



PANGAEA

3Q24

Earnings Call
Presentation



Safe Harbor

3Q24 Earnings Call Presentation

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3Q24 Performance Highlights

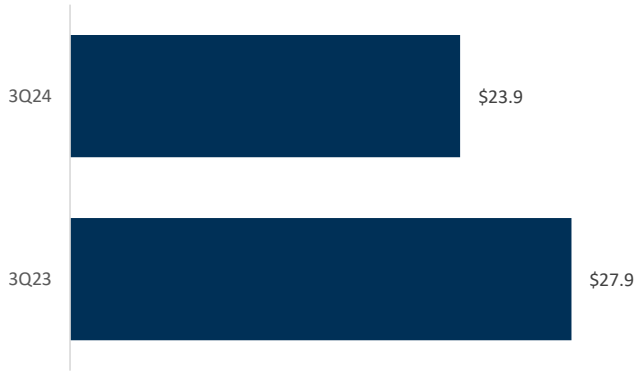
Significant strategic progress amid seasonally strong arctic trade demand

- ✓ Seasonal arctic trade demand drove high utilization of specialized ice-class fleet, resulting in earned TCE rates in 3Q24 exceeding the benchmark average Baltic Panamax and Supramax indices by 19%.
- ✓ Adjusted EBITDA declined to \$23.9 million in 3Q24, due to a 43% increase in charter-hire expenses, which more than offset a 3.7% increase in earned TCE rates and a 3% decrease in vessel operating expenses, net of technical management fees.
- ✓ Announced definitive agreement for dry bulk fleet combination with the dry bulk fleet of M.T. Maritime, expanding into handy-sized segment and increasing the size of the dry bulk fleet by 60%, pending shareholder approval.
- ✓ Took delivery of the Bulk Brenton and Bulk Patience increasing the amount of environmentally compliant fleet tonnage and increased the number of owned vessels to 26.
- ✓ Entering the fourth quarter prevailing market rates have been mixed. As of November 11, 2024, booked 3,378 days at an average of \$16,629/day.
- ✓ Continue to execute on key capital allocation priorities, maintaining cash dividend of \$0.10 per common share, to be paid on December 13, 2024.

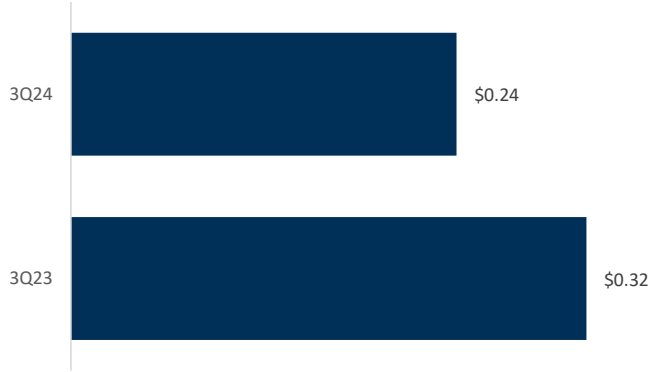


3Q 2024 Performance Summary

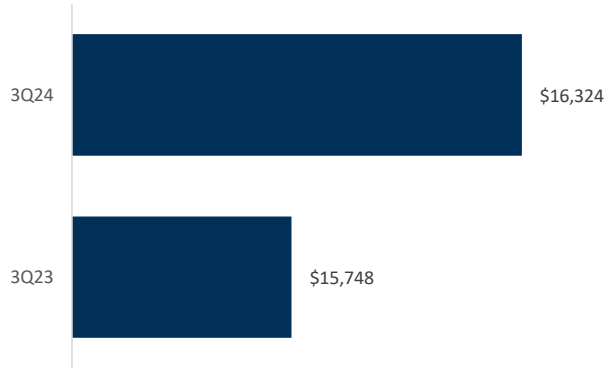
Adjusted EBITDA
\$s in Millions



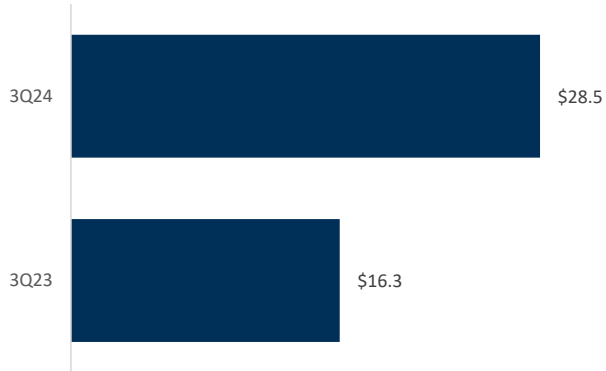
Adjusted EPS
\$s per Share



TCE Rate
\$s per Shipping Day



Operating Cash Flow
\$s in Millions

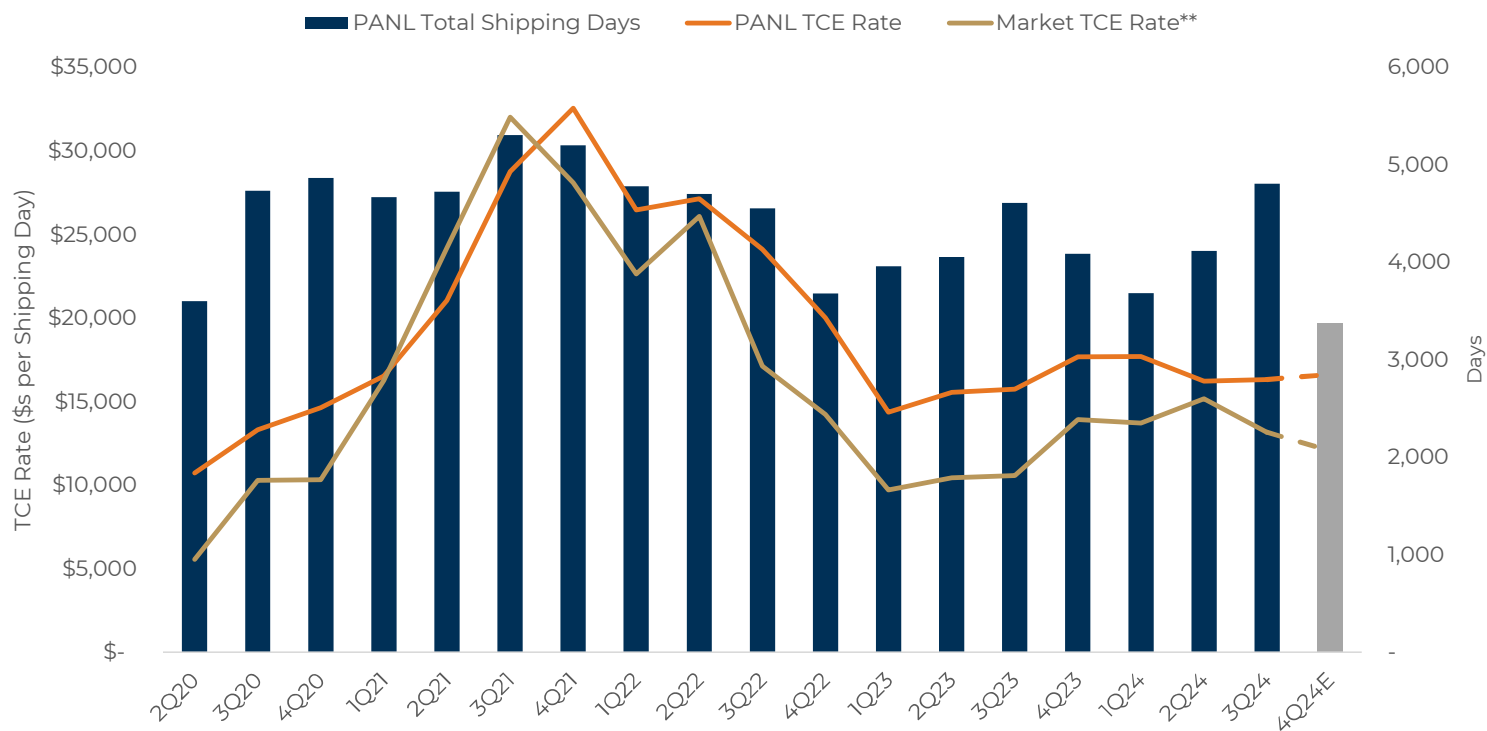


Outperforming Industry Benchmark

Our TCE has exceeded the market by an average of 31% on a trailing 5-year basis

Cargo Focused Business Model Consistently Delivers Above-Market Performance

- Current 4Q24 booked TCE rate of \$16,629, an 38% 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.



* Q4 24 estimated TCE performance based on shipping days booked as of November 11, 2024

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



Recent Vessel Acquisitions

Disciplined acquirer of complementary assets

2021 & 2022

Purchased 7 vessels for \$245 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⁾



MV Bulk Concord - Panamax



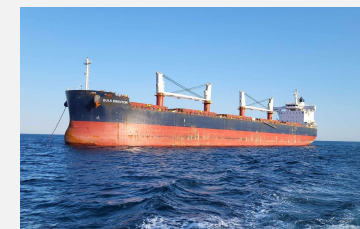
MV Bulk Sachuest - Supramax

2023 & 2024

Purchased 3 vessels for \$83 million



MV Bulk Prudence - Ultramax



MV Bulk Brenton - Supramax



MV Bulk Patience - Supramax

(1) Vessels are owned through a joint venture, of which Pangaea owns 50% as of September 30, 2024 and December 31, 2023. On November 6, 2024, the Company acquired the remaining 50% interest in NBP from a non-affiliate, resulting in full ownership of NBP's fleet of four Post Panamax Ice Class 1A dry bulk vessels.

Return of Capital Program

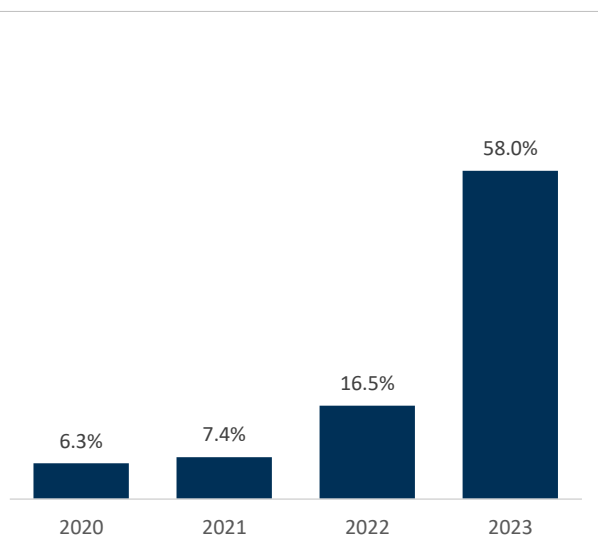
Stable quarterly cash dividend supported by stable profitability

Targeted dividend policy is aimed toward sustainability through the cycle

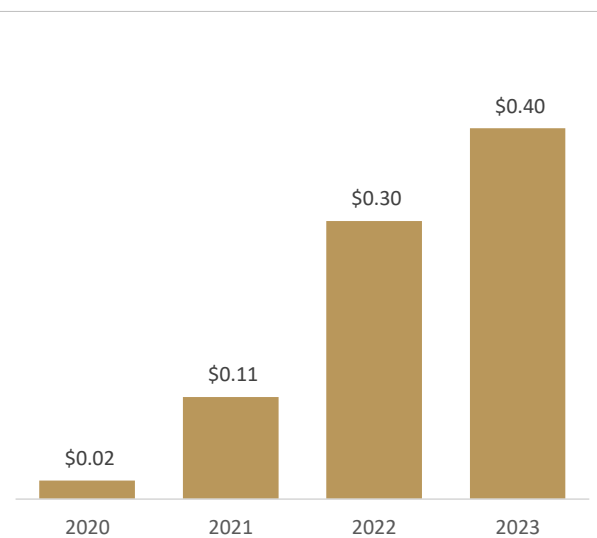
Dividend payout has increased amid favorable market conditions and strategic execution

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

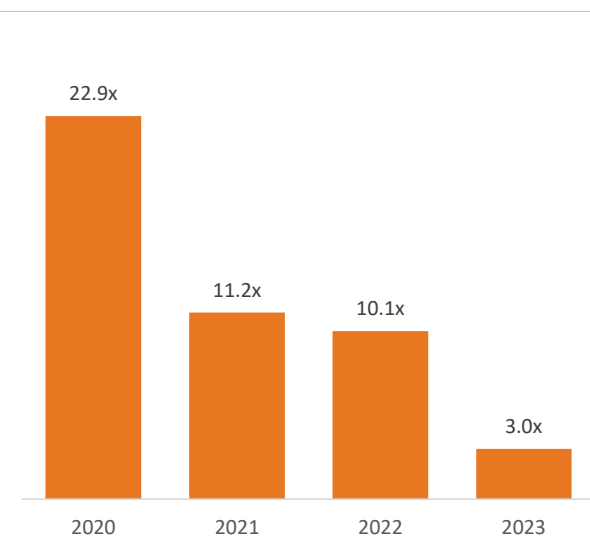
Annual Dividend Payout Ratio % of Adjusted Net Income



Total Annual Cash Dividend Paid \$s per Share



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



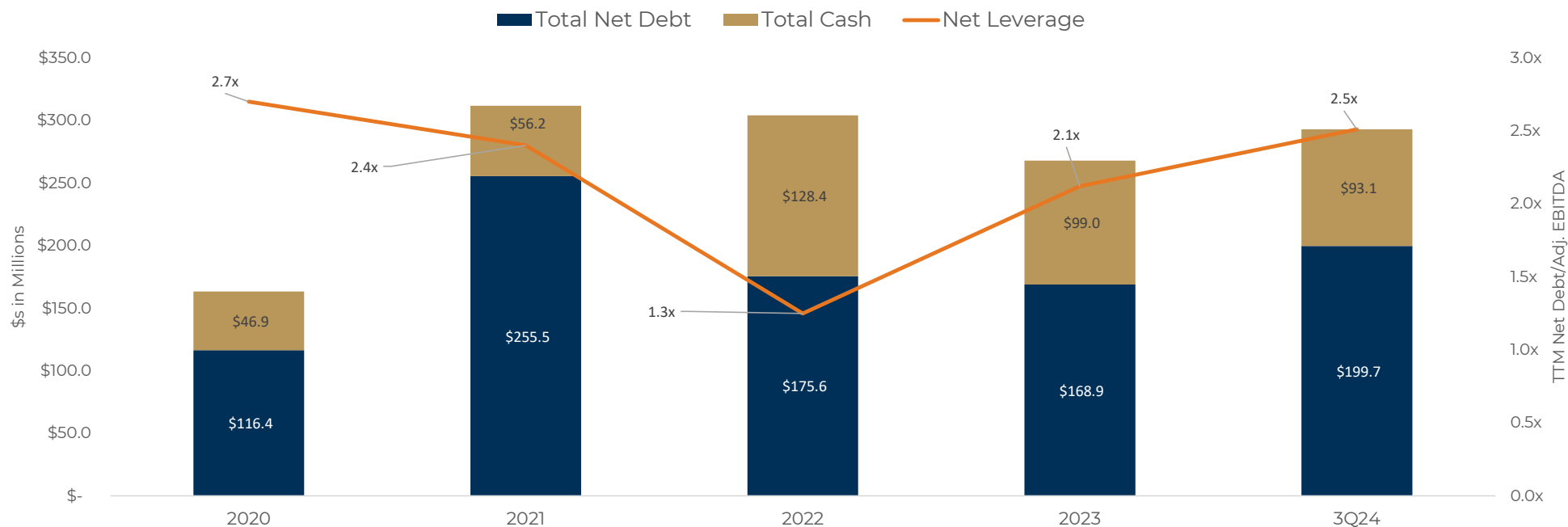
Balance Sheet Update

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

(4Q24 – 1Q25)

- Dry bulk demand appears to be following seasonal norms, while wetter-than-normal weather in the Baltic region are likely to shorten the arctic trade season in Q4
- US Infrastructure spending is beginning to ramp up, creating favorable tailwinds for construction related raw materials

Medium Term Outlook

(Full-Year 2025)

- 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

(2026 - 2027)

- 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)

| | September 30, 2024 | December 31, 2023 |
|---|---------------------------|-------------------|
| | (unaudited) | (audited) |
| Current Assets | | |
| Cash and cash equivalents | \$ 93,120 | \$ 99,038 |
| Accounts receivable, net | 44,157 | 47,892 |
| Other current assets | 58,962 | 44,897 |
| Total current assets | 196,239 | 191,826 |
| Fixed assets, including finance lease right of use assets, net | 543,716 | 504,659 |
| Goodwill | 3,105 | 3,105 |
| Other Non-current Assets | 6,107 | 5,590 |
| Total assets | \$ 749,167 | \$ 705,180 |
| Current liabilities | | |
| Accounts payable, accrued expenses and other current liabilities | \$ 47,778 | \$ 35,836 |
| Current portion long-term debt and finance lease liabilities | 30,776 | 52,722 |
| Other current liabilities | 17,360 | 16,776 |
| Total current liabilities | 95,914 | 105,334 |
| Secured long-term debt and finance lease liabilities, net | 258,081 | 211,713 |
| Other long-term liabilities | 16,357 | 17,937 |
| Total Pangaea Logistics Solutions Ltd. equity | 332,590 | 323,886 |
| Non-controlling interests | 46,225 | 46,310 |
| Total stockholders' equity | 378,815 | 370,196 |
| Total liabilities and stockholders' equity | \$ 749,167 | \$ 705,180 |

Selected Income Statement Data

(in thousands, may not foot due to rounding)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|---------------------|---------------------------------|-------------------|
| | 2024 (unaudited) | 2023 (unaudited) | 2024 (audited) | 2023 (audited) |
| Revenues: | | | | |
| Voyage revenue | \$ 145,120 | \$ 127,885 | \$ 356,506 | \$ 346,300 |
| Charter revenue | 4,860 | 3,798 | 23,738 | 16,637 |
| Terminal & stevedore revenue | 3,135 | 3,934 | 9,117 | 4,454 |
| Total revenue | 153,115 | 135,616 | 389,361 | 367,391 |
| Expenses: | - | - | - | - |
| Voyage expense | 71,540 | 59,075 | 169,805 | 170,349 |
| Charter hire expense | 36,511 | 25,467 | 96,339 | 77,183 |
| Vessel operating expenses | 13,885 | 14,253 | 41,290 | 41,070 |
| Terminal Expenses | 2,417 | 3,518 | 7,325 | 3,892 |
| General and administrative | 6,042 | 5,500 | 18,350 | 17,115 |
| Depreciation and amortization | 7,719 | 8,092 | 22,609 | 22,546 |
| Loss on sale of vessel | - | - | - | 1,172 |
| Total expenses | 138,114 | 115,905 | 355,718 | 333,329 |
| Income from operations | 15,001 | 19,711 | 33,644 | 34,062 |
| | - | - | - | - |
| Total other expense, net | (8,944) | 479 | (10,927) | (7,702) |
| Net income | 6,057 | 20,190 | 22,716 | 26,360 |
| Income attributable to noncontrolling interests | (946) | (1,322) | (2,248) | (1,173) |
| Net income attributable to Pangaea Logistics Solutions Ltd. | \$ 5,111 | \$ 18,868 | \$ 20,468 | \$ 25,187 |
| Adjusted EBITDA ⁽¹⁾ | \$ 23,917 | \$ 27,881 | \$ 59,795 | \$ 60,042 |

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 | | For the nine months ended | |
|---|----------------------------|--------------------------|---------------------------|--------------------------|
| | 9/30/2024 (unaudited) | 9/30/2023 (unaudited) | 9/30/2024 (unaudited) | 9/30/2023 (unaudited) |
| Net Transportation and Service Revenue | | | | |
| Gross Profit | \$ 21,084,541 | \$ 25,240,555 | \$ 52,075,557 | \$ 52,433,372 |
| Add: | | | | |
| Vessel Depreciation and amortization | 7,677,620 | 8,063,270 | 22,526,796 | 22,462,168 |
| Net transportation and service revenue | \$ 28,762,161 | \$ 33,303,825 | \$ 74,602,353 | \$ 74,895,540 |
| Adjusted EBITDA | | | | |
| Net Income | \$ 6,057,122 | \$ 20,190,102 | \$ 22,716,256 | \$ 26,359,872 |
| Interest expense, net | 3,808,222 | 3,573,182 | 9,931,289 | 9,857,006 |
| Income (loss) attributable to Non-controlling interest recorded as long-term liability interest expense | (274,326) | 267,198 | 420,826 | 1,027,798 |
| Depreciation and amortization | 7,719,083 | 8,092,495 | 22,609,231 | 22,546,350 |
| EBITDA | 17,310,101 | 32,122,977 | 55,677,602 | 59,791,026 |
| Non-GAAP Adjustments: | | | | |
| Loss on sale of vessels | - | - | - | 1,172,196 |
| Share-based compensation | 645,835 | 270,007 | 2,313,185 | 1,393,514 |
| Unrealized loss (gain) on derivative instruments, net | 5,961,224 | (4,531,912) | 1,804,388 | (2,760,059) |
| Other non-recurring items | - | 19,476 | - | 445,178 |
| Adjusted EBITDA | \$ 23,917,160 | \$ 27,880,548 | \$ 59,795,175 | \$ 60,041,855 |

Reconciliation of Non-GAAP Measures

| Earnings Per Common Share | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Net income attributable to Pangaea Logistics Solutions Ltd. | \$ 5,111,040 | \$ 18,868,291 | \$ 20,467,991 | \$ 25,187,098 |
| Weighted average number of common shares - basic | <u>45,279,813</u> | <u>44,775,438</u> | <u>45,257,462</u> | <u>44,754,620</u> |
| Weighted average number of common shares - diluted | <u>46,011,402</u> | <u>45,081,668</u> | <u>45,947,548</u> | <u>45,108,039</u> |
| Earnings per common share - basic | <u>\$ 0.11</u> | <u>\$ 0.42</u> | <u>\$ 0.45</u> | <u>\$ 0.56</u> |
| Earnings per common share - diluted | <u>\$ 0.11</u> | <u>\$ 0.42</u> | <u>\$ 0.45</u> | <u>\$ 0.56</u> |
| Adjusted EPS | | | | |
| Net income attributable to Pangaea Logistics Solutions Ltd. | \$ 5,111,040 | \$ 18,868,291 | \$ 20,467,991 | \$ 25,187,098 |
| Non-GAAP | | | | |
| Add: | | | | |
| Loss on impairment of vessels | - | - | - | - |
| Loss on sale of vessels | \$ - | \$ - | \$ - | \$ 1,172,196 |
| Unrealized loss (gain) on derivative instruments, net | 5,961,224 | (4,531,912) | 1,804,388 | (2,760,059) |
| Other non-recurring items | - | 19,476 | - | 445,178 |
| Non-GAAP adjusted net income attributable to Pangaea Logistics Solutions Ltd. | <u>11,072,264</u> | <u>14,355,855</u> | <u>22,272,379</u> | <u>24,044,413</u> |
| Weighted average number of common shares - basic | <u>45,279,813</u> | <u>44,775,438</u> | <u>45,257,462</u> | <u>44,754,620</u> |
| Weighted average number of common shares - diluted | <u>46,011,402</u> | <u>45,081,668</u> | <u>45,947,548</u> | <u>45,108,039</u> |
| Adjusted EPS - basic | <u>\$ 0.24</u> | <u>\$ 0.32</u> | <u>\$ 0.49</u> | <u>\$ 0.54</u> |
| Adjusted EPS - diluted | <u>\$ 0.24</u> | <u>\$ 0.32</u> | <u>\$ 0.48</u> | <u>\$ 0.53</u> |