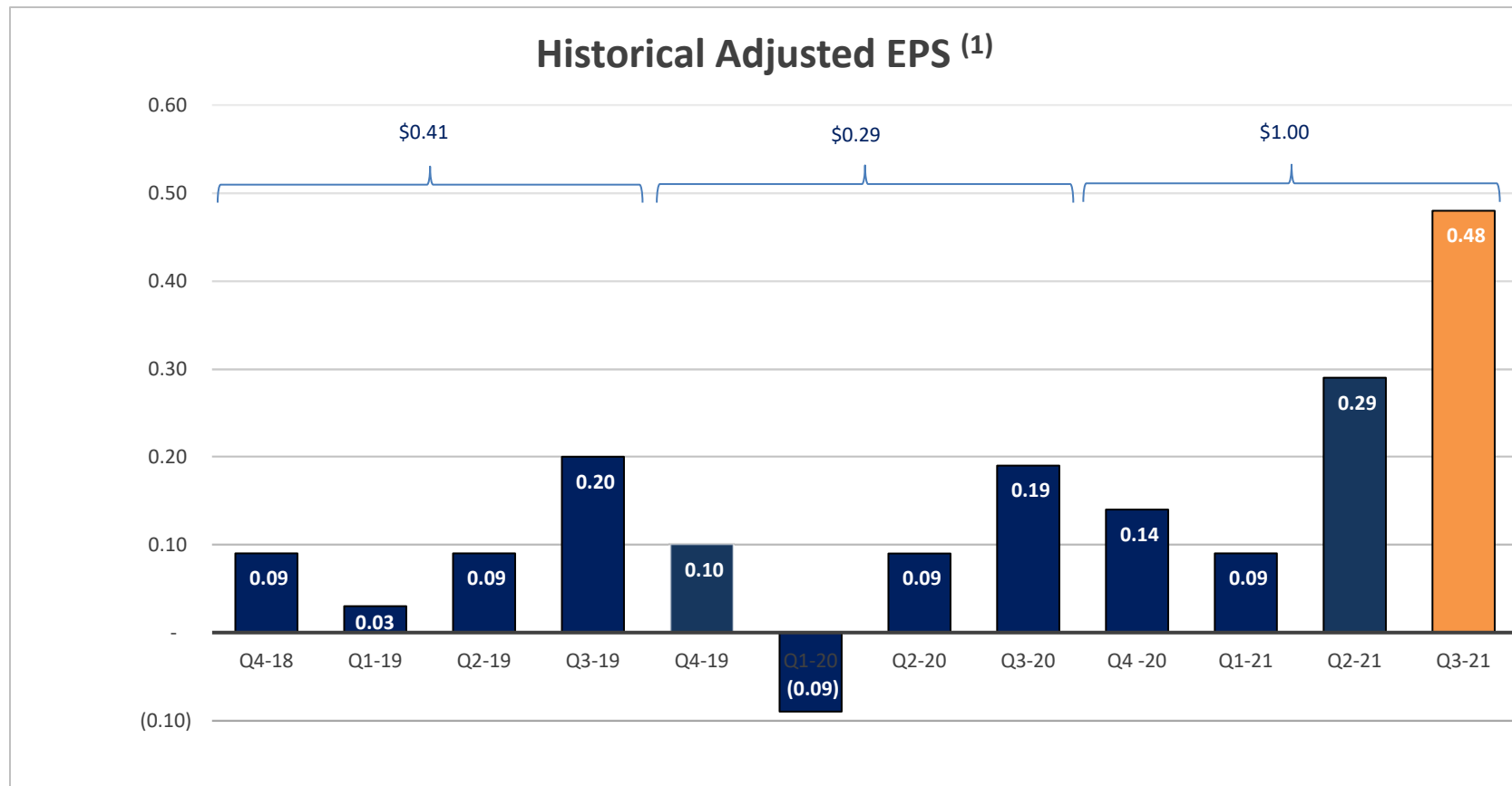


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents operating earnings before interest expense, income taxes, depreciation and amortization, share-based compensation, loss on sale and leaseback of vessels and other non-operating income and/or expense, if any.
- 2) **TCE** is defined as total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

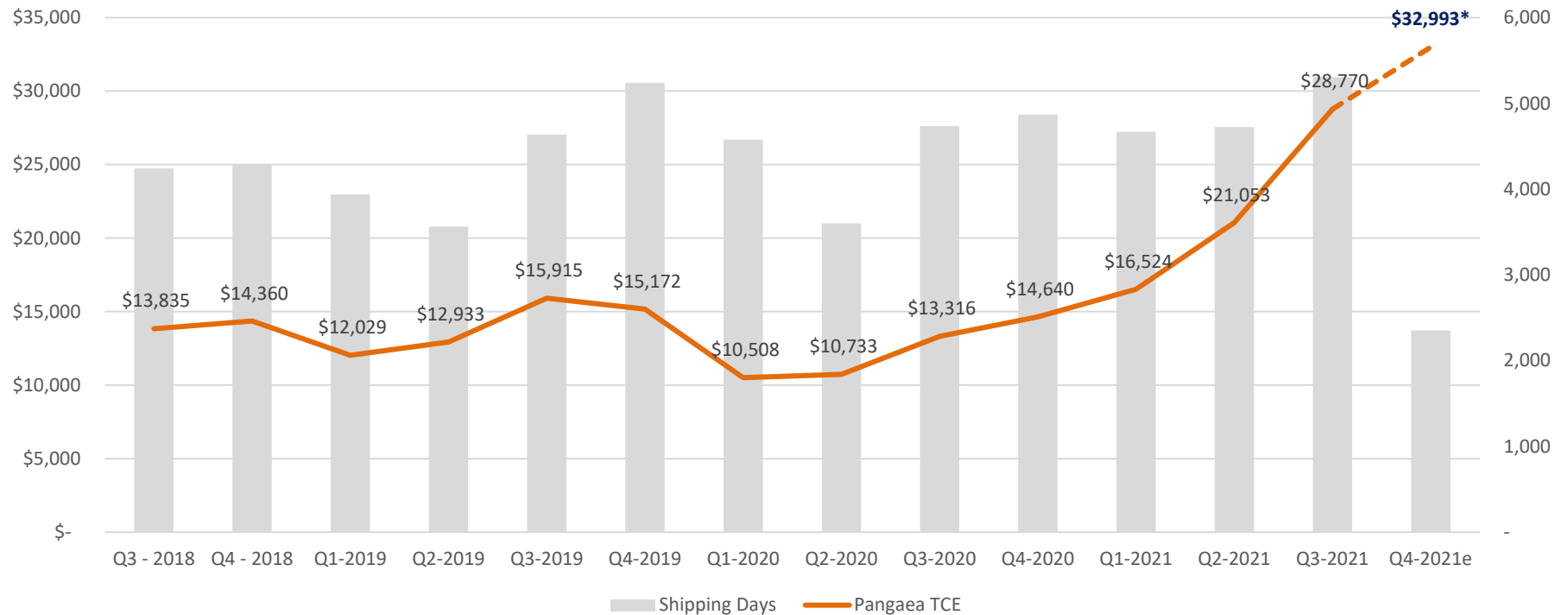
Adjusted EPS total of \$0.48 for Q3-2021



⁽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.



TCE OUTLOOK



* Q4 21 estimated TCE performance based on shipping days performed through November 8, 2021

