

**Navios Maritime Midstream Partners L.P.**  
**Financial Information for the**  
**Fourth Quarter and the Year Ended December 31, 2018**

**FINANCIAL INFORMATION**

For the following results and the selected financial data presented herein, Navios Maritime Midstream Partners L.P. (“Navios Midstream”) has compiled condensed consolidated statements of operations for the three months and years ended December 31, 2018 and 2017. The information for the quarterly and years ended December 31, 2018 and 2017 was derived from the unaudited condensed consolidated financial statements for the respective periods. EBITDA is a non-GAAP financial measure and should not be used in isolation or substitution for Navios Midstream’s results.

See Exhibit 2 under the heading, “Disclosure of Non-GAAP Financial Measures”, for a discussion of Adjusted EBITDA and a reconciliation of such measure to the most comparable measures calculated under U.S. generally accepted accounting principles (“U.S. GAAP”).

	Three Month Period ended December 31, 2018 (\$ '000) (unaudited)	Three Month Period ended December 31, 2017 (\$ '000) (unaudited)	Year ended December 31, 2018 (\$ '000) (unaudited)	Year ended December 31, 2017 (\$ '000) (unaudited)
Revenue	\$ 26,427	\$ 22,700	\$ 89,599	\$ 83,052
Time charter and voyage expenses	(5,053)	(405)	(6,635)	(1,198)
Direct vessel expenses	(1,171)	(1,145)	(4,597)	(3,919)
Management fees (entirely through related party transactions)	(5,244)	(5,244)	(20,739)	(20,805)
General and administrative expenses	(1,653)	(725)	(4,371)	(2,832)
Depreciation and amortization	(5,721)	(6,259)	(23,329)	(25,070)
Interest expenses and finance cost	(3,840)	(4,641)	(14,902)	(14,370)
Interest income	42	35	218	54
Loss on sale of asset	—	—	(32,444)	—
Other income, net	7	—	655	—
Other expense	—	(17)	(57)	(281)
<b>Net income/(loss)</b>	<b>\$ 3,794</b>	<b>\$ 4,299</b>	<b>\$ (16,602)</b>	<b>\$ 14,631</b>
Net cash provided by operating activities	8,236	6,600	38,359	18,368
<b>Adjusted EBITDA</b>	<b>\$ 14,484</b>	<b>\$ 16,309</b>	<b>\$ 58,452</b>	<b><sup>(1)</sup>\$ 57,936</b>

<sup>(1)</sup> Adjusted EBITDA for the year ended December 31, 2018 excludes loss on sale of vessel (Shinyo Kannika) of \$32.4 million incurred in the first quarter of 2018.

**Three month periods ended December 31, 2018 and 2017**

Revenue for the three month period ended December 31, 2018 increased by \$3.7 million to \$26.4 million, as compared to \$22.7 million for the same period in 2017. Time charter and voyage expenses for the three month period ended December 31, 2018 increased by approximately \$4.6 million to \$5.1 million, as compared to \$0.4 million for the same period of 2017, mainly due to the voyage expenses incurred in relation to certain vessel operating in the spot market.

Time Charter Equivalent (“TCE”) was \$38,721 for the three month period ended December 31, 2018 and \$40,391 for the three month period ended December 31, 2017.

Net income for the three month period ended December 31, 2018 was \$3.8 million compared to \$4.3 million for the three month period ended December 31, 2017. The decrease in net income of approximately \$0.5 million was due to a \$1.8 million decrease in EBITDA; partially mitigated by a: (a) \$0.8 million decrease in interest expenses and finance cost; and (b) \$0.5 million decrease in depreciation and amortization.

EBITDA decreased by \$1.8 million to \$14.5 million for the three month period ended December 31, 2018, as compared to \$16.3 million for the same period in 2017. The decrease in EBITDA was due to a: (a) \$4.6 million increase in time charter and voyage expenses; and (b) \$0.9 million increase in general and administrative expenses; partially mitigated by a \$3.7 million increase in revenue.

### **Year ended December 31, 2018 and 2017**

Revenue for the year ended December 31, 2018 increased by \$6.5 million to \$89.6 million, as compared to \$83.1 million for the year ended December 31, 2017. Time charter and voyage expenses for the three month period ended December 31, 2018 increased by approximately \$5.4 million to \$6.6 million, as compared to \$1.2 million for the same period of 2017, mainly due to the voyage expenses incurred in relation to certain vessel operating in the spot market.

The TCE was \$38,793 for the year ended December 31, 2018 and \$39,401 for the year ended December 31, 2017.

Net loss for the year ended December 31, 2018 was \$16.6 million compared to a net income of \$14.6 million for the year ended December 31, 2017. The decrease in net income of approximately \$31.2 million was due to a: (a) \$32.4 million loss from the sale of the Shinyo Kannika in the first quarter of 2018; (b) \$0.7 million increase in direct vessel expenses; and (c) \$0.5 million increase in interest expenses and finance cost partially mitigated by a: (a) \$1.7 million decrease in depreciation and amortization expense; (b) \$0.5 million increase in Adjusted EBITDA; and (c) \$0.2 million increase in interest income.

Adjusted EBITDA increased by approximately \$0.5 million to \$58.5 million for the year ended December 31, 2018, as compared to \$57.9 million for the same period in 2017. The increase in EBITDA was mainly due to a: (a) \$6.5 million increase in revenue; (b) \$0.9 million decrease in other income/(expense), net; and (c) \$0.1 million decrease in management fees. The above increase was partially mitigated by a: (a) \$5.4 million increase in time charter expenses; and (b) \$1.5 million increase in general and administrative expenses.

### **Fleet Employment Profile**

The following table reflects certain key indicators of Navios Midstream's core fleet performance for the three months and years ended December 31, 2018 and 2017.

	Three Month Period ended December 31, 2018 (unaudited)	Three Month Period ended December 31, 2017 (unaudited)	Year ended December 31, 2018 (unaudited)	Year ended December 31, 2017 (unaudited)
<b>FLEET DATA</b>				
Available days <sup>(1)</sup>	552	552	2,139	2,077
Operating days <sup>(2)</sup>	547	545	2,126	2,049
Fleet utilization <sup>(3)</sup>	99.1%	98.7%	99.4%	98.6%
Vessels operating at period end	6	6	6	6
<b>AVERAGE DAILY RESULTS</b>				
Time Charter Equivalent per day <sup>(4)</sup>	\$ 38,721	\$ 40,391	\$ 38,793	\$ 39,401

(1) Available days for the fleet represent total calendar days the vessels were in Navios Midstream's possession for the relevant period after subtracting off-hire days associated with scheduled repairs, drydock or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which a vessel is capable of generating revenues.

(2) Operating days is the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.

- (3) Fleet utilization is the percentage of time that Navios Midstream’s vessels were available for revenue generating available days, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure efficiency in finding employment for vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs, drydock or special surveys.
- (4) TCE rates are defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The TCE rate is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of charter contracts for the number of available days of the fleet.

## EXHIBIT 1

The table below presents the list of tankers owned by Navios Midstream as of December 31, 2018.

<u>Owned Vessels</u>	<u>Type</u>	<u>Built</u>	<u>Capacity (DWT)</u>
Shinyo Kieran	VLCC	2011	297,066
Shinyo Saowalak	VLCC	2010	298,000
Nave Galactic	VLCC	2009	297,168
Nave Celeste	VLCC	2003	298,717
Shinyo Ocean	VLCC	2001	281,395
C. Dream	VLCC	2000	298,570

## EXHIBIT 2

### **Disclosure of Non-GAAP Financial Measures**

#### **EBITDA**

EBITDA is a non-GAAP financial measure and should not be used in isolation or as substitution for Navios Midstream’s results calculated in accordance with U.S. GAAP.

EBITDA represents net (loss)/income before interest and finance costs, before depreciation and amortization and before income taxes. Adjusted EBITDA in this document represents EBITDA excluding loss on sale of vessel, as described under “Financial Highlights”. Adjusted net (loss)/ income and Adjusted (losses)/ earnings per unit (basic and diluted) represent Net (loss)/ income and (losses)/ earnings per unit (basic and diluted), excluding certain item as described under “Financial Highlights”. We use Adjusted EBITDA as liquidity measure and reconcile EBITDA and Adjusted EBITDA to net cash provided by/ (used in) operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA in this document is calculated as follows: net cash provided by/(used in) operating activities adding back, when applicable and as the case may be, the effect of: (i) net increase/(decrease) in operating assets; (ii) net (increase)/decrease in operating liabilities; (iii) net interest cost; (iv) amortization of deferred finance costs and other related expenses; and (v) gain/ loss on sale of assets. Navios Midstream believes that EBITDA and Adjusted EBITDA are each the basis upon which liquidity can be assessed and present useful information to investors regarding Navios Midstream’s ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Midstream also believes that EBITDA and Adjusted EBITDA are used: (i) by potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

EBITDA and Adjusted EBITDA have limitations as an analytical tool, and should not be considered in isolation or as a substitute for the analysis of Navios Midstream’s results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. EBITDA and Adjusted EBITDA do not reflect any cash requirements for such capital expenditures. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as a principal indicator of Navios Midstream’s performance. Furthermore, our calculation of EBITDA and Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

## Reconciliation of Non-GAAP Financial Measures

	Three Month Period ended December 31, 2018 (\$ '000) (unaudited)	Three Month Period ended December 31, 2017 (\$ '000) (unaudited)	Year ended December 31, 2018 (\$ '000) (unaudited)	Year ended December 31, 2017 (\$ '000) (unaudited)
Net cash provided by operating activities	\$ 8,236	\$ 6,600	\$ 38,359	\$ 18,368
Net decrease in operating assets	2,510	6,810	10,057	26,749
Net (increase)/ decrease in operating liabilities	285	(70)	(3,273)	1,180
Net interest cost	3,798	4,606	14,684	14,316
Amortization of deferred finance cost and bond premium	(345)	(1,637)	(1,375)	(2,677)
Loss on sale of asset	—	—	(32,444)	—
<b>EBITDA</b>	<b>\$ 14,484</b>	<b>\$ 16,309</b>	<b>\$ 26,008</b>	<b>\$ 57,936</b>
Loss on sale of asset	—	—	32,444	—
<b>Adjusted EBITDA</b>	<b>\$ 14,484</b>	<b>\$ 16,309</b>	<b>\$ 58,452</b>	<b>\$ 57,936</b>

	Three Month Period ended December 31, 2018 (\$ '000) (unaudited)	Three Month Period ended December 31, 2017 (\$ '000) (unaudited)	Year ended December 31, 2018 (\$ '000) (unaudited)	Year ended December 31, 2017 (\$ '000) (unaudited)
Net cash provided by operating activities	\$ 8,236	\$ 6,600	\$ 38,359	\$ 18,368
Net cash used in investing activities	\$ —	\$ —	\$ (28,744)	\$ —
Net cash used in financing activities	\$ (18,183)	\$ (9,543)	\$ (34,094)	\$ (34,073)