

# Q3 & 9 Months Ended September 30, 2019 Financial Results



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## Q3 2019 Financial & Operational Highlights

### Improving performance

- ▶ Time charter equivalent revenues of \$6.2 million\*, up 140% from Q3 '18
- ▶ Net loss of \$0.8 million, or \$0.04 loss per share, basic and diluted
- ▶ Adjusted EBITDA \*\* of \$2.1 million vs negative \$1.5 million in Q3 '18
- ▶ Continued discipline with total operational costs, but higher interest burden
- ▶ As of November 11th, four vessels are contracted under staggered TCs – 57% days covered for balance of FY19 (to earliest re-delivery, excluding options); Avg. MR2 gross TC rate of ~ \$15.3K/day
- ▶ At September 30, 2019 net funded debt / total capitalization of 60%

## MR2 Product Tanker Market Update

### Sector fundamentals continue to firm

- ▶ Charter rates continue positive trend
- ▶ MR2 tanker orderbook still historically low and declining
- ▶ Due to positive sector supply/demand fundamentals and upcoming new IMO regulations on fuel, we expect a sustainable improvement in charter rates
- ▶ Acquisitions of second-hand MR2 tankers remain attractive with vessel prices at or below 10 year averages

\* Time charter equivalent ("TCE") revenues are Revenues, net less voyage related costs and commissions; please see Exhibit II – Definitions

\*\* Please see Exhibit I – Non-GAAP Measures

# FLEET & EMPLOYMENT OVERVIEW

POSITIONED FOR UPSIDE OPPORTUNITIES



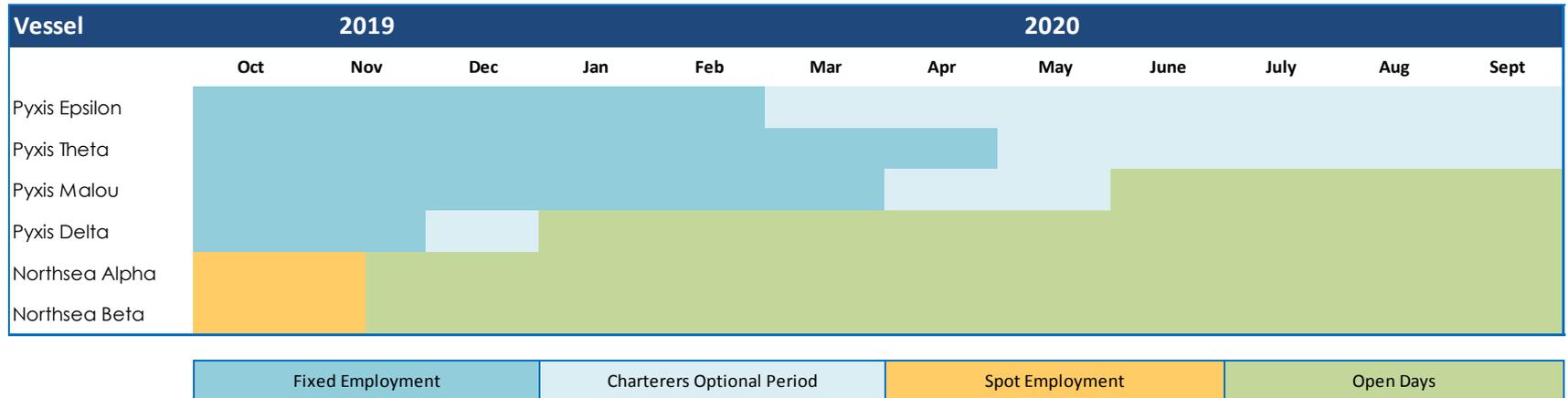
Our mixed chartering strategy provides **upside opportunities** through spot trading when rates improve and **stable, visible cash flows** from time charters

Fleet Details

Vessel	Shipyard	Vessel Type	Carrying Capacity (dwt)	Year Built	Type of Charter	Current Charter	
						Charter rate <sup>(1)</sup>	Earliest Redelivery Date
Pyxis Epsilon <sup>(2)</sup>	SPP / S.Korea	MR	50,295	2015	Time	\$15,350	March 2020
Pyxis Theta <sup>(2)</sup>	SPP / S.Korea	MR	51,795	2013	Time	\$15,375	May 2020
Pyxis Malou	SPP / S.Korea	MR	50,667	2009	Time	\$15,500	April 2020
Pyxis Delta	Hyundai / S.Korea	MR	46,616	2006	Time	\$14,500	November 2019
Northsea Alpha <sup>(3)</sup>	Kejin / China	Small Tanker	8,615	2010	Spot	n/a	n/a
Northsea Beta <sup>(3)</sup>	Kejin / China	Small Tanker	<u>8,647</u>	<u>2010</u>	Spot	n/a	n/a
<b>Total 216,635</b>				<b>Avg. Age 9 Years</b>			

57% of the remaining days of 2019 & 18% of 2020, are covered, exclusive of charters' options

Fleet Employment Overview



(1) These tables are dated as of November 11th, 2019 and show gross rates and do not reflect commissions payable.

(2) Pyxis Theta & Pyxis Epsilon have granted the charterer an option to extend the one year time charter for an additional 12 months (+/- 30 days) at a gross charter rate of \$17,500/d.

(3) Management pursuing sale or other long-term strategy for small tankers.



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# MARKET UPDATE

## PRODUCT TANKER INDUSTRY

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### Improving Chartering Environment

#### Chartering Market – Positive Momentum

- ▶ Overall improvement since depressed industry conditions of Q3, 2018
- ▶ Until recently, lackluster spot charter market in 2019, while time charter rates have steadily improved with widening modern Eco-premium:
  - MR2 spot voyages YTD averaged ~ \$10.4K/d (TCE basket) but October sharp rise
  - Better rates in period market with one year time charter ~\$16K/d for standard MR which is higher than 7 year average of \$14.6K/d\*
  - Eco-premium - up to \$2.5K/d for young MR2
- ▶ Recent choppy conditions now leading towards better times:
  - Slowing demand growth for refined petroleum products due to lower global economic activity
  - Seasonal (historical) softness of summer months
  - Significant new product tankers deliveries in 2019 but very low thereafter
  - Longer than normal refinery maintenance programs, which temporarily reduce available cargoes, have concluded resulting in higher refinery throughput
  - Inventories of refined products worldwide at or below 5 year averages

\* Source: Clarksons, September 2019

Attractive Long-term Industry Fundamentals with IMO 2020 Catalyst

### **Solid Demand Growth Expected**

- ▶ Demand growth estimated at 3%/yr. led by increasing global consumption of refined products and modest ton-mile expansion from changing refinery landscape and trade patterns; high historical correlation to global GDP growth which has been revised by IMF (October 2019) to average 3.2% / yr. thru 2020
- ▶ Q4 seasonal uplift due to greater home heating oil cargoes in northern hemisphere and winter weather delays
- ▶ Positive impact to MR2 sector due to worldwide introduction of Low Sulphur Fuel Oil ("LSFO") regulations in January, 2020 which should result in incremental demand

### **Moderating Vessel Supply**

- ▶ Declining MR2 order book
- ▶ Low new ordering with limited capacity additions scheduled beyond 2020
- ▶ Slippage still a factor for MR2 newbuild deliveries – 17.9% recorded in 2018\*
- ▶ Currently low demolition levels but increased scrapping likely over long-term as 6%\* of global fleet or 102 MR2 are 20 yrs old or more
- ▶ New environmental regulations for ballast water treatment upgrade (starting September 2019) and installation of scrubbers should require significant additional capital expenditures/ship and more dry-docking days
- ▶ Higher bunker fuel prices starting 2020 should result in some slow steaming on ballast legs, effectively reducing capacity

### **Constrained Capital Environment**

- ▶ Access to flexible, cost effective capital continues to be challenging and further limits new vessel ordering

\* Source: Drewry – September 2019, excludes Jones Act vessels

## ATTRACTIVE ENTRY POINT FOR VESSEL ACQUISITION

Positive Long-term Industry Fundamentals & Reasonable Vessel Values Offer Attractive Entry Point	<b>Type (\$ million)</b>	<b>Current *</b>	<b>2008-2019 Average **</b>	<b>Difference</b>
	New Build (delivery 1H '21) ***	\$36.6	\$36.9	(1%)
	5 yr. Old	29.0	28.6	1%
	10 yr. Old	17.8	20.0	(12%)

\*Ship Broker average indications

\*\*Source: Drewry – September 2019, excludes Jones Act vessels

\*\*\*Tier III vessel, exclusive of higher specifications, yard supervision costs and spares, no scrubber

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# PYXIS TANKERS

FINANCIAL SUMMARY – THREE & NINE MONTHS ENDED SEPTEMBER 30, 2019

# UNAUDITED FINANCIAL HIGHLIGHTS

THREE & NINE MONTHS ENDED SEPTEMBER 30, 2018 & 2019



		Nine Months Ended September 30,		Three Months ended September 30,	
		2018	2019	2018	2019
<i>In '000 USD except for daily TCE rates</i>					
Overall Improvement due to Higher T/C Rates for the MRs and Greater Utilization	Time / spot charter revenue mix	44% / 56%	69% / 31%	16% / 84%	74% / 26%
	Revenues, net	\$20,982	\$20,493	\$7,415	\$7,313
	Voyage related costs & commissions	(8,783)	(4,059)	(4,844)	(1,133)
	<b>Time charter equivalent revenues *</b>	<b>\$12,199</b>	<b>\$16,434</b>	<b>\$2,571</b>	<b>\$6,180</b>
	Total operating days	1,355	1,424	431	500
	Daily time charter equivalent rate *	\$9,003	\$11,540	\$5,967	\$12,360
	Fleet Utilization	84.6%	88.4%	80.1%	90.6%

\* Subject to rounding; Please see Exhibit II –Definitions

# UNAUDITED INCOME STATEMENT

THREE & NINE MONTHS ENDED SEPTEMBER 30, 2018 & 2019



Improving 2019  
Results –  
Greater TCE  
Revenues  
which more  
than Offset  
Higher Interest  
Costs

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2018	2019	2018	2019
<i>In '000 USD except per share data</i>				
<b>Revenues, net</b>	<b>\$20,982</b>	<b>\$20,493</b>	<b>\$7,415</b>	<b>\$7,313</b>
<b>Expenses:</b>				
Voyage related costs and commissions	(8,783)	(4,059)	(4,844)	(1,133)
Vessel operating expenses	(9,468)	(9,465)	(3,130)	(3,063)
General and administrative expenses	(1,793)	(1,778)	(546)	(591)
Management fees, related parties	(538)	(542)	(181)	(183)
Management fees, other	(697)	(697)	(232)	(232)
Amortization of special survey costs	(88)	(188)	(33)	(71)
Depreciation	(4,119)	(4,086)	(1,381)	(1,381)
Vessel impairment charge	(1,543)	-	-	-
Bad debt provisions	(13)	(26)	2	-
<b>Operating (loss) / income</b>	<b>(6,060)</b>	<b>(348)</b>	<b>(2,930)</b>	<b>659</b>
<b>Other (expenses) / income:</b>				
Gain from debt extinguishment	4,306	-	-	-
Gain / (Loss) from financial derivative instruments	12	(27)	5	(2)
Interest and finance costs, net	(3,032)	(4,374)	(1,196)	(1,469)
<b>Net loss</b>	<b>(\$4,774)</b>	<b>(\$4,749)</b>	<b>(\$4,121)</b>	<b>(\$812)</b>
<b>Loss per share (basic &amp; diluted)</b>	<b>(\$0.23)</b>	<b>(\$0.23)</b>	<b>(\$0.20)</b>	<b>(\$0.04)</b>
<b>Adjusted EBITDA*</b>	<b>\$310)</b>	<b>\$3,926</b>	<b>\$(1,516)</b>	<b>\$2,111)</b>

\* Please see Exhibit I – Non-GAAP Measures

# RECENT DAILY FLEET DATA

THREE & NINE MONTHS ENDED SEPTEMBER 30, 2018 & 2019



Overall  
Improvement in  
TCEs &  
Utilization; Opex  
Remained  
Stable

<i>(amounts in \$)</i>		Nine Months Ended		Three Months Ended	
		September 30,		September 30,	
		2018	2019	2018	2019
<b>Eco-Efficient MR2: (2 of our vessels)</b>					
Average	TCE *	10,303	14,185	4,150	15,193
	Opex *	6,044	5,768	6,399	5,762
	Utilization %	90.2%	100.0%	82.9%	100.0%
<b>Eco-Modified MR2: (1 of our vessels)</b>					
	TCE	11,925	13,046	12,143	13,432
	Opex **	6,435	6,894	5,779	6,236
	Utilization %	86.9%	98.8%	92.4%	100.0%
<b>Standard MR2: (1 of our vessels)</b>					
	TCE	9,019	12,867	4,737	13,934
	Opex	5,893	5,926	6,017	5,860
	Utilization %	94.5%	99.6%	87.0%	98.9%
<b>Small Tankers: (2 of our vessels)</b>					
Average	TCE	5,831	5,581	4,603	6,621
	Opex	5,133	5,156	4,715	4,836
	Utilization %	73.1%	66.7%	67.9%	72.3%
<b>Fleet: (6 of our vessels)</b>					
	TCE	9,003	11,540	5,967	12,360
	Opex	5,780	5,778	5,670	5,549
	Utilization %	84.6%	88.4%	80.1%	90.6%

\* Please see Exhibit II – Definitions

\*\* Pyxis Malou completed her special survey during Q1 2019

# TOTAL DAILY CASH OPERATIONAL COSTS

ECO-EFFICIENT VESSELS - THREE & NINE MONTHS ENDED SEPTEMBER 30, 2019



		Nine Months Ended September 30, 2019	Three Months Ended September 30, 2019
		<i>(amounts in \$/day)</i>	
Our Eco Efficient MR2 tankers' Total Daily Operational Costs Continue to be Stable and Competitive	Opex	\$5,768	\$5,762
	Technical & commercial management fees	757	752
	G&A expenses	<u>1,076</u>	<u>1,025</u>
	<b>Total daily operational costs per vessel</b>	<b>\$7,601</b>	<b>\$7,539</b>

\* Please see Exhibit II - Definitions

# CAPITALIZATION

AT SEPTEMBER 30, 2019

		At September 30, 2019	
<i>In '000 USD</i>		<b>ACTUAL</b>	
Moderate leverage	Cash and cash equivalents, including restricted cash	\$	4,622
	Institutional debt, net of deferred financing fees		59,305
	Promissory note		5,000
	<b>Total funded debt</b>	<b>\$</b>	<b>64,305</b>
No bank balloon payments scheduled until Q3 2022	Stockholders' equity		35,268
	<b>Total capitalization</b>	<b>\$</b>	<b>99,573</b>
	<b>Net funded debt</b>	<b>\$</b>	<b>59,683</b>
	<b>Total funded debt / total capitalization</b>		<b>64.6%</b>
	<b>Net funded debt / total capitalization</b>		<b>59.9%</b>

- Weighted average interest rate of total debt for the nine months ended September 30, 2019 was 8.2%

### Growth Oriented with Attractive, Modern Fleet

- ▶ Focus on modern medium range (“MR”) product tankers with “eco” features
- ▶ Modern tanker fleet of six IMO-certified vessels - weighted average age of ~8.7 years
- ▶ Management pursuing sale or other long-term strategy for small tankers

### Reputable Customer Base & Diversified Chartering Strategy

- ▶ Long-standing relationships with first-class customers worldwide
- ▶ All MRs currently fixed under TCs; small tankers in spot market
- ▶ 57% of remaining available days in 2019 booked (to earliest re-delivery date and exclusive of options); average MR rate \$15.3K/day
- ▶ Positioned to capitalize when charter rates improve

### Stable, Competitive Cost Structure & Moderate Capitalization

- ▶ Disciplined, substantially fixed cost structure creates opportunity for greater earnings power when rates improve
- ▶ Competitive total daily operational costs to peer group
- ▶ Moderate capitalization with long-lived debt

### Experienced, Incentivized Management & Prominent Board

- ▶ Strong mgmt. team with 90+ years of combined industry and capital markets experience
- ▶ Founder/CEO has proven track record and is a major shareholder
- ▶ Board members consist of respected industry figures with significant experience

### Favorable Industry Fundamentals + IMO 2020 Create Attractive Entry Point

- ▶ Historically low and rapidly declining MR2 orderbook
- ▶ IMF's global average annual growth of 3.2% should result in demand outpacing net supply growth through 2020
- ▶ New environmental regulations, led by IMO 2020, should be positive for MR2 sector with incremental demand combined with lower available capacity



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# NON-GAAP MEASURES

## EXHIBIT I

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# EXHIBIT I | NON-GAAP MEASURES



*(in thousands of U.S. Dollars)*

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2018	2019	2018	2019
<b>Reconciliation of Net loss to Adjusted EBITDA</b>				
Net loss	\$ (4,774)	\$ (4,749)	\$ (4,121)	\$ (812)
Depreciation	4,119	4,086	1,381	1,381
Amortization of special survey costs	88	188	33	71
Interest and finance costs, net	3,032	4,374*	1,196	1,469*
<b>EBITDA</b>	<b>\$ 2,465</b>	<b>\$ 3,899</b>	<b>\$ (1,511)</b>	<b>\$ 2,109</b>
Vessel impairment charge	1,543	-	-	-
Gain from debt extinguishment	(4,306)	-	-	-
(Gain) / Loss from financial derivative instrument	(12)	27	(5)	2
<b>Adjusted EBITDA</b>	<b>\$ (310)</b>	<b>\$ 3,926</b>	<b>\$ (1,516)</b>	<b>\$ 2,111</b>

\* Includes non-cash interest expense for the nine and three month periods of \$113 and \$57, respectively, associated with the Promissory Note.



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# DEFINITIONS

## EXHIBIT II

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Earnings before interest, taxes, depreciation and amortization ("EBITDA") represents the sum of net income / (loss), interest and finance costs, depreciation and amortization and, if any, income taxes during a period. Adjusted EBITDA represents EBITDA before certain non-operating or non-recurring charges, such as, vessel impairment charges, gain from debt extinguishment and stock compensation. EBITDA and Adjusted EBITDA are not recognized measurements under U.S. GAAP. EBITDA and Adjusted EBITDA are presented as we believe that they provide investors with means of evaluating and understanding how our management evaluates operating performance. These non-GAAP measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with U.S. GAAP. In addition, these non-GAAP measures do not have standardized meanings, and are therefore, unlikely to be comparable to similar measures presented by other companies. EBITDA and Adjusted EBITDA do not reflect cash requirements for capital expenditures or debt service, nor changes in working capital.

Daily time charter equivalent ("TCE") rate is a standard shipping industry performance measure of the average daily revenue performance of a vessel on a per voyage basis. TCE is not calculated in accordance with U.S. GAAP. We utilize TCE because we believe it is a meaningful measure to compare period-to-period changes in our performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which our vessels may be employed between the periods. Our management also utilizes TCE to assist them in making decisions regarding employment of the vessels. We calculate TCE by dividing voyage revenues after deducting voyage related costs and commissions by operating days for the relevant period. Voyage related costs and commissions primarily consist of brokerage commissions, port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract.

Vessel operating expenses ("Opex") per day are our vessel operating expenses for a vessel, which primarily consist of crew wages and related costs, insurance, lube oils, communications, spares and consumables, tonnage taxes as well as repairs and maintenance, divided by the ownership days in the applicable period.

We define total daily operational costs as vessel Opex, technical and commercial management fees plus allocable general and administrative expenses, applied on a daily basis, typically in comparison of our eco-efficient and eco-modified MR's. These costs can vary period to period by fleet composition, vessel delivery, operating structure, management organization and dry-dockings.

We calculate fleet utilization ("Utilization") by dividing the number of operating days during a period by the number of available days during the same period. We use fleet utilization to measure our efficiency in finding suitable employment for our vessels and minimizing the amount of days that our vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys and intermediate dry-dockings or vessel positioning. Ownership days are the total number of days in a period during which we owned each of the vessels in our fleet. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues generated and the amount of expenses incurred during the respective period. Available days are the number of ownership days in a period, less the aggregate number of days that our vessels were off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and intermediate dry-dockings and the aggregate number of days that we spent positioning our vessels during the respective period for such repairs, upgrades and surveys. Available days measures the aggregate number of days in a period during which vessels should be capable of generating revenues. Operating days are the number of available days in a period, less the aggregate number of days that our vessels were off-hire or out of service due to any reason, including technical breakdowns and unforeseen circumstances. Operating days measures the aggregate number of days in a period during which vessels actually generate revenues.

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