



Pioneer Marine Inc. Announces Financial Results for the Third Quarter and Nine Months Ended September 30, 2021

MAJURO, MARSHALL ISLANDS -- (GlobeNewswire – November 19th, 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 September 30, 2021.

Financial Highlights at a glance:

	Third Quarter 2021	Third Quarter 2020
Net income / (loss)	\$0.8 million	(\$2.1) million
Adjusted Net income / (loss)	\$1.0 million	(\$0.8) million
Time Charter equivalent ("TCE") revenue	\$5.4 million	\$9.1 million
Adjusted EBITDA*	\$1.9 million	\$2.0 million

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

Recent Events:

A. Group Developments

Following a Share Purchase Agreement ("SPA") Pioneer Marine Inc. agreed to sell all and any of their shares previously held in the management entities of the Pioneer Marine group of Companies, namely the Pioneer Marine Hellas S.A, the Pioneer Marine Advisers Pte Ltd. and Pioneer Chartering S.A. (the "Management entities") effective September 30, 2021. The shares were transferred to an entity controlled by Mr. Papoulis (CEO of Pioneer Marine Inc.) and Mrs. Tapaktsoglou (CFO of Pioneer Marine Inc.)

All assets of the Management entities, including the commercial management contracts, with third party owners, in force at the time of sale were also transferred with the SPA as well as all liabilities including employee related costs and expenses for an agreed lumpsum consideration. The gain recognized as a result of this transaction is \$63 thousand and is included in the Statement of Profit and Loss for the nine-month period ended September 30, 2021.

B. Fleet developments

Pioneer Marine completed the following vessel disposals during the third quarter of 2021 and up to date:

- Within July 2021, two more vessels were disposed to their new owners the M/V Jupiter Bay and the M/V Venus Bay, both vessels were delivered with attached charter parties.
- Within September 2021, the Company completed the disposal of M/V Orion Bay which was also delivered with attached charter party.
- Finally, within October 2021, three more vessels were disposed to their new owners the M/V Teal Bay, the M/V Ha Long Bay and the M/V Kite Bay. M/V Teal Bay and M/V Ha Long Bay were delivered on charter-free basis whereas M/V Kite Bay was delivered with attached charter party.

Following above disposals there is only one vessel remaining under the Pioneer Marine Inc. fleet the M/V Resolute Bay, her disposal is anticipated to be completed by the end of the fourth quarter 2021 or early January 2021. Resolute Bay, following the effective date of the SPA, is under the commercial management of the Management entities for an agreed daily fee.

C. Dividend Distribution

On November 1, 2021, the Board of Directors of Pioneer Marine declared a cash dividend of \$35.6 million, or \$1.40 per share of common stock following the net cash received from the above-mentioned vessels disposals, after the prepayment of the Company's debt facilities in full. The cash dividend was paid on November 12, 2021, to shareholders of records on November 5, 2021.

Liquidity & Capital Resources:

As of September 30, 2021, the Company had total liquidity of \$5.8 million including \$0.95 million in restricted cash.

Current Fleet List

Owned Fleet

<u>Vessel</u>	<u>Yard</u>	<u>DWT</u>	<u>Year Built</u>
<u>Handysize</u>			
Resolute Bay	Hyundai Vinashin	36,767	2012

Financial Review: Three months ended September 30,2021

The reported results for the three-month period ended September 30, 2021, amount to \$0.8 million net income as compared to a \$2.1 million net loss for the respective previous year period. The increase is attributable to the impressive turnaround of the dry bulk market during 2021. Net income for the third quarter of 2021 was also affected by the gain from the disposal of the Management entities of \$0.1 million partially offset by the loss resulting from the disposal of M/V Jupiter Bay, M/V Venus Bay and M/V Orion Bay of \$0.2 million, excluding these one-off charges the net income for the third quarter of 2021 amounts to \$1.0 million.

Adjusted EBITDA totalled \$1.9 million for the third quarter 2021, decreased by \$0.1 million as compared to the third quarter of 2020. Average number of vessels during the three-month period ended September 30, 2021, was five vessels versus 15 vessels in the comparative period last year. 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 \$10,050 achieved in the third quarter of 2021 is 52% above the TCE rate achieved during the same period in 2020.

OPEX per day were slightly decreased to \$4,416 per day for the three months ended September 30, 2021, compared to \$4,469 during the same period in 2020.

General and administrative expenses of \$0.8 million for the three months ended September 30, 2021, remained at same levels compared to the comparative prior year period. While the G&A per day basis commercial days is increased by 46% to \$627 per day due to the reduced average number of vessels owned and managed by the Company.

Loss on vessel disposal for the third quarter of 2021 amounted to \$0.2 million and relates to the sale of the M/V Jupiter Bay, M/V Venus Bay and M/V Orion.

Depreciation cost amounts to \$0.6 million and is impacted downwards due to fleet reduction as the average number of vessels of Pioneer fleet is five, while in the same period in 2020 the average number of vessels was 15.

Interest and finance cost of \$0.3 million was decreased by 62% positively affected from the reduced debt levels and the significantly reduced Libor rate.

Financial Review: Nine months ended September 30,2021

The reported results for the nine-month period ended September 30, 2021, amount to \$6.1 million net loss as compared to \$9.6 million net loss for the respective previous year period. Average number of vessels during the nine-month period ended September 30, 2021, was 9 vessels versus 16 vessels in the comparative period last year. Net loss for the nine-month period ended 2021 was affected by the non-cash impairment charge of \$9.0 million relating to the impairment exercise performed according to US GAAP following the agreements entered for vessels disposals, partially offset with a gain of \$0.1 million on disposal and \$0.1 gain from the disposal of the Management entities. Excluding these one-off charges and drydock cost of M/V Kite Bay \$0.7 million the adjusted net income for the nine-month period ended September 30, 2021, amounts to \$3.5 million.

Adjusted EBITDA totalled \$8.2 million for the nine-month period ended September 30, 2021, increased by \$3.0 million as compared to the same prior year period. 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 \$9,164 achieved for the nine-month period ended September 30, 2021, is 49.7% above the TCE rate achieved during the same period in 2020.

OPEX per day increased to \$4,481 for the nine months ended September 30, 2021, compared to \$4,258 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 slightly decreased by \$0.1 million for the nine months ended September 30, 2021. Per day amount for the same period increased by 44% due to the reduced number of both owned and commercially managed vessels.

Dry docking expense of \$0.7 million relates to the special survey of M/V Kite Bay which was completed within April 2021.

Depreciation cost amounts to \$3.4 million and is impacted downwards due to fleet reduction.

Interest and finance cost of \$1.2 million decreased by 55% compared to prior year same period, mainly due to the significantly reduced loan balances following vessels disposals and reduced Libor rates.

Cash Flow Review: Nine months ended September 30, 2021

Cash and cash equivalent, including restricted cash decreased by \$19.6 million as at September 30, 2021, and amounted to \$5.8 million as compared to \$25.4 million as at December 31, 2020.

The decrease is attributable to cash used in financing activities of \$115.7 million partially offset with \$8.0 million by cash provided by operating activities and \$88.1 million cash provided by investing activities.

Cash flow activities highlights during the period include:

- \$8.0 million cash from operating activities of an average fleet of 9 vessels versus \$1.6 million operating cash flow in the comparative period.
- \$88.8 million cash inflow from vessels disposal completed within the period and
- \$54.9 million repayments and prepayments of loans subsequently to vessels disposals.
- \$60.9 million of dividends paid within the first half of 2021.

Summary of Operating Data (unaudited)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenue, net	5,723	10,045	25,259	30,045
Voyage expenses	(346)	(902)	(847)	(3,893)
Time charter equivalent revenue	5,377	9,143	24,412	26,152
Commercial revenue fee	279	118	416	327
Total	5,656	9,261	24,828	26,479
Charter in expenses	(727)	-	(2,218)	-
Vessel operating expense	(2,080)	(6,359)	(11,373)	(18,533)
Drydock expense	-	-	(708)	(28)
Depreciation expense	(580)	(1,924)	(3,380)	(6,090)
General and administration expense	(838)	(834)	(2,389)	(2,457)
Gain on contract termination	-	-	-	1,000
(Loss) / Gain on vessels disposal	(245)	(632)	98	(706)
Impairment charge	-	(700)	(9,028)	(5,980)
Gain on subsidiaries disposal	63	-	63	-
Write off of inventory	-	-	-	(257)
Interest expense and finance cost	(286)	(802)	(1,158)	(2,664)
Interest income	-	-	1	40
Other expenses and taxes, net	(159)	(148)	(805)	(417)
Net Income / (loss)	804	(2,138)	(6,069)	(9,613)
Loss/ (Gain) on vessels disposal	245	632	(98)	706
Gain on subsidiaries disposal	(63)	-	(63)	-
Drydock Expense	-	-	708	28
Write off of inventory	-	-	-	257
Impairment loss	-	700	9,028	5,980
Gain on contract termination	-	-	-	(1,000)
Adjusted net (loss)/ income ⁽²⁾	986	(806)	3,506	(3,642)
Net (loss)/income per share, basic and diluted	0.03	(0.08)	(0.24)	(0.38)
Adjusted net (loss)/income per share, basic and diluted ⁽²⁾	0.04	(0.03)	0.14	(0.15)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net (loss) / Income	804	(2,138)	(6,069)	(9,613)
Depreciation expense	580	1,924	3,380	6,090
Interest expense and finance cost, net	286	802	1,158	2,664
Other taxes	63	61	165	140
Interest income	-	-	(1)	(40)
EBITDA ⁽¹⁾	1,733	649	(1,367)	(759)
Loss / (Gain) on vessels disposal	245	632	(98)	706
(Gain)/ Loss on subsidiary disposal	(63)	-	(63)	-
Drydock expense	-	-	708	28
Write off of inventory	-	-	-	257
Impairment loss	-	700	9,028	5,980
Gain on contract termination	-	-	-	(1,000)
Adjusted EBITDA ⁽¹⁾	1,915	1,981	8,208	5,212

(1) Adjusted EBITDA represents net income before interest, other taxes, depreciation and amortization, drydock expense, gain on vessel disposal, 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.

Vessel Utilization:	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Ship days (2)	471	1,423	2,538	4,352
Chartered In days (10)	77	-	256	-
Less: Off-hire days	13	40	107	81
Less: Off-hire days due to drydock	-	-	23	-
Operating days (3)	535	1,383	2,664	4,271
Fleet Utilization (4)	98%	97%	95%	98%
Commercial Ship days (8)	801	1,945	1,374	5,987
TCE per day- \$ (1)	10,050	6,611	9,164	6,123
Opex per day- \$ (6)	4,416	4,469	4,481	4,258
G&A expenses per day- \$ (7)	941	586	1,779	565
G&A expenses basis commercial days- \$ (9)	627	429	594	410
Vessels at period end	4	15	4	15
Average number of vessels during the period (5)	5	15	9	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 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	September 30, 2021	December 31, 2020
ASSETS		
Cash & cash equivalents	4,824	16,662
Restricted cash (current)	948	8,771
Vessels, net	35,994	137,233
Other fixed assets	-	33
Other receivables and assets (current and non-current)	2,978	6,087
Total assets	44,744	168,786
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	1,493	3,336
Other liabilities (current and noncurrent)	-	218
Deferred revenue	355	783
Total debt, net of deferred finance costs	6,116	60,741
Total liabilities	7,964	65,078
Shareholders' equity	36,780	103,708
Total liabilities and shareholders' equity	44,744	168,786

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

	Nine months Ended September 30, 2021	Nine months Ended September 30, 2020
Cash flows from operating activities		
Net loss	(6,069)	(9,613)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	3,380	6,090
Amortization of deferred finance fees	280	387
Write off of inventory	52	257
Impairment charge	9,028	5,980
Gain on contract termination	-	(1,000)
(Loss)/ Gain on vessels disposal	(98)	706
Gain on subsidiaries disposal	(63)	-
Staff Leaving indemnities provision	30	25
Changes in operating assets and liabilities	1,465	(1,197)
Net cash provided by operating activities	8,005	1,635
Cash flows from investing activities		
Payments for vessel acquisitions & improvements	(576)	(124)
Deconsolidation of subsidiaries	(159)	-
Net proceeds from vessel sale	88,836	20,211
Cash received from sale of subsidiaries	1	-
Cash received on contract termination	-	1,000
Purchase of other fixed assets	(5)	(11)
Net cash provided by investing activities	88,097	21,076
Cash flows from financing activities		
Loan repayments & prepayments	(54,905)	(20,582)
Payment of deferred finance fees and other loan related fees	-	(33)
Dividends paid	(60,858)	(7,639)
Net cash used in financing activities	(115,763)	(28,254)
Net decrease in cash and cash equivalents	(19,661)	(5,543)
Cash and cash equivalents and Restricted cash at the beginning of the period	25,433	27,318
Cash and cash equivalents and Restricted cash at period end	5,772	21,775

About Pioneer Marine Inc.

Pioneer Marine is a leading ship owner and global drybulk handysize transportation service provider. Pioneer Marine currently owns one Handysize carrier.

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