



## Pioneer Marine Inc. Announces Financial Results for the Quarter and Year Ended December 31, 2020

MAJURO, MARSHALL ISLANDS -- (GlobeNewswire – February 25, 2021) – Pioneer Marine Inc. and its subsidiaries (OSLO-OTC: PNRM) ("Pioneer Marine," or the "Company") a leading shipowner and global drybulk handysize transportation service provider announced its financial and operating results for the fourth quarter and year ended December 31, 2020.

### Financial Highlights at a glance:

	Fourth quarter 2020	Year ended 2020
<b>Net loss</b>	(\$4.9) million	(\$14.5) million
<b>Adjusted Net Income / (loss)</b>	\$0.9million	(\$2.8) million
<b>Time Charter equivalent ("TCE") revenue</b>	\$10.1 million	\$36.2 million
<b>EBITDA</b>	(\$2.5) million	(\$3.3) million
<b>Adjusted EBITDA*</b>	\$3.2 million	\$8.4 million

**Jim Papoulis, Chief Executive Officer commented:** "The Baltic Handysize index recovered sharply in the fourth quarter of 2020 and continues to improve during the first two months of 2021. While potential impacts from a third wave of COVID remain, this is a vital indicator that a remarkable turnaround has taken place since spring 2020 when there was a global slowdown.

"Pioneer returned to positive results, during fourth quarter, reporting Adjusted Net Income of \$0.9 million, TCE Revenues of \$10.1 million and Adjusted EBITDA of \$3.2 million. Taking advantage of the recovering market we increased our TCE for the quarter to \$7,850 per day.

"The S&P market has also recently started to follow this improvement, and we are witnessing higher values for the head Owners interest. This is being predominantly driven by firm purchasing interest, with owners content to sit on healthy earnings. Taking advantage of the market momentum, subsequent to year end, in February 2021, we signed MoA's to dispose four of our handies with delivery ranges beginning in March 2021 through May 2021.

"Looking ahead, we expect drybulk rates in 2021 will remain at very good levels due to the overall market strength as well as other important factors. Our first quarter 2021 fixtures reflect these rapidly improving market conditions, and we remain well-positioned and committed to continue to take actions which will serve our strategic targets of sustainable growth."

\*For reconciliation and definition of EBITDA/Adjusted EBITDA refer to "Summary of Operating Data (unaudited)" section within this press release.

### **COVID-19 Outbreak:**

The COVID-19 outbreak has significantly increased financial and economic volatility and uncertainty. A continued slowdown in the economy has already had, and we expect will continue to have, a negative impact on demand for transportation of dry bulk products.

Pandemic continues to impact the global economy on a prolonged basis, as it is said a third wave might be inevitable, despite the ongoing vaccination process. We constantly monitor the changing situation and take actions to address and mitigate, to the extent possible, the impact of COVID-19 to our Company's financial position.

As a result of the spread of COVID-19, the Company has incurred some additional crewing expenses relating to procurement of personal protective equipment, COVID-19 testing, and crew travel, which is included under our vessel operating expenses. The Company has worked extensively to find solutions focusing on effectively managing crew changes despite the ongoing travel restrictions imposed by governments around the world. The Company has also taken measures to protect its seafarers' health and well-being. We continuously ensure a safe work environment for the office employees and encourage all meetings be held virtually rather than physically as well as take advantage of the established "Work from Home" policy which has proved to be both efficient and effective way of conducting business through enhanced digital means.

As always, we remain in close cooperation with our Business Partners in order to ensure smooth operation of the Company.

### **Recent Events:**

Within February 2021, the Company entered into Memoranda of Agreements for the disposal of four vessels of the fleet to unrelated third parties. Anticipated delivery of these vessel will be completed by the second quarter of 2021. The full management of three of these vessels will remain under Pioneer Marine Inc.

### **Liquidity & Capital Resources:**

As of December 31, 2020, the Company had a total liquidity of \$25.4million inclusive of \$8.8 million in restricted cash.

### **2020 Review:**

#### **Other developments**

- On February 27, 2020, the Board of Directors of Pioneer Marine Inc. declared a cash dividend of \$0.30 per outstanding share of company's Common Stock. On March 6, 2020, the dividend amounting to \$7,639, was paid to stockholders of record as of March 5, 2020.
- On November 27, 2020, the Company entered into a Charter in agreement for a 36k dwt tonnage handy vessel, for a period of five to eight months.

**Fleet developments:**

Pioneer Marine completed the following vessels disposals during the year ended December 31, 2020:

- On October 24, 2019, the Company entered into an Agreement (“MOA”) for the sale of M/V Fortune Bay to an unrelated third party on a charter free basis. However, on June 12, 2020 a termination agreement was signed between the Company and the prospective Buyer whereas the sale was cancelled and the total amount of \$1.0 million was released to the Owners as compensation for the termination.
- On January 17, 2020 the Company completed the sale and delivered the M/V Calm Bay on a charter free basis and recorded a loss on sale of \$0.1 million.
- On August 13, 2020 the Company completed the sale and delivered the M/V Falcon Bay on a charter free basis and recorded a loss on sale of \$0.6 million.
- On September 14, 2020 the Company completed the sale and delivered the M/V Fortune Bay on a charter free basis and recorded a loss on sale of \$0.2 million.
- On November 24, 2020, the Company entered into a Memorandum of Agreement for the sale of M/V Reunion Bay on a charter free basis, which is expected to be delivered to her new owners in early March 2021.

## **Financial Review: Year 2020**

Company reported a net loss of \$14.5 million for the year ended December 31, 2020 as compared to \$12.5 million net income for 2019.

However, net loss for the year was affected by the non – cash impairment loss of \$11.5 million relating to the impairment exercise performed according to US GAAP following the agreements entered for vessels disposals. Furthermore, there was a \$1.0 million loss resulting from the disposal of vessels completed within 2020 and a \$0.3 million loss from devaluation of bunkers inventory, which was partially offset by a \$1.0 million gain resulting from the contract termination of the M/V Fortune Bay. Excluding these non-cash items and one-off charges, the net loss for the year end of 2020 amounts to \$2.7 million.

TCE revenue for 2020 amounted to \$36.2 million, decreased by 33% compared to previous year results, mainly due to the current COVID-19 pandemic, impacting almost all sectors of economic activity. TCE per day for the year ended December 31, 2020 decreased by 21% to \$6,523 compared to prior year results. Despite the poor market conditions, the Company for a fifth consecutive year achieved to outperform the market, for the year ended December 31, 2020 we outperformed the market by 14% and maintained a high utilisation rate of 98.1%.

The continuous cost reducing initiatives and optimisation of cost control procedures implemented, achieved a healthy OPEX rate of \$4,292 per day, largely-in line with the \$4,251 incurred during relative period in 2019 despite the increased crew change cost as a result of the travel restrictions and additional quarantine requirements.

General and administrative expenses are reduced by \$0.2 million for the twelve-month ended December 31, 2020 compared to the respective period in 2019. While G&A per day basis commercial days of \$453 for the twelve-month period of 2020 is 2% lower compared to the same period of 2019.

Loss on vessel disposal amounted to \$1.0 million and relates to the sale of the vessels which were affected within the year. The comparative net gain of \$6.8 million in the twelve months ended 2019 relate to the disposals of M/V Paradise Bay and M/V Tenacity Bay.

Gain on contract termination of \$1.0 million relates to the amount received following the termination agreement for the cancellation of the sale of M/V Fortune Bay with an unaffiliated third party.

Depreciation cost amounts to \$7.9 million and was impacted downwards due to fleet reduction from 18 vessels in the twelve-month period of 2019 to 14 vessels in the same period in 2020.

Interest and finance cost decreased by 42% when compared to the same period in 2019, from \$5.6 million to \$3.2 million, positively affected from lower Libor rates and reduced loan balances.

### **Financial Review: Fourth Quarter 2020**

The reported results for the three-month period ended December 31, 2020 amount to \$4.9 million net loss as compared to \$5.8 million net income for the respective previous year period. Net loss for the fourth quarter of 2020 was affected by the non – cash impairment charge of \$5.5 million relating to impairment exercise performed according to US GAAP following the agreements entered for vessels disposals, as well as the loss resulting from the disposal of M/V Fortune Bay of \$0.3 million, excluding these one-off charges the net income for the fourth quarter of 2020 amounts to \$0.9 million.

Adjusted EBITDA totalled \$3.2 million for the fourth quarter 2020, decreased by \$3.2 million as compared to the fourth quarter of 2019 mainly due to weak market conditions prevailing. Consequently, the TCE rate of \$7,850 achieved in the fourth quarter of 2020 is 13.4% below the TCE rate achieved in the same period in 2019.

OPEX per day were increased to \$4,403 per day for the three months ended December 31, 2020 compared to \$4,161 during the same period in 2019. The upward variation is mainly attributable to the higher costs for crew changes occurred in this quarter as a result of COVID-19 restrictions and additional requirements.

General and administrative expenses are reduced by \$0.1 million for the three months ended December 31, 2020 or 10.6% as compared to the comparative prior year period.

Loss on vessel disposal for the fourth quarter of 2020 amounted to \$0.3 million and relates to the sale of the M/V Fortune Bay, which was completed on October 23, 2020. The comparative gain of \$2.9 million relates to the sale of M/V Tenacity Bay in the same period of 2019.

Depreciation cost amounts to \$1.8 million and is impacted downwards due to fleet reduction as Pioneer fleet consists of 14 vessels, while in the same period in 2019 the Company owned 18 vessels.

Interest and finance cost of \$0.5 million was decreased by 56% compared to prior year same period, mainly due to the significantly reduced Libor rates combined with reduced loan balances.

### **Cash Flow Review: Year ended December 31, 2020.**

Cash and cash equivalent, including restricted cash decreased by \$1.9 million as at December 31, 2020 and amounted to \$25.4 million as compared to \$27.3 million as at December 31, 2019.

The decrease is attributable to cash used in financing activities of \$32.1 million partially offset with \$4.5 million by cash provided by operating activities and \$25.7 million cash provided by investing activities.

Cash flow activities highlights during the year include:

- \$24.9 million cash inflow from vessels disposal completed within the year.
- \$24.4 million repayments and prepayments due to vessels sale of loans and
- \$7.6 million dividend distribution to Company's shareholders

**Current Fleet List****Owned Fleet**

<b>Vessel</b>	<b>Yard</b>	<b>DWT</b>	<b>Year Built</b>
<b><u>Handysize</u></b>			
Reunion Bay	Kanda Shipbuilding	32,354	2006
Ha Long Bay	Kanda Kawajiri	32,311	2007
Teal Bay	Kanda Kawajiri	32,327	2007
Eden Bay	Shimanami Shipyard	28,342	2008
Emerald Bay	Kanda Shipbuilding	32,258	2008
Mykonos Bay	Jinse Shipbuilding	32,411	2009
Resolute Bay	Hyundai Vinashin	36,767	2012
Jupiter Bay	Tsuji Heavy Industries	30,153	2012
Venus Bay	Tsuji Heavy Industries	30,003	2012
Orion Bay	Tsuji Heavy Industries	30,009	2012
Kite Bay	Yangzhou Guoyu Shipbuilding	38,419	2016
Alsea Bay	Hyundai Mipo Dockyard Co. Ltd	36,892	2011
Liberty Bay	Hyundai Mipo Dockyard Co. Ltd	36,892	2012
Monterey Bay	Hyundai Mipo Dockyard Co. Ltd	36,887	2013

**Commercially Managed Vessels****Handysize**

Handy 1	Samjin Shipbuilding Industries Co Ltd	33,755	2010
---------	---------------------------------------	--------	------

**Chartered In Vessels****Handysize**

Handy 2	Samjin Shipbuilding Industries Co Ltd	33,755	2010
---------	---------------------------------------	--------	------

### Summary of Operating Data (unaudited)

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue, net	10,421	15,422	40,466	60,442
Voyage expenses	(341)	(953)	(4,234)	(6,642)
<b>Time charter equivalent revenue</b>	<b>10,080</b>	<b>14,469</b>	<b>36,232</b>	<b>53,800</b>
Commercial revenue fee	92	172	418	265
<b>Total</b>	<b>10,172</b>	<b>14,641</b>	<b>36,650</b>	<b>54,065</b>
Vessel operating expense	(5,768)	(6,833)	(24,303)	(28,298)
Drydock expense	(3)	(57)	(31)	(1,067)
Depreciation expense	(1,758)	(2,329)	(7,848)	(9,412)
General and administration expense	(980)	(1,096)	(3,436)	(3,637)
Gain on contract termination	-	-	1,000	-
(Loss) / Gain on vessel disposition	(250)	2,927	(956)	6,778
Impairment charge	(5,516)	-	(11,496)	-
Write off inventory	-	-	(257)	-
Interest expense and finance cost	(541)	(1,221)	(3,205)	(5,566)
Interest income	1	50	41	320
Other expenses and taxes, net	(272)	(305)	(689)	(731)
<b>Net (loss) / Income</b>	<b>(4,915)</b>	<b>5,777</b>	<b>(14,530)</b>	<b>12,452</b>
Add / Less: Loss / (Gain) on vessel disposition	250	(2,927)	956	(6,778)
Add: Drydock expense	3	-	31	-
Add: Write off inventory	-	-	257	-
Add: impairment loss	5,516	-	11,496	-
Less: Gain on contract termination	-	-	(1,000)	-
<b>Adjusted net (loss) / Income <sup>(2)</sup></b>	<b>854</b>	<b>2,850</b>	<b>(2,790)</b>	<b>5,674</b>
<b>Net (loss) / Income per share, basic and diluted</b>	<b>(0.19)</b>	<b>0.23</b>	<b>(0.57)</b>	<b>0.48</b>
<b>Adjusted net (loss)/ Income per share, basic and diluted <sup>(2)</sup></b>	<b>(0.03)</b>	<b>0.11</b>	<b>(0.11)</b>	<b>0.22</b>
	<b>Three Months Ended December 31, 2020</b>	<b>Three Months Ended December 31, 2019</b>	<b>Year Ended December 31, 2020</b>	<b>Year Ended December 31, 2019</b>
Net (loss) / income	(4,915)	5,777	(14,530)	12,452
Add: Depreciation expense	1,758	2,329	7,848	9,412
Add: Interest expense and finance cost	541	1,221	3,205	5,566
Add: Other taxes	83	55	223	248
Less: Interest income	(1)	(50)	(41)	(320)
<b>EBITDA <sup>(1)</sup></b>	<b>(2,534)</b>	<b>9,332</b>	<b>(3,295)</b>	<b>27,358</b>
Add / Less: (Loss) / Gain on vessel disposition	250	(2,927)	956	(6,778)
Add: Drydock expense	3	57	31	1,067
Add: Write off of inventory	-	-	257	-
Add: Impairment loss	5,516	-	11,496	-
Less: Gain on contract termination	-	-	(1,000)	-
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>3,235</b>	<b>6,462</b>	<b>8,445</b>	<b>21,647</b>

(1) Adjusted EBITDA represents net income/(loss) before interest, other taxes, depreciation and amortization, drydock expense, gain/(loss) on vessel disposition, impairment and loss on debt extinguishment and is used as a supplemental financial measure by management to assess our financial and operating performance. We believe that Adjusted EBITDA assists our management and investors by increasing the comparability of our performance from period to period. We believe that including Adjusted EBITDA as a financial and operating measure benefits investor in selecting between investing in us and other investment alternatives. Adjusted EBITDA does not represent and should not be considered as an alternative to net income/(loss) or cash flow from operations, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of Adjusted EBITDA may not be comparable to that reported by other companies.

(2) Adjusted net income/(loss) and related per share amounts is not a measure prepared in accordance with U.S. GAAP and should not be used in isolation or substitution of Company's results

## Summary of Operating Data (unaudited)

Vessel Utilization:	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
Ship days (2)	1,310	1,642	5,662	6,656
Less: Off-hire days	26	45	108	64
Less: Off-hire days due to drydock	-	-	-	41
Operating days (3)	1,284	1,597	5,554	6,551
Fleet Utilization (4)	98.0%	97.3%	98.1%	98.4%
Commercial Ship days (8)	1,611	2,215	7,591	7,852
TCE per day- \$ (1)	7,850	9,060	6,523	8,213
Opex per day- \$ (6)	4,403	4,161	4,292	4,251
G&A expenses per day- \$ (7)	748	667	607	546
G&A expenses basis commercial days - \$ (9)	608	498	453	462
Vessels at period end	14	17	14	17
Average number of vessels during the period (5)	14	18	15	18

- (1) Time Charter Equivalent, or TCE revenue, are non-GAAP measures. Our method of computing TCE revenue is determined by voyage revenues less voyage expenses (including bunkers and port charges). Such TCE revenue, divided by the number of our operating days during the period, is TCE per day, which is consistent with industry practice. TCE revenue is included because it is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance irrespective of changes in the mix of charter types (i.e., spot charters and time charters), and it provides useful information to investors and management.
- (2) Ship days: We define ship days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ship days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.
- (3) Operating days: We define operating days as the number of our ship days in a period less days required to prepare vessels acquired for their initial voyage and off-hire days associated with off-hire for undergoing repairs, drydocks or special surveys. The Company uses operating days to measure the number of days in a relevant period during which vessels should be capable of generating revenues.
- (4) Fleet utilization is defined as the ratio of operating days to ship days.
- (5) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of ship days divided by the number of calendar days in that period.
- (6) Opex per day: is calculated by dividing vessel operating expenses by ship days for the relevant time period.
- (7) G&A expenses per day: is calculated by dividing general and administrative expenses by ship days for the relevant time period.
- (8) Commercial Ship days: We define commercial ship days as the total of Ship days and the aggregate number of days during the period for which we have each vessel in our commercial fleet under our management. Commercial ship days are an indicator of the size of our owned and managed fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.
- (9) G&A expenses basis commercial days: is calculated by dividing running general and administrative expenses by commercial ship days for the relevant time period.



**Condensed Consolidated Balance Sheets (Unaudited)**

(In thousands of U.S. Dollars)

<b>As at</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>ASSETS</b>		
Cash & cash equivalents	16,662	16,362
Restricted cash (current and noncurrent)	8,771	10,957
Vessel held for sale	-	7,350
Vessels, net	137,233	174,635
Other fixed assets	33	103
Other receivables	6,087	7,425
<b>Total assets</b>	<b>168,786</b>	<b>216,832</b>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable and accrued liabilities	3,336	5,014
Other liabilities (current and noncurrent)	218	-
Deferred revenue	783	1,144
Total debt, net of deferred finance costs	60,741	84,773
<b>Total liabilities</b>	<b>65,078</b>	<b>90,931</b>
Shareholders' equity	103,708	125,901
<b>Total liabilities and shareholders' equity</b>	<b>168,786</b>	<b>216,832</b>

**Condensed Consolidated Statement of Cash Flows (Unaudited)**

(In thousands of U.S. Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>Cash flows from operating activities</b>		
Net (loss) / Income	(14,530)	12,452
Adjustments to reconcile net (loss)/ income to net cash provided by operating activities:		
Depreciation expense	7,848	9,412
Amortization of deferred finance fees	436	330
Gain on contract termination	(1,000)	-
Write off of inventory	257	-
Loss / (gain) on vessel disposal	956	(6,778)
Impairment charge	11,496	-
Changes in operating assets and liabilities	(948)	1,730
<b>Net cash provided by operating activities</b>	<b>4,515</b>	<b>17,146</b>
<b>Cash flows from investing activities</b>		
Payments for vessel acquisition and improvements	(143)	(555)
Cash proceed from vessel sale	24,861	18,189
Cash received on contract termination	1,000	-
Purchase of other fixed assets	(12)	(71)
<b>Net cash provided by investing activities</b>	<b>25,706</b>	<b>17,563</b>
<b>Cash flows from financing activities</b>		
Payment of Debt extinguishment fees	-	(21)
Loan repayments and prepayments	(24,418)	(21,209)
Payment of deferred finance fees and other loan fees	(50)	(160)
Repurchase of common stock	-	(2,609)
Dividends paid	(7,639)	(10,186)
<b>Net cash used in financing activities</b>	<b>(32,107)</b>	<b>(34,185)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,886)</b>	<b>524</b>
Cash and cash equivalents and Restricted cash at the beginning of the year	27,319	26,795
<b>Cash and cash equivalents and Restricted cash at year end</b>	<b>25,433</b>	<b>27,319</b>

## **About Pioneer Marine Inc.**

Pioneer Marine is a leading ship owner and global drybulk handysize transportation service provider. Pioneer Marine currently owns fourteen Handysize vessels, charters in one Handysize vessel, and is commercial manager of one Handysize vessel.

## **Forward-Looking Statements**

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk vessel capacity, changes in our operating expenses, including bunker prices, drydock and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors.

### **Contact:**

Pioneer Marine Inc.

Jim Papoulis - CEO  
+30 212222 3750

Korinna Tapaktsoglou - CFO  
+30 212222 3750

### **Investor Relations / Media**

Capital Link, Inc.

Kevin Karlis

+212 661 7566

[pioneermarine@capitallink.com](mailto:pioneermarine@capitallink.com)