

Navios Maritime Midstream Partners L.P.
Financial Information for the
Second Quarter and the Six Month period ended June 30, 2019

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 and the six month periods ended June 30, 2019 and 2018. The information for the quarterly and six month periods ended June 30, 2019 and 2018 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 June 30, 2019 (unaudited)	Three Month Period ended June 30, 2018 (unaudited)	Six Month Period ended June 30, 2019 (unaudited)	Six Month Period ended June 30, 2018 (unaudited)
Revenue (includes related party revenue of \$0 and \$417 for the three and six months ended June 30, 2019, respectively, and \$5,714 and \$10,581 for the three and six months ended June 30, 2018, respectively)	\$ 12,755	\$ 20,790	\$ 35,045	\$ 40,569
Time charter and voyage expenses	(269)	(311)	(2,894)	(539)
Direct vessel expenses	(137)	(1,048)	(1,245)	(2,245)
Management fees (entirely through related party transactions)	(6,334)	(5,187)	(12,349)	(10,251)
General and administrative expenses	(1,614)	(801)	(3,110)	(1,607)
Depreciation and amortization	(3,214)	(5,720)	(8,602)	(11,888)
Interest income	1	119	19	133
Interest expenses and finance cost	(3,887)	(3,806)	(7,824)	(7,244)
Loss on sale of assets	(18,170)	—	(32,199)	(32,444)
Impairment loss due to sale of assets	—	—	(39,103)	—
Other income, net	163	250	1,187	234
Net (loss)/ income	\$ (20,706)	\$ 4,286	\$ (71,075)	\$ (25,282)
Net cash provided by operating activities	20,044	3,868	20,027	26,116
Adjusted EBITDA	\$ 4,689	\$ 14,741	\$ 17,830	\$ 28,406

In March 2019, Navios Midstream sold the following VLCCs to Navios Maritime Acquisition Corporation (“Navios Acquisition”): the Shinyo Kieran, the Shinyo Saowalak, the Nave Celeste and the Nave Galactic for a total price of \$238.8 million. In addition, Navios Midstream acquired from Navios Acquisition the following vessels: six MR2 product tankers (the Nave Orbit, the Nave Equator, the Nave Pyxis, the Nave Pulsar, the Nave Equinox and the Bougainville), one VLCC (the Nave Buena Suerte) and three LR1 product tankers (the Nave Ariadne, the Nave Cielo and the Nave Atropos) for a total price of \$237.0 million. The vessels that were sold were released as collaterals from Term Loan B and were substituted by the ones acquired.

In addition on March 4, 2019, the company acquired from Navios Acquisition the Nave Andromeda for a price of \$25.5 million and the Nave Estella for a price of \$28.3 million and on March 20, 2019, sold them back to Navios Acquisition for the same price.

The loss on sale of the vessels discussed above amounted to \$39.1 million.

On June 26, 2019, Navios Midstream acquired from Navios Acquisition the Nave Velocity for a purchase price of \$31.3 million, offered as collateral under the Term Loan B, in substitution of an equivalent amount of cash collateral the was previously retained as restricted cash.

On March 25, 2019, Navios Midstream sold the C. Dream, a 2000-built VLCC vessel of 298,570 dwt to an unaffiliated third party for a sale price of \$21.8 million paid in cash. The loss on sale of the vessel amounted to \$14.0 million.

On May 10, 2019, following a collision incident, Navios Midstream sold the Shinyo Ocean, a 2001-built VLCC vessel of 281,395 dwt to an unaffiliated third party for a sale price of \$12.5 million. The loss on sale of the vessel, including the insurance claim proceeds, amounted to \$18.2 million.

Three month periods ended June 30, 2019 and 2018

Revenue for the three month period ended June 30, 2019 decreased by \$8.0 million to \$12.8 million, as compared to \$20.8 million for the same period in 2018. As a result of the transactions described above, available days of Navios Midstream increased to 915 in the three month period ended June 30, 2019, from 517 days in the same period of 2018; whereas Time Charter Equivalent (“TCE”) decreased to \$13,646 for the three month period ended June 30, 2019 as compared to \$39,578 for the three month period ended June 30, 2018.

Net loss for the three month period ended June 30, 2019 was \$20.7 million compared to \$4.3 million net income for the three month period ended June 30, 2018. The decrease in net income of approximately \$25.0 million was due to a (a) \$18.2 million loss on sale of vessel incurred in connection with the sale of the Shinyo Ocean in May 2019; (b) \$10.1 million decrease in Adjusted EBITDA; (c) \$0.1 million increase in interest expenses and finance cost; and (d) \$0.1 million decrease in interest income; partially mitigated by a: (i) \$2.5 million decrease in depreciation and amortization as a result of the transactions described above; and (ii) \$0.9 million decrease in amortization of drydock and special survey costs.

Adjusted EBITDA decreased by \$10.1 million to \$4.7 million for the three month period ended June 30, 2019, as compared to \$14.7 million for the same period in 2018. The decrease in EBITDA was mainly due to: (a) an 8.0 million decrease in revenue; (b) a \$1.1 million increase in management fees; (c) a \$0.8 million increase in general and administrative expenses; and (d) a \$0.1 million decrease in other income, net.

Six months ended June 30, 2019 and 2018

Revenue for the six month period ended June 30, 2019 decreased by \$5.5 million to \$35.0 million, as compared to \$40.6 million for the same period in 2018. As a result of the transactions described above, available days of Navios Midstream increased to 1,604 in the six month period ended June 30, 2019, from 1,039 days in the same period of 2018; whereas TCE decreased to \$20,040 for the six month period ended June 30, 2019 as compared to \$38,535 for the six month period ended June 30, 2018.

Net loss for the six month period ended June 30, 2019 was \$71.1 million compared to \$25.3 million for the six month period ended June 30, 2018. The increase in net loss of approximately \$45.8 million was due to a (a) \$38.9 million increase in loss on sale of vessels (including impairment loss on sale of assets); (b) \$10.6 million decrease in Adjusted EBITDA; (c) \$0.6 million increase in interest expenses and finance cost; and (d) \$0.1 million decrease in interest income; partially mitigated by a: (i) \$3.3 million decrease in depreciation and amortization as a result of the transactions described above; and (ii) a \$1.0 million decrease in amortization of drydock and special survey costs.

Adjusted EBITDA decreased by \$10.6 million to \$17.8 million for the six month period ended June 30, 2019, as compared to \$28.4 million for the same period in 2018. The decrease in EBITDA was mainly due to a: (a) 5.5 million decrease in revenue; (b) \$2.4 million increase in time charter and voyage expenses; (c) \$2.1 million increase in management fees; and (d) \$1.5 million increase in general and administrative expenses; partially mitigated by a \$1.0 million increase in other income, net.

Fleet Employment Profile

The following table reflects certain key indicators of Navios Midstream's core fleet performance for the three and the six months ended June 30, 2019 and 2018.

	Three Month Period ended June 30, 2019 (unaudited)	Three Month Period ended June 30, 2018 (unaudited)	Six Month Period ended June 30, 2019 (unaudited)	Six Month Period ended June 30, 2018 (unaudited)
FLEET DATA				
Available days ⁽¹⁾	915	517	1,604	1,039
Operating days ⁽²⁾	914	517	1,602	1,032
Fleet utilization ⁽³⁾	99.9%	100.0%	99.9%	99.3%
Vessels operating at period end	11	6	11	6
AVERAGE DAILY RESULTS				
Time Charter Equivalent per day ⁽⁴⁾	\$ 13,646	\$ 39,578	\$ 20,040	\$ 38,535

- (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 June 30, 2019.

<u>Owned Vessels</u>	<u>Type</u>	<u>Built</u>	<u>Capacity (DWT)</u>
Nave Buena Suerte	VLCC	2011	297,491
Nave Velocity	MR2 Product	2015	49,999
Nave Pyxis	MR2 Product	2014	49,998
Bougainville	MR2 Product	2013	50,626
Nave Orbit	MR2 Product	2009	50,470
Nave Equator	MR2 Product	2009	50,542
Nave Equinox	MR2 Product	2007	50,922
Nave Pulsar	MR2 Product	2007	50,922
Nave Atropos	LR1 Product	2013	74,695
Nave Ariadne	LR1 Product	2007	74,671
Nave Cielo	LR1 Product	2007	74,671

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 June 30, 2019 (\$ '000) (unaudited)	Three Month Period ended June 30, 2018 (\$ '000) (unaudited)	Six Month Period ended June 30, 2019 (\$ '000) (unaudited)	Six Month Period ended June 30, 2018 (\$ '000) (unaudited)
Net cash provided by operating activities	\$ 20,044	\$ 3,868	\$ 20,027	\$ 26,116
Net increase/(decrease) in operating assets	(20,187)	7,120	(13,713)	(4,042)
Net (increase)/ decrease in operating liabilities	1,285	409	4,387	(96)
Net interest cost	3,886	3,687	7,805	7,111
Amortization of deferred finance cost	(339)	(343)	(676)	(683)
Loss on sale of assets	(18,170)	—	(32,199)	(32,444)
Impairment loss due to sale of assets	—	—	(39,103)	—
EBITDA	\$ (13,481)	\$ 14,741	\$ (53,472)	\$ (4,038)
Loss on sale of vessels	18,170	—	32,199	32,444
Impairment loss due to sale of assets	—	—	39,103	—
Adjusted EBITDA	\$ 4,689	\$ 14,741	\$ 17,830	\$ 28,406

	Three Month Period ended June 30, 2019 (\$ '000) (unaudited)	Three Month Period ended June 30, 2018 (\$ '000) (unaudited)	Six Month Period ended June 30, 2019 (\$ '000) (unaudited)	Six Month Period ended June 30, 2018 (\$ '000) (unaudited)
Net cash provided by	\$ 20,044	\$ 3,868	\$ 20,027	\$ 26,116

operating activities						
Net cash provided by/(used in) investing activities	\$	(19,291)	\$	(424)	\$	3,049
					\$	(28,744)
Net cash used in financing activities	\$	(20,512)	\$	(3,183)	\$	(21,025)
					\$	(12,727)