



PANGAEA

1Q24

Earnings Call
Presentation



Safe Harbor

1Q24 Earnings Call Presentation

This presentation may include 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.



1Q24 Performance Highlights

Flexible operating model supports opportunistic capital deployment

- ✓ Favorable long-haul voyage demand across specialized ice-class fleet and solid base of premium long-term COAs, resulted in earned TCE rates exceeding the benchmark average Baltic Panamax and Supramax indices by 29%+ in 1Q24.
- ✓ Adjusted EBITDA increased by 23% y/y to \$19.9 million in 1Q24, as Adjusted EBITDA margin increased by 400 basis points y/y to 19.0% due to the 23% y/y increase in earned TCE rates, lower per-day voyage expenses, partially offset by an increase in charter hire expenses per chartered-in day associated with higher market rates.
- ✓ In May 2024, announced the acquisition of two 58,000 dwt dry bulk vessels for a combined price of \$56.6 million to be delivered in 3Q24. The acquisitions are aligned with the Company's strategy of upgrading its fleet to optimize TCE return.
- ✓ During 1Q24 the Company began investing in the expansion of its logistics business in the Port of Tampa, Florida through strategic joint operations partnerships and a land lease commitment. The Company is committed to generated profitable organic growth through investment in its port and logistics business.
- ✓ As of May 7, 2024, booked 2,890 days at an average of \$16,300/day.
- ✓ Continue to execute on key capital allocation priorities, maintaining cash dividend of \$0.10 per common share, to be paid on June 13, 2024.

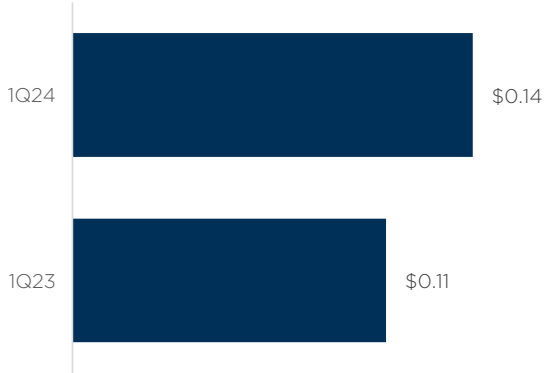


1Q 2024 Performance Summary

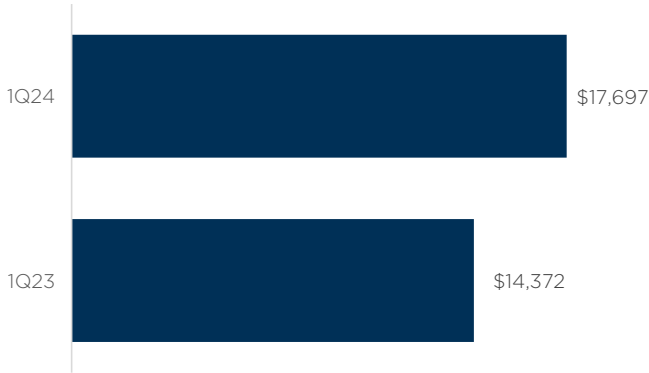
Adjusted EBITDA
\$s in Millions



Adjusted EPS
\$s per Share



TCE Rate
\$s per Shipping Day



Operating Cash Flow
\$s in Millions

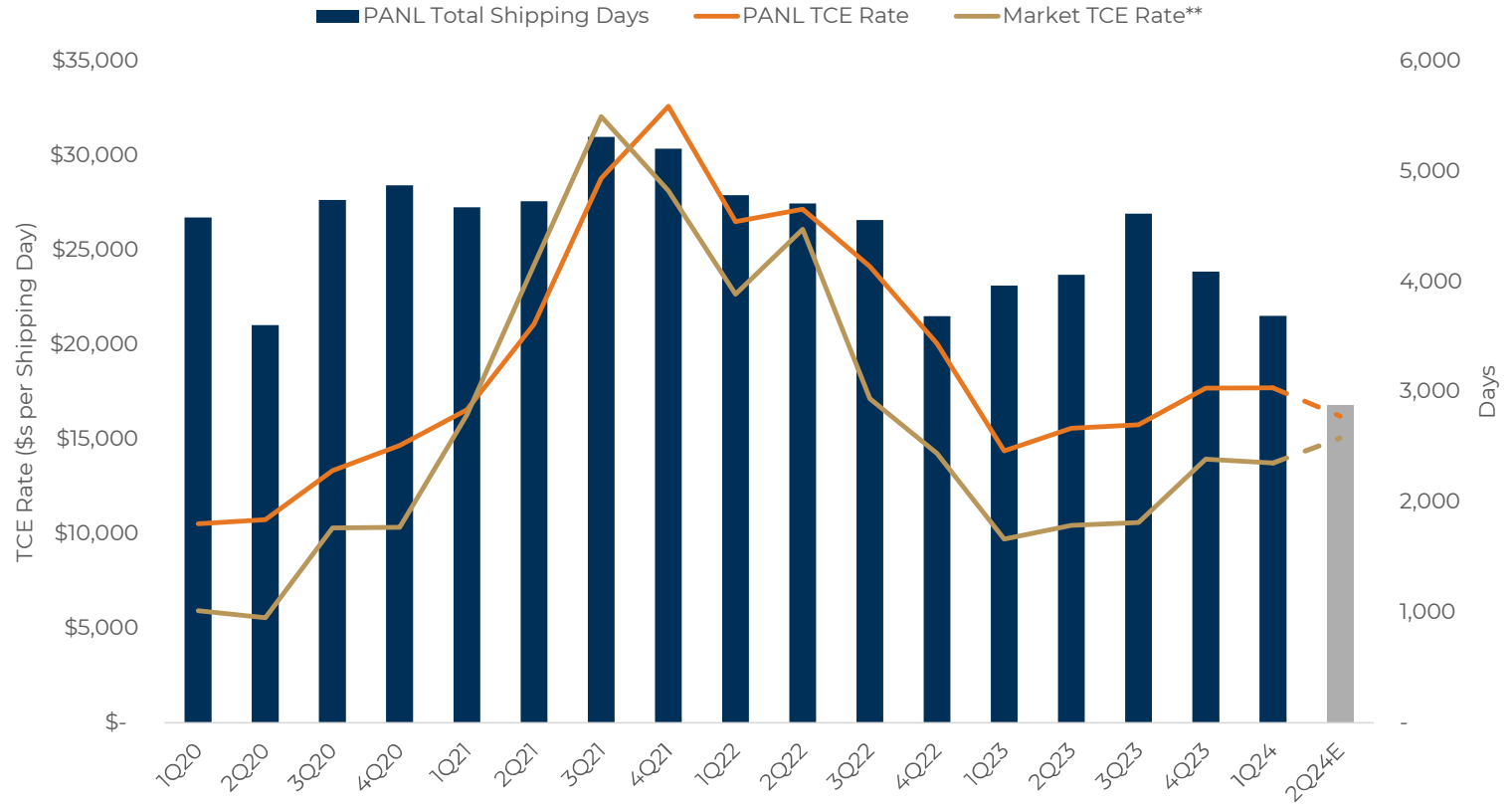


Outperforming Industry Benchmark

Our TCE has exceeded the market by an average of 32% on a trailing 5-year basis

Cargo Focused Business Model Consistently Delivers Above-Market Performance

- Current 2Q24 booked TCE rate of \$16,300, an 8% premium to the market average through the quarter.*
- Our niche, higher-margin trades, long-term COAs and charter-in strategy remain key areas of differentiation.



* Q2 24 estimated TCE performance based on shipping days booked as of May 7, 2024

**Average of the published Panamax and Supramax indices, net of commission



Recent Vessel Acquisitions

Disciplined acquiror of complementary assets

2021

Purchased 7 vessels for \$205 million



MV Bulk Courageous - Ultramax



MV Bulk Promise - Panamax



MV Bulk Valor - Supramax



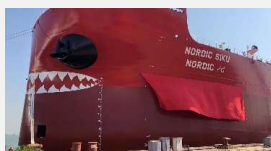
MV Nordic Nuluujaak - Post Panamax⁽¹⁾



MV Nordic Qinnqua - Post Panamax⁽¹⁾



MV Nordic Sanngijug - Post Panamax⁽¹⁾



MV Nordic Siku - Post Panamax⁽¹⁾

2022 & 2023

Purchased 3 vessels for \$64 million



MV Bulk Concord - Panamax



MV Bulk Sachuest - Supramax



MV Bulk Prudence - Ultramax

(1) Vessels are owned through a Joint Venture, of which Pangaea owns 50%.

Return of Capital Program

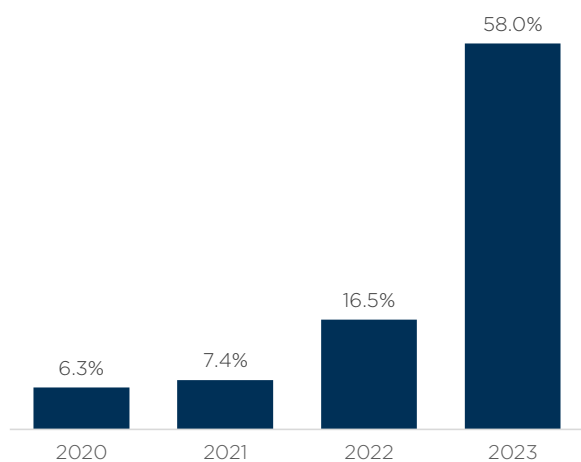
Stable quarterly cash dividend supported by stable profitability

Targeted dividend policy is aimed toward sustainability through the cycle

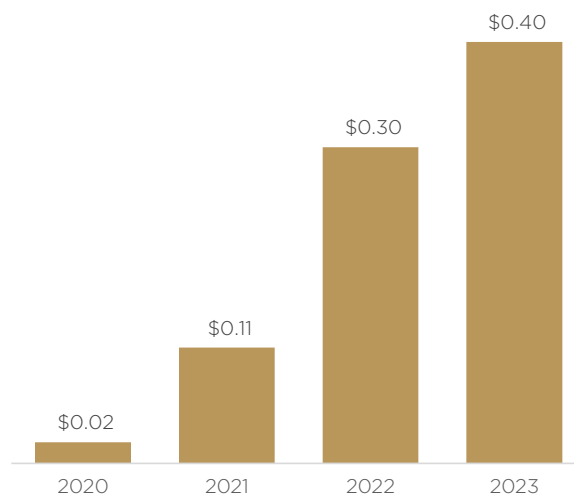
Dividend payout has increased amid favorable market conditions and strategic execution

Improved margins and cash conversion support dividend coverage despite volatile dry bulk market

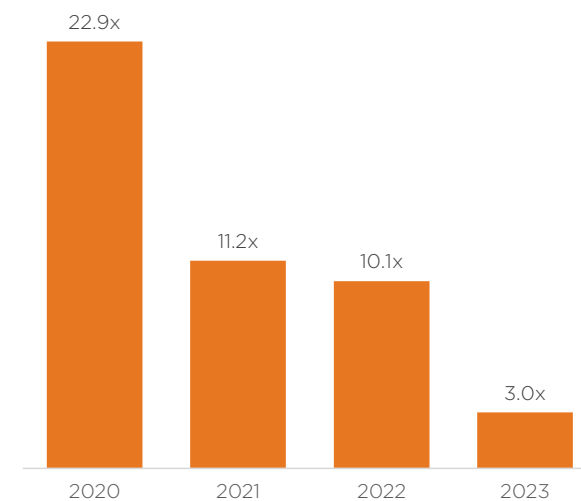
Annual Dividend Payout Ratio % of Adjusted Net Income



Total Annual Cash Dividend Paid \$s per Share



Annual Dividend Coverage Ratio Ratio of Operating Cash Flow to Dividends Issued



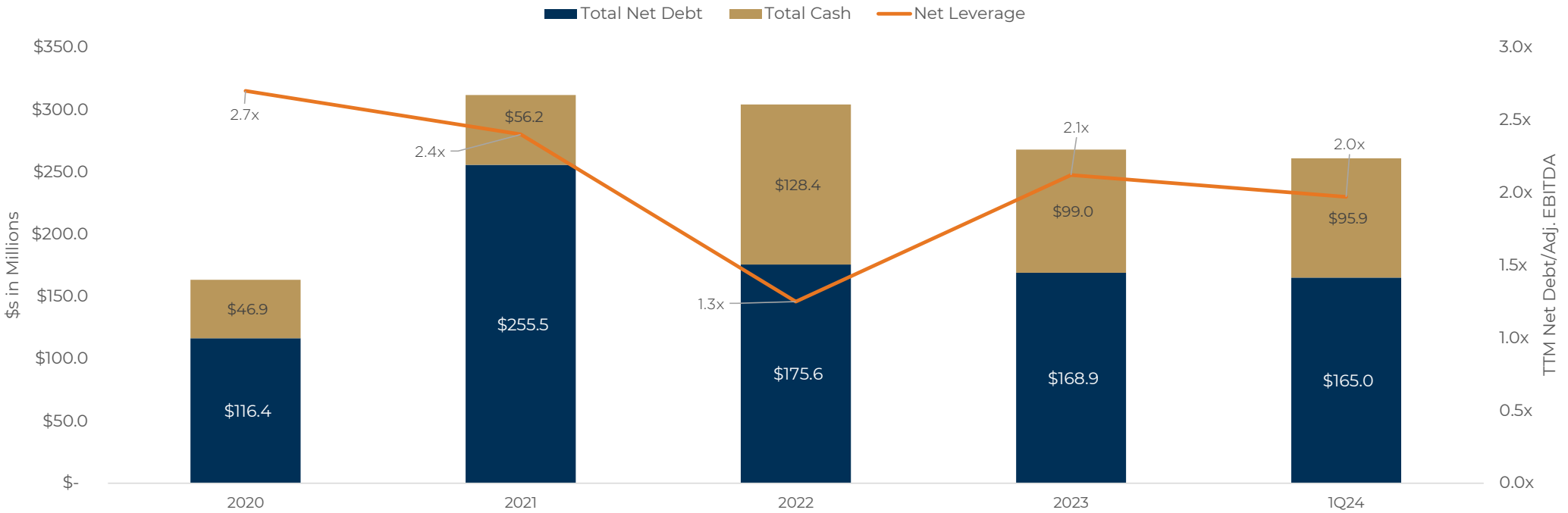
Balance Sheet Update

Ample liquidity to support ongoing growth of business

Opportunistically invested in owned ship fleet during 2021 amid attractive market dynamics

Repaid over \$35 million in debt during 2023 through operating cash flow and vessel sales

Capital allocation priorities will be balanced between debt repayment, fleet investment, opportunistic M&A and shareholder returns



Macro Shipping Outlook

Focused on providing comprehensive logistics solutions with targeted dry bulks

Near Term Outlook

(1H24)

- Trade disruptions and limited dry bulk vessel supply have resulted in elevated ton-mile demand, supporting elevated market rates entering 2Q24
- US Infrastructure spending is beginning to ramp up, creating favorable tailwinds for construction related raw materials

Medium Term Outlook

(Full-Year 2024)

- Global dry bulk fleet growth is expected to remain limited amid limited new-building activity
- Trade disruptions resulting from geopolitical tensions are expected to increase could create opportunities as trade looks to avoid regions of turmoil
- Current risk to medium-term rate improvement is a more pronounced global recession

Long-Term Outlook

(2025-2026)

- Clarity in emissions free fuel alternatives creates opportunity for fleet renewal and niche offerings
- Supply chain reorganizations provide the opportunity for the Company to grow its logistics offerings with new and existing customers
- Emissions regulations will continue to put pressure on markets as fleets age amid limited new and compliant vessels are built

Value Creation Strategy

Durable business model insulated from macro volatility – focused on deploying capital to drive above-sector growth



Integrated shipping-logistics model

- Provide solutions to customer supply chain issues
- More efficient, lower total cost of delivery for customer
- Adds volume and margins to PANL ocean freight offerings



High fleet utilization

- Utilize chartered in fleet to arbitrage vessel positions and provide more revenue days



Organic investment

- Expand capabilities to offer cargo movement beyond ocean transportation
- Expand owned fleet for growth using our unique business plan
- Apply consistent approach to expand and renew fleet



Inorganic investment

- Purchase vessels in support of existing long-term COAs, to maximize returns
- Acquire logistics companies to grow in logistics sector



Return of capital

- Sustain consistent dividend approach, not a payout formula
- Conserve capital for fleet renewal and opportunistic growth
- Compensate for volatility of sector by maintaining reasonable liquidity



Balance sheet optionality

- Promote historical lending relationships, sustainable business plan, and consistent performance to help provide favorable lending terms
- Maintain low net leverage and substantial free cash generation to provide flexibility in financing growth projects
- Consider joint ventures to help mitigate risks and create synergies

Investment Conclusion

Small-cap growth play with stable return of capital program



Integrated shipping-logistics model delivering consistent, above-market returns



Positioned to benefit from tightening global supply of dry-bulk vessels amid continued demand growth



Leading position within Ice-Class trades supports superior earned TCE rates



Long-term cargo-based contracts provide multi-year demand visibility



Focused on consistently high fleet utilization to drive operating leverage



On-shore logistics offering provides significant, incremental revenue opportunities



Disciplined capital allocation strategy



Significant balance sheet optionality to pursue growth, low net leverage



PANGAEA

Appendix



Selected Balance Sheet Data

(in thousands, may not foot due to rounding)

	March 31, 2024 (unaudited)	December 31, 2023 (audited)
Current Assets		
Cash and cash equivalents	\$ 95,873	\$ 99,038
Accounts receivable, net	41,998	47,892
Other current assets	57,686	44,897
Total current assets	195,557	191,826
Fixed assets, including finance lease right of use assets, net	498,907	504,659
Goodwill	3,105	3,105
Other Non-current Assets	5,736	5,590
Total assets	\$ 703,305	\$ 705,180
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 32,953	\$ 35,836
Current portion long-term debt and finance lease liabilities	51,644	52,722
Other current liabilities	14,740	16,776
Total current liabilities	99,337	105,334
Secured long-term debt and finance lease liabilities, net	205,910	211,713
Other long-term liabilities	18,752	17,937
Total Pangaea Logistics Solutions Ltd. equity	332,004	323,886
Non-controlling interests	47,301	46,310
Total stockholders' equity	379,306	370,196
Total liabilities and stockholders' equity	\$ 703,305	\$ 705,180

Selected Income Statement Data

(in thousands, may not foot due to rounding)

	Three months ended March 31,	
	2024	2023
	(audited)	(audited)
Revenues:		
Voyage revenue	\$ 87,291	\$ 107,950
Charter revenue	15,031	5,749
Terminal & stevedore revenue	2,427	-
Total revenue	104,749	113,699
Expenses:		
Voyage expense	37,115	56,815
Charter hire expense	27,143	22,591
Vessel operating expenses	12,669	13,607
Terminal Expenses	2,079	-
General and administrative	7,278	5,692
Depreciation and amortization	7,436	7,327
Loss on sale of vessel	-	1,172
Total expenses	93,720	107,203
Income from operations	11,028	6,496
Total other expense, net	1,638	(3,093)
Net income	12,666	3,403
(Income) loss attributable to noncontrolling interests	(991)	71
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 11,674	\$ 3,474
Adjusted EBITDA ⁽¹⁾	\$ 19,947	\$ 16,238

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

Reconciliation of Non-GAAP Measures

	For the three months ended	
	3/31/2024 (unaudited)	3/31/2023 (unaudited)
Net Transportation and Service Revenue		
Gross Profit	\$ 18,333,600	\$ 13,387,407
Add:		
Vessel Depreciation and amortization	7,408,995	7,299,382
Net transportation and service revenue	\$ 25,742,595	\$ 20,686,789
Adjusted EBITDA		
Net Income	\$ 12,665,634	\$ 3,402,912
Interest expense, net	2,975,646	3,200,668
Income (loss) attributable to Non-controlling interest recorded as long-term liability interest expense	815,102	(144,736)
Depreciation and amortization	7,436,473	7,326,860
EBITDA	23,892,855	13,785,704
Non-GAAP Adjustments:		
Loss on sale of vessels	-	1,172,196
Share-based compensation	1,138,677	856,434
Unrealized (gain) loss on derivative instruments, net	(5,084,339)	423,569
Adjusted EBITDA	\$ 19,947,193	\$ 16,237,903

Reconciliation of Non-GAAP Measures

	For the three months ended	
	3/31/2024 (unaudited)	3/31/2023 (unaudited)
Earnings Per Common Share		
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 11,674,176	\$ 3,474,267
Weighted average number of common shares - basic	45,214,519	44,712,290
Weighted average number of common shares - diluted	<u>45,914,772</u>	<u>45,116,719</u>
Earnings per common share - basic	<u>\$ 0.26</u>	<u>\$ 0.08</u>
Earnings per common share - diluted	<u>\$ 0.25</u>	<u>\$ 0.08</u>
Adjusted EPS		
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 11,674,176	\$ 3,474,267
Non-GAAP		
Add:		
Loss on sale of vessels	-	1,172,196
Unrealized (gain) loss on derivative instruments, net	(5,084,339)	423,569
Non-GAAP adjusted net income attributable to Pangaea Logistics Solutions Ltd.	<u>6,589,837</u>	<u>5,070,032</u>
Weighted average number of common shares - basic	45,214,519	44,712,290
Weighted average number of common shares - diluted	<u>45,914,772</u>	<u>45,116,719</u>
Adjusted EPS - basic	<u>\$ 0.15</u>	<u>\$ 0.11</u>
Adjusted EPS - diluted	<u>\$ 0.14</u>	<u>\$ 0.11</u>