

CreditRiskMonitor's warning of Rand Logistics ,Inc.'s ("Rand") bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score has been warning of financial stress at Rand Logistics, Inc. (OTC: RLOGQ) for more than a year.

The company ultimately filed for bankruptcy on January 29, 2018.

Business Name	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2018	2018
	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Rand Logistics, Inc.	3	3	3	3	2	2	1	1	2	2	2	1	1

BANKRUPT!

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

		Probability of bankruptcy within 12 months	
		FRISK®	
		From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
Worst	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

*FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A "Merton" type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z"-Score Model

Bond agency ratings from Moody's and Fitch

Crowdsourced CreditRiskMonitor Usage Data

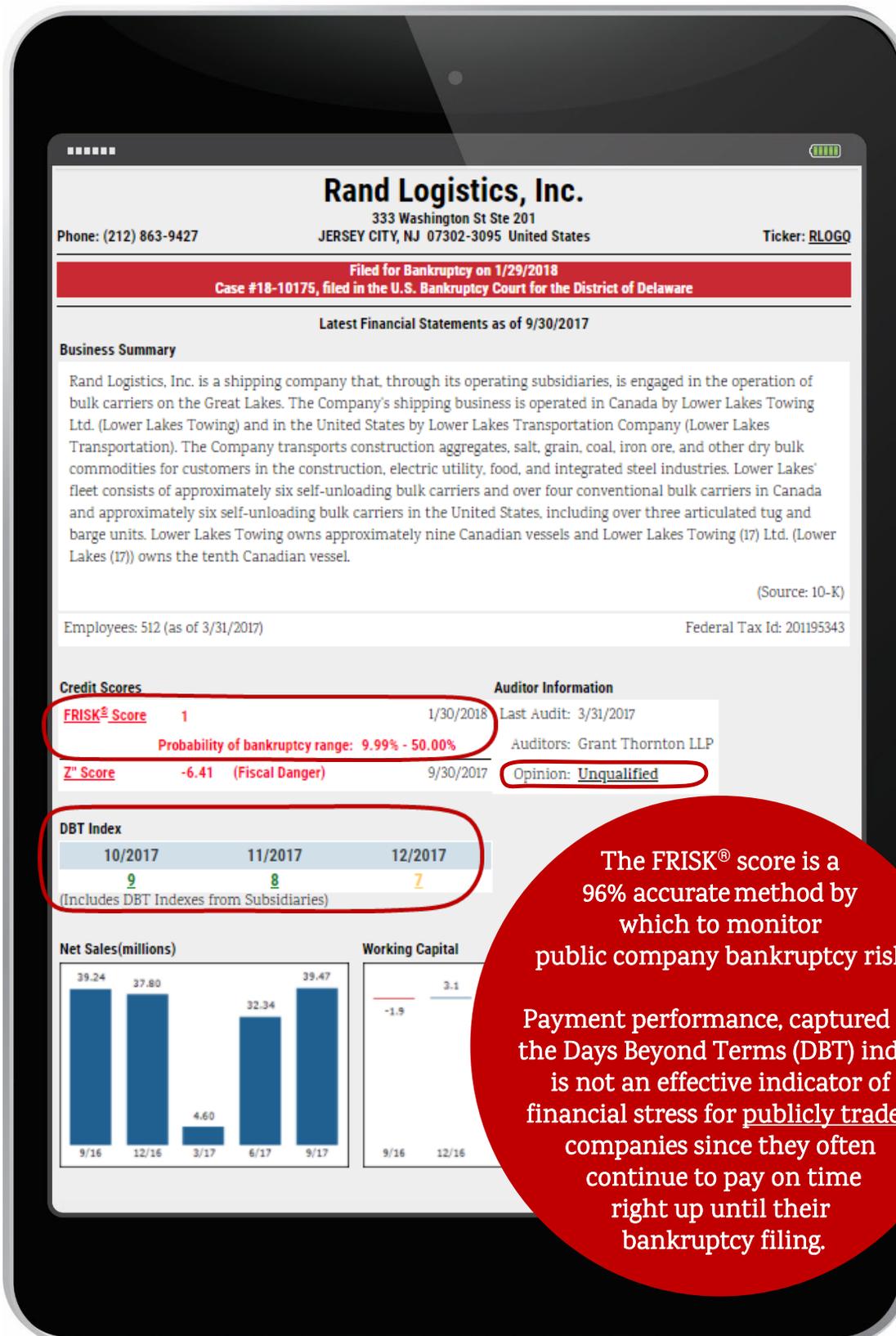
Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

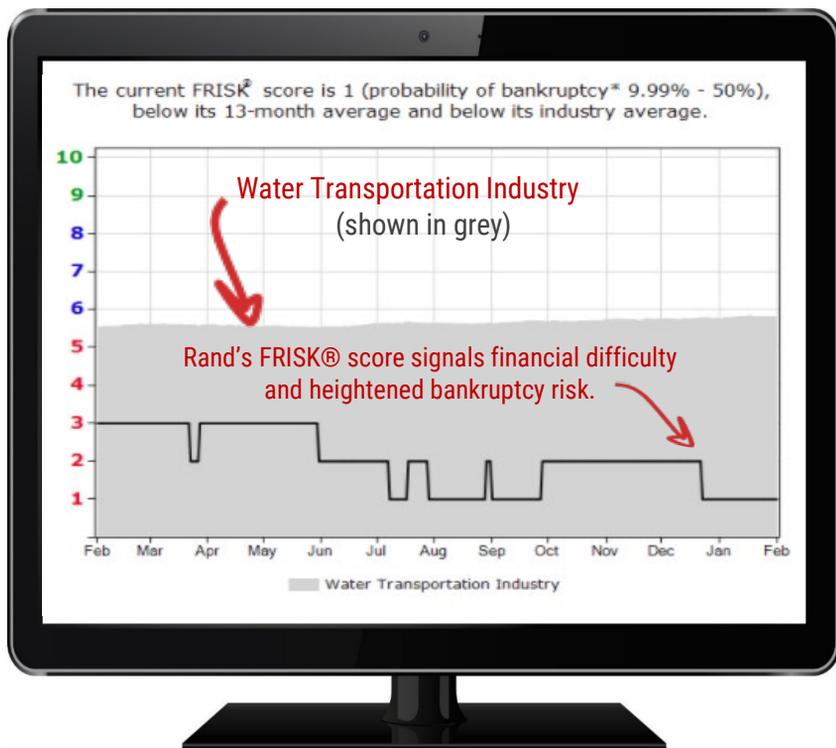
- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same "Fair Disclosure" restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"](#)

COMPANY REPORT DETAIL



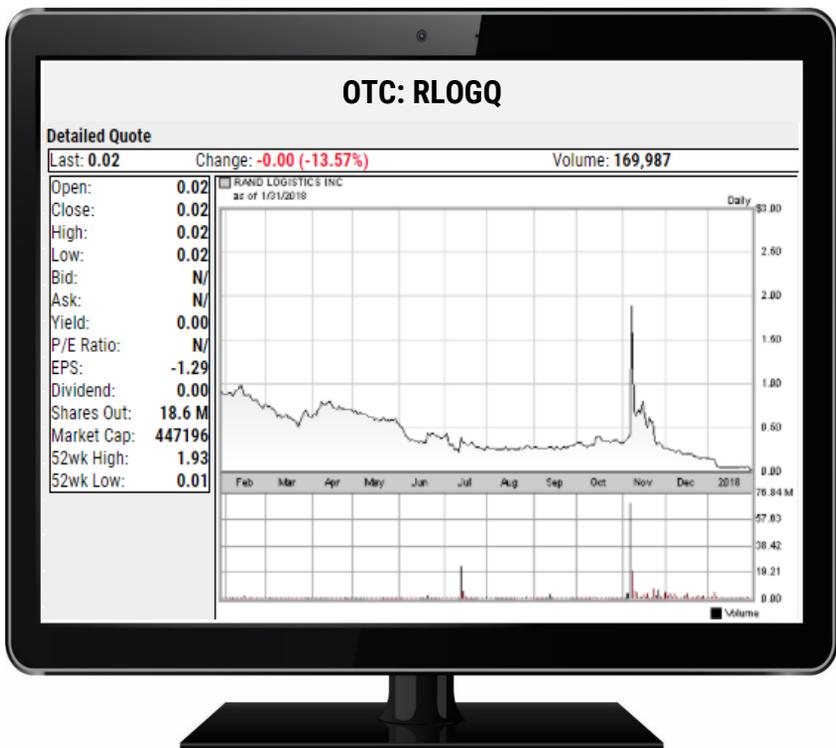
FRISK® DEEP DIVE



The FRISK® score relative to the broader Water Transportation industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name
1	Rand Logistics, Inc.
2	Bim Son Cement JSC
3	DongDo Marine JSC
4	Gazprom Spetsgazavtostrans PAO
5	Hung Long Mineral and Building Mtrl JSC
6	Northern Shipping Joint Stock Co
7	Saos Anonymous Shipping Co of Samou...

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

In Industry: SIC 4449: Water transportation of freight, not elsewhere classified

Country: All Countries

UPDATE RESULTS

Scale: Auto Total Companies in all months: 192

The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 4449 has increased 41% since 2007. Rand Logistics, Inc. is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Rand demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its Water Transportation industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis

Year/Quarter: 2017.3
Peer Group: Sector: Transportation, Industry: Water Transportation

REFRESH

[Sector: Transportation] [Industry: Water Transportation] [Calendar Year/Quarter: 2017.3]

Businesses in Peer Group: 803	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	252	264	-6.41	-8,033.20	1.78	64.53
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	49	79	39,467	-161	59,954	8,046,000
Gross Margin % Of Sales	54	261	45.36	-645.85	21.98	112.42
Gross Margin % Of Sales -- TTM	60	266	41.45	-1,371.28	20.96	100.00
SG&A % Of Sales	164	257	11.91	0.09	9.48	158.16
SG&A % Of Sales -- TTM	204	262	19.89	0.19	10.20	20,866.67
Operating Margin % Of Sales	58	275	18.91	-1,102.85	7.28	40,276.84
Operating Margin % Of Sales TTM	167	277	1.48	-4,835.24	4.00	150.00
EBITDA Margin Of Sales	41	152	33.82	-621.60		
EBITDA Margin Of Sales -- TTM	43	156	28.36	-621.60		
Net Profit Margin % Of Sales	134	275	4.52	-809.28		
Net Profit Margin % Of Sales - TTM	217	277	-19.24	-2,536.87		
Pre-tax Income % Of Sales	152	275	4.44	-808.25		
Effective Tax Rate	32	246	-1.71	-98.68		
Depreciation % Of Prop/Plant/Equipment	198	232	12.68	0.16		
Capital Expense % Of Prop/Plant/Equipment	130	188	12.51	0.00		
Interest Coverage	90	139	2.33	-809.36		
Interest Coverage -- TTM	100	151	1.26	-120.17		
Liquidity ratios:						
Cash Ratio	270	277	0.01	0.00	0.43	87.26
Quick Ratio	253	261	0.07	0.00	0.95	87.26
Current Ratio	272	277	0.10	0.00	1.29	92.46
Efficiency ratios:						
Accounts Receivable Turnover	102	261	9.72	-4,134.96	7.19	1,821.70
Days Sales Outstanding	121	275	37.54	-80.20	44.11	24,377.57
% of Inventory Financed by Vendors	N/A	198	N/A	0.44	214.19	51,179.52
% of Inventory Financed by Vendors -- TTM	N/A	200	N/A	0.62	218.82	538.41
Inventory Turnover	N/A	233	N/A	0.00	17.00	100.00
Inventory Turnover TTM	N/A	244	N/A	0.00		
Days Sales in Inventory	N/A	221	N/A	0.01		
Inventory to Working Capital	N/A	232	N/A	-6.58		
Accounts Payable Turnover	95	230	8.85	0.00		
Accounts Payable Turnover -- TTM	120	243	7.35	0.00		
Leverage & debt coverage:						
Total Debt to Equity Ratio	245	247	15.40	0.00		
Debt to Tangible Equity Ratio	239	239	371.35	0.00		
Total Debt to Assets Ratio	251	260	0.86	0.00		
Short-Term Debt % of Total Debt	235	241	100.00	0.00		
Short-Term Debt % of Working Capital	230	248	-102.41	-1,999.72	23.12	3,493.14
Liabilities to Net Worth Ratio	259	259	409.42	0.02	1.21	409.42
Total Liabilities to Equity Ratio	261	261	16.99	0.02	1.18	33.49
TTM EBITDA Over Total Debt	70	147	0.14	-4.29	0.13	101.69

- 1 Quemchi S.A.
- 2 MHC JSC
- 3 Awilco LNG ASA
- 4 Hainan Strait Shipping Co., Ltd
- 5 Primorskoye Morskoye Parokhodstvo PAO(P)
- 6 Southern Waterborne Transport JS Corp
- 7 Sevan Marine ASA

- 1 Primorskoye Morskoye Parokhodstvo PAO(P)
- 2 Nha Trang Port JSC
- 3 Solvang ASA
- 4 Odessa Shiprepair Yard AD
- 5 Hainan Strait Shipping Co., Ltd
- 6 Compania Sud Americana de Vapores SA
- 7 Pelayaran Nelly Dwi Putri Tbk PT

TTM = trailing 12 months
N/A = Not Available

Green - Ranked in Upper Quartile of Peer Group
White - Ranked in the Middle Two Quartiles of Peer Group
Red - Ranked in Lower Quartile of Peer Group
Orange - Confidential
Grey - Data is Not Available

QUARTERLY PERFORMANCE RATIOS

Net losses in 3 of the last 5 quarters; 40% decline in year-over-year net income

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016	3 mos 9/30/2016
Net Sales \$	\$39,467	\$32,342	\$4,598	\$37,796	\$39,240
% change	22.03%	603.39%	-87.83%	-3.68%	16.04%
Gross Margin \$	\$17,902	\$13,357	\$507	\$15,571	\$17,212
% change	34.03%	2,534.52%	-96.74%	-9.53%	14.94%
% of sales	45.36%	41.30%	11.03%	41.20%	43.86%
change as % of incremental sales	63.79%	46.32%	n/m	n/m	41.25%
SG&A \$	\$4,702	\$5,415	\$8,779	\$3,824	\$3,955
% change	-13.17%	-38.32%	129.58%	-3.31%	-18.62%
% of sales	11.91%	16.74%	190.93%	10.12%	10.08%
change as % of incremental sales	-10.01%	-12.13%	n/m	n/m	-16.69%
Operating margin \$	\$7,464	\$2,685	(\$13,666)	\$5,212	\$7,588
% change	177.99%	119.65%	-362.20%	-31.31%	1,192.67%
% of sales	18.91%	8.30%	-297.22%	13.79%	19.34%
change as % of incremental sales	67.07%	58.94%	n/m	n/m	129.10%
EBITDA \$	\$13,348	\$11,698	(\$5,839)	\$13,181	\$14,158
% change	14.11%	300.34%	-144.30%	-6.90%	128.61%
% of sales	33.82%	36.17%	-126.99%	34.87%	36.08%
change as % of incremental sales	23.16%	63.21%	n/m	n/m	146.87%
EBIT \$	\$5,868	\$1,604	(\$14,494)	\$5,569	\$7,048
% change	265.84%	111.07%	-360.26%	-20.98%	1,414.93%
% of sales	14.87%	4.96%	-315.22%	14.73%	17.96%
change as % of incremental sales	59.85%	58.02%	n/m	n/m	139.85%
Pre-tax income \$	\$1,754	(\$5,322)	(\$19,784)	(\$222)	\$3,314
% change	132.96%	73.10%	-8,811.71%	-106.70%	209.34%
% of sales	4.44%	-16.46%	-430.27%	-0.59%	8.45%
change as % of incremental sales	99.31%	52.13%	n/m	n/m	117.00%
Net income (loss) \$	\$1,784	(\$5,113)	(\$18,453)	(\$189)	\$2,996
% change	134.89%	72.29%	-9,603.49%	-106.31%	216.03%
% of sales	4.52%	-15.81%	-401.33%	-0.50%	
change as % of incremental sales	96.80%	48.08%	n/m	n/m	
Tax expense \$	(\$30)	(\$209)	(\$1,331)	(\$3)	\$14
Effective tax rate	-1.71%	3.93%	6.73%	14.20%	0.35%
Depreciation expense \$	\$7,073	\$6,092	\$5,973	\$6,092	\$6,092
% of sales	17.92%	18.84%	129.90%	16.12%	15.51%
% of capital expenses	100.61%	56.69%	218.55%	57.14%	57.14%
% of PP&E, net (annualized)	12.68%	11.16%	11.23%	12.68%	12.68%
Capital expenditures \$	\$7,030	\$10,746	\$2,733	\$6,092	\$6,092
% change	-34.58%	293.19%	162.79%	-73.33%	
% of PP&E, net (annualized)	12.61%	19.68%	5.14%	1.91%	1.91%
% of working capital (annualized)	-12.18%	-19.29%	-10.36%	643.46%	
Interest coverage ratio	2.33	1.46	(0.95)	2.27	2.27
% change	59.70%	253.08%	-142.04%	-31.43%	93.54%
Free cash flow \$	(\$3,151)	(\$23,048)	(\$5,890)	\$2,433	\$9,751
% change	86.33%	-291.31%	-342.09%	-75.05%	169.81%
Source:	10-Q 11/14/2017	10-Q 8/14/2017	10-K 7/6/2017	10-Q 2/14/2017	10-Q 11/10/2016

Poor interest coverage ratio & negative free cash flow in the last 3 quarters signaled heightened risk

QUARTERLY LEVERAGE RATIOS

Total debt in relation to equity increased significantly in the last 5 quarters indicating heightened risk

100% reliance on short-term debt in the last 3 quarters suggests that funding options were increasingly limited

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Total debt \$	\$236,116	\$229,388	\$200,279	\$192,045	\$193,066
% change	2.93%	14.53%	4.29%	-0.53%	-4.96%
Stockholders' equity \$	\$15,329	\$13,674	\$19,260	\$37,973	\$39,442
% change	12.10%	-29.00%	-49.28%	-3.72%	6.75%
Total debt to equity ratio	15.40	16.78	10.40	5.06	4.89
% change	-8.18%	61.32%	105.61%	3.32%	-10.97%
Tangible net worth \$	\$636	(\$1,166)	\$4,240	\$22,734	\$23,881
% change	154.55%	-127.50%	-81.35%	-4.80%	13.28%
Total debt to tangible net worth	371.25	n/a	47.24	8.45	8.08
% change	n/a	n/a	459.17%	4.49%	-16.10%
Total assets \$	\$275,718	\$272,821	\$248,600	\$254,518	\$259,892
% change	1.06%	9.74%	-2.33%	-2.07%	-3.68%
Total debt to assets ratio	0.86	0.84	0.81	0.75	0.74
% change	1.86%	4.37%	6.77%	1.56%	-1.33%
Tangible assets \$	\$261,025	\$257,981	\$233,580	\$239,279	\$244,331
% change	1.18%	10.45%	-2.38%	-2.07%	-3.79%
Short-term debt \$	\$236,116	\$229,388	\$200,279	n/a	\$0
% change	2.93%	14.53%	n/a	n/a	n/a
Short-term debt % of total debt	100.00%	100.00%	100.00%	n/a	0.00%
Short-term debt % of working capital	-102.41%	-99.15%	-93.47%	n/a	0.00%
% change	-3.29%	-6.08%	n/a	n/a	n/a
Total liabilities \$	\$260,389	\$259,147	\$229,340	\$216,545	\$220,450
% change	0.48%	13.00%	5.91%	-1.77%	-5.33%
Total liabilities to equity ratio	16.99	18.95	11.91	5.70	5.59
% change	-10.37%	59.16%	108.81%	2.03%	-11.32%
Total liabilities to tangible net worth ratio	409.42	n/a	54.09	9.53	9.23
% change	n/a	n/a	157.86%	3.18%	-16.43%
Total debt to EBITDA ratio (annualized)	4.42			3.64	3.41
% change	-9.79%			6.85%	-58.43%
Source:	10-Q 11/14/2017			10-Q 2017	10-Q 11/10/2016

Total debt to tangible net worth and total liabilities to tangible net worth ratios skyrocketed in Q2 2017

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Negative working capital in 4 of the last 5 quarters

Meager cash, quick, & current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Current assets \$	\$25,545	\$23,507	\$10,691	\$22,183	\$19,888
% change	8.67%	119.88%	-51.81%	11.54%	-14.18%
% of short-term debt	10.82%	10.25%	5.34%	n/a	n/a
Current liabilities \$	\$256,103	\$254,864	\$224,973	\$19,036	\$21,742
% change	0.49%	13.29%	1,081.83%	-12.45%	-10.57%
Working capital \$	(\$230,558)	(\$231,357)	(\$214,282)	\$3,147	(\$1,854)
% change	0.35%	-7.97%	-6,909.09%	269.74%	-62.77%
% of sales (annualized)	-146.04%	-178.84%	-1,165.08%	2.08%	-1.18%
Cash \$	\$2,034	\$1,036	\$335	\$312	\$409
% change	96.33%	209.25%	7.37%	-23.72%	-48.36%
% of short-term debt	0.86%	0.45%	0.17%	n/a	n/a
Cash ratio	0.01	0.00	0.00	0.02	0.02
% change	92.68%	173.33%	-90.85%	-12.77%	-42.33%
Quick assets \$	\$18,781	\$16,765	\$4,436	\$16,251	\$13,205
% change	12.03%	277.93%	-72.70%	23.07%	-17.72%
% of short-term debt	7.95%	7.31%	2.21%	n/a	n/a
Quick ratio	0.07	0.07	0.02	0.85	0.61
% change	11.40%	234.01%	-97.69%	40.57%	-8.00%
Current ratio	0.10	0.09	0.05	1.17	0.91
% change	8.13%	94.11%	-95.92%	27.40%	-4.04%
Source:	10-Q 11/14/2017	10-Q 8/14/2017	10-K 7/6/2017	10-Q 2/14/2017	10-Q 11/10/2016

Unable to generate positive returns in 3 of the last 5 quarters

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016	3 mos 9/30/2016
Return on equity	13.05%	-26.55%	-48.60%	-0.48%	8.11%
% change	149.15%	45.37%	-10,040.88%	-105.91%	224.35%
Return on net tangible equity	n/a	-120.59%	-81.17%	-0.79%	14.21%
% change	n/a	-48.57%	-10,156.41%	-105.57%	229.34%
Return on total assets	0.65%	-1.96%	-7.34%	-0.07%	1.13%
% change	133.17%	73.26%	-9,880.27%	-106.50%	216.16%
Return on tangible assets	0.69%	-2.08%	-7.80%	-0.08%	1.20%
% change	133.05%	73.35%	-9,880.69%	-106.50%	216.05%
Source:	10-Q 11/14/2017	10-Q 8/14/2017	10-K 7/6/2017	10-Q 2/14/2017	10-Q 11/10/2016

NEWS ALERTS: A TIMELINE OF CONCERNING HEADLINES

Rand's net income for Q3 2016 decreased 98% to \$225.00 thousand compared with net income of \$10.95 million for the equivalent 9 months last year.

2/17/2017

CRMZ News Service

Rand Logistics, Inc. -- updated financials available

Rand informed that failure to obtain a waiver or other accommodation from its lenders in the event of a default under the Company's credit facilities would likely have a material adverse effect on the Company and its business, operations and financial performance and viability.

6/2/2017

CRMZ News Service

RAND LOGISTICS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

The Company's Form 10-K filing for Q4 2017 informed that its ability to continue as a going concern was dependent upon its ability to restructure or refinance its indebtedness.

7/6/2017

CRMZ News Service

Rand Logistics, Inc. Receives Going Concern Opinion

Effective 1/5/2018, Rand was delisted from NASDAQ; the Company did not appeal the determination.

9/22/2017

CRMZ News Service

RAND LOGISTICS, INC. FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

Rand Logistics, Inc. and six affiliated Debtors filed for Chapter 11 protection.

1/30/2018

CRMZ News Service

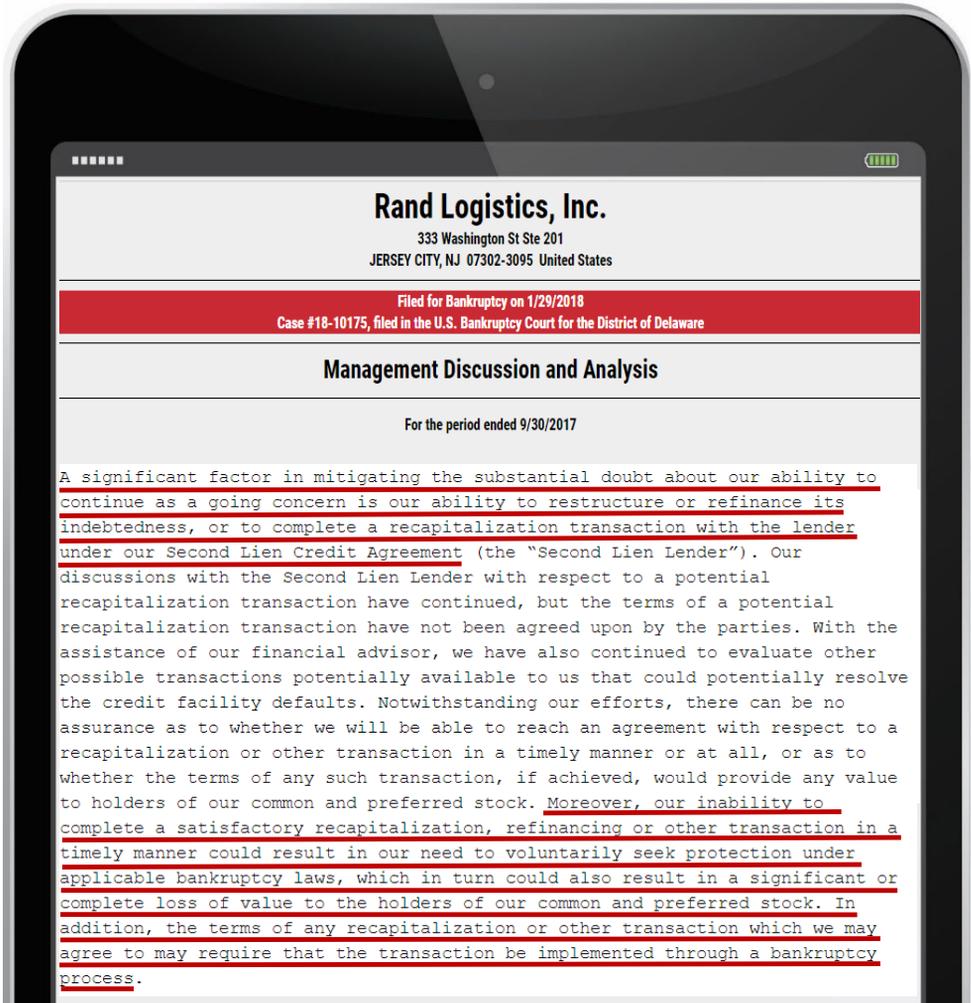
Rand Logistics Prepackaged Bankruptcy

MANAGEMENT DISCUSSION AND ANALYSIS

READING THE MANAGEMENT DISCUSSION AND ANALYSIS, WE NOTED:

Rand's management reports in its Q3 2017 10-Q filing that the Company had outstanding debt of \$236M at 9/30/17. As a result of First and Second Lien Credit Agreement covenant violations, the entire balance of this debt was classified as a current liability.

Rand had not been successful in obtaining further waivers from its lenders under its credit facilities or in refinancing its debt facilities. The Company's management continued to pursue a resolution with its lenders however, there was no assurance that Rand would be able to reach an agreement with respect to a recapitalization or other transaction in a timely manner or at all; or that the terms of such transaction, if achieved, would not result in a significant or complete loss of value to holders of their common and preferred stock. Rand's management informed that an inability to complete a satisfactory agreement in a timely manner would result in the Company's need to voluntarily seek protection under applicable bankruptcy laws. Such an action could also result in a significant or complete loss of value to the holders of their common and preferred stock. In addition, the terms of any recapitalization or other transaction which they may agree to could require that the transaction be implemented through a bankruptcy process. **...and in January 2018, Rand Logistics, Inc. files for bankruptcy...**



ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 57,000 global public companies.

CreditRiskMonitor Bankruptcy Case Studies provide post-filing analyses of public company bankruptcies. Our case studies educate subscribers about methods they can apply to assess bankruptcy risk using CreditRiskMonitor's proprietary FRISK[®] score, robust financial database and timely news alerts.

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