

August 12, 2019

# Q2 & 6 Months Ended June 30, 2019 Financial Results



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## Q2 2019 Financial & Operational Highlights

### Improving performance

- ▶ Time charter equivalent revenues of \$5.5 million\*, up 7.6% from Q2 '18
- ▶ Net loss of \$1.6 million, or \$0.08 loss per share, basic and diluted
- ▶ Adjusted EBITDA of \$1.3 million\*\*, up 18.1% from Q2 '18
- ▶ Continued discipline of total operational costs, but higher interest burden
- ▶ As of August 8th, four vessels are contracted under staggered T/C – 46% days covered for balance of FY19 (to earliest re-delivery, excluding options); Avg. MR2 gross TC rate of ~ \$15,100/day
- ▶ At June 30, 2019 net funded debt/total capitalization of 60%

## MR2 Product Tanker Market Update

### Sector fundamentals continue to firm

- ▶ Charter rates trending in positive direction, especially in relation to 2018
- ▶ MR2 tanker orderbook still historically low and declining
- ▶ Due to positive sector supply/demand fundamentals and upcoming new IMO regulations on fuel, we expect sustainable improvement in charter rates to occur starting Q4 2019
- ▶ Acquisitions of second-hand MR2 tankers remain attractive with vessel prices at or below 10 year averages

\* Time charter equivalent ("TCE") revenues are voyage revenues 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



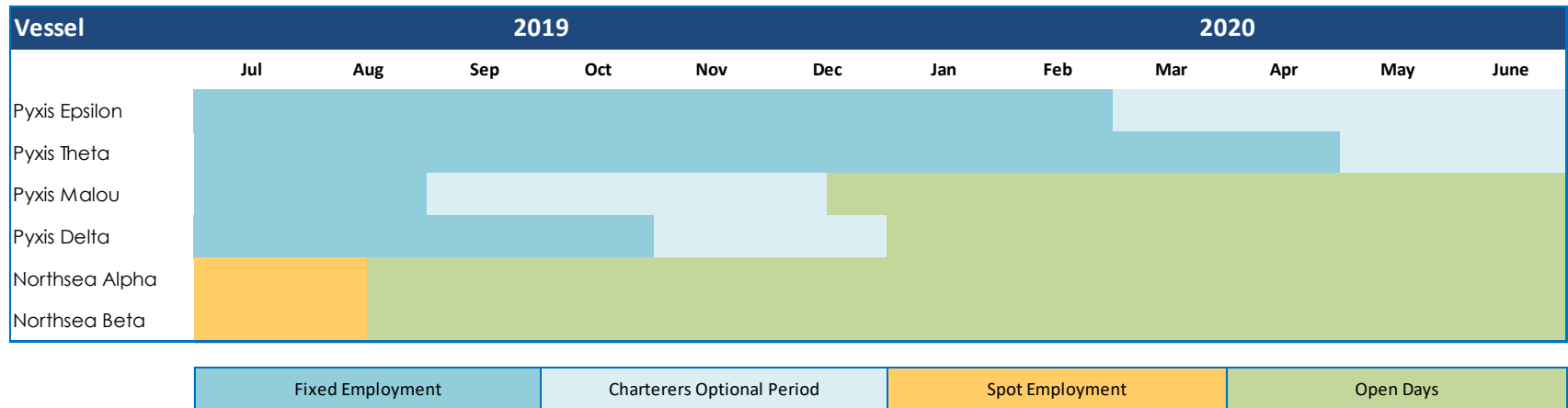
Our mixed chartering strategy provides **upside opportunities** through spot trading when rates improve and **stable, visible cash flows** from time charters

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	\$14,000	Sept. 2019
Pyxis Delta	Hyundai / S.Korea	MR	46,616	2006	Time	\$14,500	Oct. 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 8.7 Years</b>			

46% of the remaining days of 2019, are covered, exclusive of charters' options

Fleet Employment Overview



(1) These tables are dated as of August 8, 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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### Chartering Market – Trending Positive but Choppy in Short-Term

- ▶ Overall improvement since depressed industry conditions of Summer-Fall, 2018
- ▶ Spot charter rates have generally declined since early 2019 but time charter rates remain stable with widening modern Eco-premium
  - Spot voyages currently average ~ \$10K/d
  - Better rates in period market with one year time charter ~\$14.5K/d for standard MR which approximates 7 year average\*
  - Eco-premium - up to \$2.5K/d for young MR2
- ▶ Major reasons for choppy conditions:
  - Slowing demand growth for refined petroleum products due to lower global economic activity
  - Seasonal (historical) softness
  - Inventories of refined products worldwide now approximate 5 year averages and are greater than 2018
  - Current soft crude market temporarily increases available capacity from intrusion of newbuild crude carriers on maiden voyages
  - Longer refinery maintenance programs temporarily reduce available cargoes
  - Significant new product tankers deliveries in 2019 but very low thereafter
  - Few arbitrage opportunities to drive rates

Current Choppy  
Chartering Market  
But Directionally  
Pointing to Better  
Environment Later  
This Year

\* Source: Clarksons, June 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 (July 2019) to average 3.35% thru 2020
- ▶ Positive impact to MR2 sector expected starting Fall, 2019 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 2019
- ▶ 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 7.3%\* of global fleet or 122 MR2 are 19 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

### **Constrained Capital Environment**

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

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



Positive Long-term Industry Fundamentals & Reasonable Vessel Values Offer	Type (\$ million)	Current *	10 Yr.	Difference
			Average **	
Attractive Entry Point	New Build (delivery Early '21) ***	\$36.6	\$36.9	(1%)
	5 yr. Old	28.6	28.6	Nil
	10 yr. Old	18.0	20.2	(11%)

\*Ship Broker average indications

\*\*Source: Drewry – March 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 – 3 & 6 MONTHS ENDED JUNE 30, 2019

# UNAUDITED FINANCIAL HIGHLIGHTS

THREE & SIX MONTHS ENDED JUNE 30, 2018 & 2019



Overall Q/Q Improvement due to Higher T/C Rates for the MRs, but Continued Under Performance of Small Tankers

	Six Months Ended June 30,		Three Months ended June 30,	
	2018	2019	2018	2019
<i>In '000 USD except for daily TCE rates</i>				
Time / spot charter revenue mix	60% / 40%	67% / 33%	63% / 37%	79% / 21%
Revenues, net	\$13,567	\$13,180	\$6,977	\$6,456
Voyage related costs & commissions	(3,939)	(2,926)	(1,882)	(975)
<b>Time charter equivalent revenues *</b>	<b>\$9,628</b>	<b>\$10,254</b>	<b>\$5,095</b>	<b>\$5,481</b>
Total operating days	924	924	499	475
Daily time charter equivalent rate *	\$10,419	\$11,096	\$10,208	\$11,542
Fleet Utilization	86.8%	87.3%	91.4%	87.0%

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

# UNAUDITED INCOME STATEMENT

THREE & SIX MONTHS ENDED JUNE 30, 2018 & 2019



Six Months Ended June 30,		Three Months Ended June 30,	
2018	2019	2018	2019

*In '000 USD except per share data*

<b>Revenues, net</b>	<b>\$13,567</b>	<b>\$13,180</b>	<b>\$6,977</b>	<b>\$6,456</b>
<b>Expenses:</b>				
Voyage related costs and commissions	(3,939)	(2,926)	(1,882)	(975)
Vessel operating expenses	(6,338)	(6,402)	(3,039)	(3,150)
General and administrative expenses	(1,247)	(1,187)	(580)	(626)
Management fees, related parties	(357)	(359)	(179)	(180)
Management fees, other	(465)	(465)	(233)	(233)
Amortization of special survey costs	(55)	(117)	(29)	(69)
Depreciation	(2,738)	(2,705)	(1,365)	(1,364)
Vessel impairment charge	(1,543)	-	-	-
Bad debt provisions	(15)	(26)	41	13
<b>Operating loss</b>	<b>(3,130)</b>	<b>(1,007)</b>	<b>(289)</b>	<b>(128)</b>
<b>Other (expenses) / income:</b>				
Gain from debt extinguishment	4,306	-	-	-
Gain / (Loss) from financial derivative instruments	7	(25)	(4)	(4)
Interest and finance costs, net	(1,836)	(2,905)	(964)	(1,474)
<b>Net loss</b>	<b>(\$653)</b>	<b>(\$3,937)</b>	<b>(\$1,257)</b>	<b>(\$1,606)</b>
<b>Loss per share (basic &amp; diluted)</b>	<b>(\$0.03)</b>	<b>(\$0.19)</b>	<b>(\$0.06)</b>	<b>(\$0.08)</b>
<b>Adjusted EBITDA*</b>	<b>\$1,206</b>	<b>\$1,815</b>	<b>\$1,105</b>	<b>\$1,305</b>

Two Major  
Items during 1H  
2018 Affected  
the Bottom Line  
vs 1H 2019, but  
Higher Interest  
Costs More  
Recently

\* Please see Exhibit I – Non-GAAP Measures

# RECENT DAILY FLEET DATA

THREE & SIX MONTHS ENDED JUNE 30, 2018 & 2019



Overall Improvement in 1H 2019 in Terms of TCEs & Utilization; Opex Remained Stable Compared to 1H 2018

<i>(amounts in \$)</i>		Six Months Ended		Three Months Ended	
		June 30,		June 30,	
		2018	2019	2018	2019
<b>Eco-Efficient MR2: (2 of our vessels)</b>					
Average	TCE *	12,863	13,673	11,773	14,278
	Opex *	5,864	5,771	5,719	5,775
	Utilization %	93.6%	100.0%	95.6%	100.0%
<b>Eco-Modified MR2: (1 of our vessels)</b>					
	TCE	11,785	12,809	13,596	13,297
	Opex **	6,768	7,228	5,978	6,746
	Utilization %	83.6%	98.0%	100.0%	100.0%
<b>Standard MR2: (1 of our vessels)</b>					
	TCE	10,944	12,329	7,751	12,369
	Opex	5,830	5,959	5,513	5,994
	Utilization %	98.3%	100.0%	96.7%	99.7%
<b>Small Tankers: (2 of our vessels)</b>					
Average	TCE	6,391	4,981	7,712	4,939
	Opex	5,346	5,319	5,234	5,160
	Utilization %	75.7%	63.8%	80.2%	61.0%
<b>Fleet: (6 of our vessels)</b>					
	TCE	10,419	11,096	10,208	11,542
	Opex	5,836	5,895	5,566	5,768
	Utilization %	86.8%	87.3%	91.4%	87.0%

\* Please see Exhibit II – Definitions

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

# TOTAL DAILY CASH OPERATIONAL COSTS

ECO-EFFICIENT VESSELS - THREE & SIX MONTHS ENDED JUNE 30, 2019



		Six Months Ended June 30, 2019	Three Months Ended June 30, 2019
	<i>(amounts in \$/day)</i>		
Our Eco Efficient MR2 tankers' Total Daily Operational Costs Continue to be Stable and Competitive	Opex	\$5,771	\$5,775
	Technical & commercial management fees	759	757
	G&A expenses	<u>1,101</u>	<u>1,152</u>
	<b>Total daily cash operational costs per vessel</b>	<b>\$7,631</b>	<b>\$7,684</b>

\* Please see Exhibit II - Definitions

# CAPITALIZATION

AT JUNE 30, 2019



		At June 30, 2019	
<i>In '000 USD</i>		<b>ACTUAL</b>	
Moderate leverage	Cash and cash equivalents, including restricted cash	\$	4,960
	Institutional debt, net of deferred financing fees		60,392
	Promissory note		5,000
	<b>Total funded debt</b>	<b>\$</b>	<b>65,392</b>
No bank balloon payments scheduled until Q3 2022	Stockholders' equity		35,998
	<b>Total capitalization</b>	<b>\$</b>	<b>101,390</b>
	<b>Net funded debt</b>	<b>\$</b>	<b>60,432</b>
	<b>Total funded debt / total capitalization</b>		<b>64.5%</b>
	<b>Net funded debt / total capitalization</b>		<b>59.6%</b>

- Weighted average interest rate of total debt for the six months ended June 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 ~8.4 years
- ▶ Management pursuing sale or other long-term strategy relating to 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
- ▶ 46% of remaining available days in 2019 booked (to earliest re-delivery date and exclusive of options); average MR rate \$15.1K/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

- ▶ IMF's global average annual growth of 3.3% should result in demand outpacing (net) supply growth through 2020
- ▶ Relatively low and declining MR2 orderbook
- ▶ Starting Fall, 2019, 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)*

	Six Months Ended June 30,		Three Months Ended June 30,	
	2018	2019	2018	2019
<b>Reconciliation of Net loss to Adjusted EBITDA</b>				
Net loss	\$ (653)	\$ (3,937)	\$ (1,257)	\$ (1,606)
Depreciation	2,738	2,705	1,365	1,364
Amortization of special survey costs	55	117	29	69
Interest and finance costs, net	1,836	2,905*	964	1,474*
<b>EBITDA</b>	<b>\$ 3,976</b>	<b>\$ 1,790</b>	<b>\$ 1,101</b>	<b>\$ 1,301</b>
Vessel impairment charge	1,543	-	-	-
Gain from debt extinguishment	(4,306)	-	-	-
(Gain) / Loss from financial derivative instrument	(7)	25	4	4
<b>Adjusted EBITDA</b>	<b>\$ 1,206</b>	<b>\$ 1,815</b>	<b>\$ 1,105</b>	<b>\$ 1,305</b>

\* Includes non-cash interest expense of \$56 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 vessel impairment charge 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.

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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