



## Pioneer Marine Inc. Announces Financial Results for the Quarter Ended March 31, 2021

MAJURO, MARSHALL ISLANDS -- (GlobeNewswire – May 27, 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 quarter ended March 31, 2021.

### Financial Highlights at a glance:

	First quarter 2021	First quarter 2020
Net income/(loss)	\$0.2 million	(\$0.9) million
Adjusted Net Income / (loss)*	\$1.1million	(\$0.7) million
Time Charter equivalent ("TCE") revenue	\$10.7 million	\$9.7 million
EBITDA	\$2.4 million	\$2.2 million
Adjusted EBITDA*	\$3.4 million	\$2.5 million

**Jim Papoulis, Chief Executive Officer commented:** "2020 served as a good reminder that shipping performs a profoundly needed service and remains the backbone of world trade. Although the past year was marked by difficult economic conditions resulting from the COVID-19 pandemic, the beginning of 2021 was better than expected in terms of increasing demand for commodities and significantly higher assets prices.

"Pioneer continued with positive results, during first quarter, reporting Adjusted Net Income of \$1.1 million, TCE Revenues of \$10.7 million and Adjusted EBITDA of \$3.4 million.

"The Dry Bulk market is currently being shaped by strong demand and slowing growth in the active fleet – the right conditions for rising freight rates. These favorable trends seem likely to continue within the year and looking ahead, we expect drybulk rates in 2021 to remain at very good levels due to the overall market strength as well as other important indicators. Our first quarter 2021 fixtures were influenced by the strong rebound in coal volumes and overall rebound in supply, thus our Q1 results reflect the rapidly improving market conditions. The demand outlook for the following months looks promising as minor bulk and grain volumes are expected to grow and this paves the way for a positive outlook.

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



**Announcement of Special General Meeting of Shareholders:**

The Company announces today that its Board of Directors has called a Special General Meeting of the shareholders to be held on June 23, 2021.

Shareholders of record at the close of business on June 7, 2021 will be entitled to receive notice of, and to vote at, the meeting, or any adjournments or postponements thereof.

Formal notice of the meeting and/or the Company's proxy statement will be sent to shareholders of the Company in due course.

**Recent Events:**

On April 14, 2021, the Board of Directors of Pioneer Marine Inc. declared a cash dividend of \$0.98 per outstanding share of company's Common Stock. The dividend was paid on April 28, 2021 to stockholders of record as of April 21, 2021.

On May 24, 2021 the Board of Directors of Pioneer Marine Inc. declared a cash dividend of \$0.31 per outstanding share of company's Common Stock. The dividend will be payable on or around June 10, 2021 to stockholders of record as of June 3, 2021.

**Liquidity & Capital Resources:**

As of March 31, 2021, the Company had a total liquidity of \$30.5 million inclusive of \$7.5 million in restricted cash.

**Fleet developments:**

Pioneer Marine completed the following vessels disposals during the first quarter of 2021 and up to date:

- Within March 2021, the Company completed the sales and delivered the M/V Reunion Bay and M/V Liberty Bay to their new owners on a charter free basis and recorded a loss on sale of \$0.2 million.
- Within April 2021 the Company also completed the disposals of M/V Eden Bay, M/V Alsea Bay and M/V Emerald Bay and delivered the vessels to their new owners on a charter free basis.



### **Financial Review: Three months ended March 31, 2021**

The reported results for the three-month period ended March 31, 2021 amount to \$0.2 million net income as compared to \$0.9 million net loss for the respective previous year period. Net income for the first quarter of 2021 was affected by the non-cash impairment charge of \$0.5 million relating to the held for sale classification exercise performed according to US GAAP following the agreements entered for vessels disposals, as well as the loss of \$0.2 million on disposal. Excluding these one-off charges and drydock cost of M/V Kite Bay \$0.3 million the adjusted net income for the first quarter of 2021 amounts to \$1.1 million.

Adjusted EBITDA totalled \$2.4 million for the first quarter 2021, increased by \$0.2 million as compared to the first quarter of 2020. Despite the reduced fleet (owned and managed) the recovering from the pandemic global economy has led to a surge in the demand for commodities and significantly higher freight rates. Consequently, the TCE rate of \$8,572 achieved in the first quarter of 2021 is 28% above the TCE rate achieved during the same period in 2020.

OPEX per day increased to \$4,448 for the three months ended March 31, 2021 compared to \$4,337 during the same period in 2020. The upward variation is mainly attributable to the additional costs incurred in the preparation of vessels disposals.

General and administrative expenses are reduced by \$0.2 million for the three months ended March 31, 2021 or 23.4% as compared to the respective prior year period. Per day amount for the same period increased by 8.7% due to reduced commercial management vessels.

Loss on vessel disposal for the first quarter of 2021 amounted to \$0.2 million and relates to disposals mentioned under "Fleet Developments" section. The comparative loss of \$0.08 million relates to the sale of M/V Calm Bay in the same period of 2020.

Dry docking expense of \$0.3 million relates to the special survey of M/V Kite Bay which was completed within April 2021.

Depreciation cost amounts to \$1.6 million and is impacted downwards due to fleet reduction.

Interest and finance cost of \$0.5 million was decreased by 48% compared to prior year same period, mainly due to the significantly reduced loan balances following vessels disposals and reduced Libor rates.

### **Cash Flow Review: Three months ended March 31, 2021.**

Cash and cash equivalent, including restricted cash increased by \$5.1 million as at March 31, 2021 and amounted to \$30.5 million as compared to \$25.4 million as at December 31, 2020.

The increase is attributable to cash used in financing activities of \$13.6 million partially offset with \$2.8 million by cash provided by operating activities and \$15.9 million cash provided by investing activities.

Cash flow activities highlights during the period include:

- \$15.9 million cash inflow from vessels disposal completed within the period and
- \$13.6 million repayments and prepayments of loans subsequently to vessels disposals.



**Current Fleet List**

**Owned Fleet**

<b>Vessel</b>	<b>Yard</b>	<b>DWT</b>	<b>Year Built</b>
<b><u>Handysize</u></b>			
Ha Long Bay	Kanda Kawajiri	32,311	2007
Teal Bay	Kanda Kawajiri	32,327	2007
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
Monterey Bay	Hyundai Mipo Dockyard Co. Ltd	36,887	2013

**Commercially Managed Vessels**

**Handysize**

Handy 1	Kanda Shipbuilding	28,342	2008
Handy 2	Hyundai Mipo Dockyard Co. Ltd	36,892	2011
Handy 3	Hyundai Mipo Dockyard Co. Ltd	36,892	2012

**Chartered In Vessel**

**Handysize**

Handy 4	Samjin Shipbuilding Industries Co Ltd	33,755	2010
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**Summary of Operating Data (unaudited)**

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenue, net	11,014	11,066
Voyage expenses	(333)	(1,421)
<b>Time charter equivalent revenue</b>	<b>10,681</b>	<b>9,645</b>
Commercial revenue fee	15	113
<b>Total</b>	<b>10,696</b>	<b>9,758</b>
Charter in expenses	(730)	-
Vessel operating expense	(5,444)	(6,385)
Drydock expense	(305)	(2)
Depreciation expense	(1,628)	(2,083)
General and administration expense	(673)	(879)
Loss on vessel disposition	(172)	(74)
Impairment charge	(474)	-
Write off inventory	-	(219)
Interest expense and finance cost	(531)	(1,021)
Interest income	1	34
Other expenses and taxes, net	(552)	(89)
<b>Net income/(loss)</b>	<b>188</b>	<b>(960)</b>
Add: Loss on vessel disposition	172	74
Add: Drydock expense	305	-
Add: Write off inventory	-	219
Add: impairment loss	474	-
<b>Adjusted net income/(loss) <sup>(2)</sup></b>	<b>1,139</b>	<b>(667)</b>
<b>Net income/(loss) per share, basic and diluted</b>	<b>0.01</b>	<b>(0.04)</b>
<b>Adjusted net income/(loss) per share, basic and diluted <sup>(2)</sup></b>	<b>0.04</b>	<b>(0.03)</b>
	<b>Three Months Ended March 31, 2021</b>	<b>Three Months Ended March 31, 2020</b>
Net income/(loss)	188	(960)
Add: Depreciation expense	1,628	2,083
Add: Interest expense and finance cost	531	1,021
Add: Other taxes	60	50
Less: Interest income	(1)	(34)
<b>EBITDA <sup>(1)</sup></b>	<b>2,406</b>	<b>2,160</b>
Add: Loss on vessel disposition	172	74
Add: Drydock expense	305	2
Add: Write off of inventory	-	219
Add: Impairment loss	474	-
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>3,357</b>	<b>2,455</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 March 31, 2021	Three Months Ended March 31, 2020
Ownership days (2)	1,224	1,472
Plus: Chartered in days (10)	88	-
Less: Off-hire days	(58)	(28)
Less: Off-hire days due to drydock	(8)	-
Operating days (3)	1,246	1,444
Fleet Utilization (4)	95%	98%
Commercial Ship days (8)	199	549
TCE per day- \$ (1)	8,572	6,681
Opex per day- \$ (6)	4,448	4,337
G&A expenses per day- \$ (7)	550	597
G&A expenses basis commercial days - \$ (9)	473	435
Charter in expense per day - \$ (11)	8,295	-
Fleer vessels at period end	14	16
Chartered in vessels at period end	1	-
Average number of vessels during the period (5)	14	16

- (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) Ownership 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.
- (10) Chartered in days: We define chartered-in days as the aggregate number of days in a period during which the Company chartered-in vessels.
- (11) Charter in expense per day: We define charter hire in expense per day as the net per day cost we pay to charter in a vessel.



**Condensed Consolidated Balance Sheets (Unaudited)**

(In thousands of U.S. Dollars)

As at	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Cash & cash equivalents	23,063	16,662
Restricted cash (current and noncurrent)	7,469	8,771
Vessel held for sale	13,651	-
Vessels, net	105,817	137,233
Other fixed assets	9	33
Other receivables and assets (current and non-current)	5,330	6,087
<b>Total assets</b>	<b>155,339</b>	<b>168,786</b>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable and accrued liabilities	3,468	3,336
Other liabilities (current and noncurrent)	199	218
Deferred revenue	599	783
Total debt, net of deferred finance costs	47,177	60,741
<b>Total liabilities</b>	<b>51,443</b>	<b>65,078</b>
Shareholders' equity	103,896	103,708
<b>Total liabilities and shareholders' equity</b>	<b>155,339</b>	<b>168,786</b>



**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
(In thousands of U.S. Dollars)

	Three months ended March 31, 2021	Three months ended March 31, 2020
<b>Cash flows from operating activities</b>		
Net Income/(loss)	188	(960)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation expense	1,628	2,083
Amortization of deferred finance fees	87	70
Staff leaving indemnities liabilities	10	8
Write off of inventory	-	219
Loss on vessel disposal	172	74
Impairment charge	474	-
Changes in operating assets and liabilities	250	(469)
<b>Net cash provided by operating activities</b>	<b>2,809</b>	<b>1,025</b>
<b>Cash flows from investing activities</b>		
Payments for vessel acquisition and improvements	(29)	(15)
Cash proceed from vessel sale	15,977	7,343
Cash received in advance for expected sale	-	380
Purchase of other fixed assets	(7)	(5)
<b>Net cash provided by investing activities</b>	<b>15,941</b>	<b>7,703</b>
<b>Cash flows from financing activities</b>		
Loan repayments and prepayments	(13,651)	(7,230)
Dividends paid	-	(7,639)
<b>Net cash used in financing activities</b>	<b>(13,651)</b>	<b>(14,869)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,099</b>	<b>(6,141)</b>
Cash and cash equivalents and restricted cash at the beginning of the period	25,433	27,318
<b>Cash and cash equivalents and restricted cash at period end</b>	<b>30,532</b>	<b>21,177</b>





### **About Pioneer Marine Inc.**

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

### **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.

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