

Navios Maritime Midstream Partners LP
Form 425
November 06, 2018

Filed by Navios Maritime Acquisition Corporation
pursuant to Rule 425 under the Securities Act of 1933
Subject Company: Navios Maritime Midstream Partners L.P.
Commission File No.: 001-36738
Commission File No. for Registration Statement: 333-228051
Date: November 6, 2018

Source: Navios Maritime Acquisition

November 06, 2018 08:01 ET

Navios Maritime Acquisition Corporation Reports Financial Results for the Third Quarter and Nine Months Ended September 30, 2018

Revenue: \$41.6 million for Q3 2018; \$129.2 million for the nine months 2018

Agreement to Acquire Navios Maritime Midstream Partners LP

Simplifies the capital and organizational structures

Creates significant savings in public company costs

Enhances credit profile

Builds scale and profit potential

Reduces cost of capital

Returning capital to stockholders:

Quarterly dividend: \$0.02 per share

Stock repurchased YTD: 9,221,255 shares (6.1% of common shares)

Reverse Stock Split: 1:15

MONACO, Nov. 06, 2018 (GLOBE NEWSWIRE) Navios Maritime Acquisition Corporation (Navios Acquisition) (NYSE: NNA), an owner and operator of tanker vessels, reported its financial results today for the third quarter and the nine month period ended September 30, 2018.

Angeliki Frangou, Chairman and Chief Executive Officer of Navios Acquisition stated, For the third quarter of 2018, Navios Acquisition reported revenue of \$41.6 million and Adjusted EBITDA of \$9.9 million. We also declared a quarterly dividend of \$0.02 cents per share for the third quarter, representing an annualized dividend of \$0.08 cents per share.

Angeliki Frangou continued, Since September, tanker rates have substantially improved, with the TD3 VLCC spot rate increasing by 213% to about \$51,000 per day and the one-year time charter rate increasing by about 44% to \$28,000 per day. In light of this, not only is the combination with Navios Maritime Midstream Partners L.P. expected to reduce operating breakeven for available days -not subject to fixed rates- by almost 15%, but also to increase our available days by 17% to about 15,000 days.

HIGHLIGHTS RECENT DEVELOPMENTS

Agreement to Acquire Navios Maritime Midstream Partners LP

On October 8, 2018 Navios Maritime Midstream Partners L.P. (Navios Midstream) (NYSE:NAP) and Navios Acquisition announced that they entered into a definitive merger agreement under which Navios Acquisition will acquire all of the publicly held units of Navios Midstream in exchange for shares of Navios Acquisition.

The conflicts committee of the board of directors of Navios Midstream negotiated the transaction on behalf of Navios Midstream and its public unitholders. The transaction was unanimously approved by the Conflicts Committee, the board of directors of Navios Midstream and the board of directors of Navios Acquisition.

The approval and adoption of the merger agreement and the merger requires approval by a majority of the outstanding Navios Midstream common units. Navios Acquisition owns a sufficient number of Navios Midstream common units to approve the merger on behalf of all Navios Midstream unitholders and has agreed to consent to the merger. The closing of the merger is subject to customary closing conditions, including effectiveness of a registration statement on Form F-4 filed with the U.S. Securities and Exchange Commission on October 30, 2018 and the mailing of an information statement to the Navios Midstream unitholders.

Reverse stock split

Navios Acquisition previously announced that its Board of Directors has approved a 1-for-15 reverse stock split of its issued and outstanding shares of common stock. The reverse stock split is subject to stockholder approval, which Navios Acquisition intends to seek at a special meeting of its stockholders scheduled to be held on November 9, 2018.

Quarterly dividend: \$0.02 per share

On November 2, 2018, the Board of Directors of Navios Acquisition declared a quarterly cash dividend for the third quarter of 2018 of \$0.02 per share of common stock. The dividend is payable on December 5, 2018 to stockholders of record as of November 27, 2018. The declaration and payment of any further dividends remain subject to the discretion of the Board of Directors and will depend on, among other things, Navios Acquisition's cash requirements as measured by market opportunities and restrictions under its credit agreements and other debt obligations and such other factors as the Board of Directors may deem advisable.

Stock repurchase program

As of November 5, 2018, Navios Acquisition had repurchased 9,221,255 shares for approximately \$6.8 million, under the \$25.0 million stock repurchase program, providing an additional return of 6.1% to our stockholders.

Time charter coverage

As of November 5, 2018, our fleet consisted of a total of 37 vessels, of which seven are VLCCs, 26 are product tankers, two are chemical tankers and two are bareboat VLCC chartered-in vessels to be delivered in Q3 2020 and Q4 2020, respectively.

Currently, Navios Acquisition has contracted 99.2% and 32.7% of its available days on a charter-out basis for 2018 and 2019, respectively, which is expected to generate revenues of approximately \$160.1 million and \$50.1 million for 2018 and 2019, respectively. The average contractual net daily charter-out rate for the 93.6% and the 26.6% of the available days that are contracted on base rate and/or on base rate with profit sharing arrangements is expected to be \$13,531 and \$14,721 for 2018 and 2019, respectively.

FINANCIAL HIGHLIGHTS

For the following results and the selected financial data presented herein, Navios Acquisition has compiled its consolidated statements of operations for the three and nine months ended September 30, 2018 and 2017. The quarterly information for 2018 and 2017 was derived from the unaudited condensed consolidated financial statements for the respective periods.

| | Three Month Period ended September 30, 2018 | Three Month Period ended September 30, 2017 | Nine Month Period ended September 30, 2018 | Nine Month Period ended September 30, 2017 |
|---|--|--|---|---|
| (Expressed in thousands of U.S. dollars) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Revenue | \$ 41,589 | \$ 54,021 | \$ 129,218 | \$ 176,961 |

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| | | | | |
|---|----------------------------|------------|----------------------------|---------------------------|
| Net loss | \$ (23,408) | \$ (8,105) | \$ (69,942) | \$ (66,907) |
| Adjusted net loss | \$ (23,133) ⁽¹⁾ | \$ (8,105) | \$ (62,830) ⁽²⁾ | \$ (7,107) ⁽³⁾ |
| Net cash provided by/(used in) operating activities | \$ 7,139 | \$ 22,552 | \$ (23,855) | \$ 55,658 |
| EBITDA | \$ 9,627 | \$ 23,303 | \$ 29,114 | \$ 28,660 |
| Adjusted EBITDA | \$ 9,902 ⁽¹⁾ | \$ 23,303 | \$ 35,910 ⁽²⁾ | \$ 87,764 ⁽³⁾ |
| Loss per share (basic) | \$ (0.16) | \$ (0.05) | \$ (0.46) | \$ (0.42) |
| Adjusted loss per share (basic) | \$ (0.15) ⁽¹⁾ | \$ (0.05) | \$ (0.41) ⁽²⁾ | \$ (0.04) ⁽³⁾ |

1. EBITDA, net loss and loss per share (basic) for the three month period ended September 30, 2018 have been adjusted to exclude \$0.3 million of non-cash stock based compensation.
2. EBITDA, net loss and loss per share (basic) for the nine month period ended September 30, 2018 have been adjusted to exclude: (i) \$6.0 million of negative effect on equity/ (loss) in net earnings of affiliated companies, relating to the sale of the Shinyo Kannika by Navios Midstream; (ii) \$0.8 million of non-cash stock based compensation; and (iii) \$0.03 million of gain from the sale of the Nave Galactic. Net loss and loss per share (basic) for the nine month period ended September 30, 2018 were further adjusted to exclude a \$0.3 million write-off of deferred finance costs.

3. EBITDA, net loss and loss per share (basic) for the nine month period ended September 30, 2017 have been adjusted to exclude \$59.1 million of non-cash impairment loss on equity investment in Navios Midstream. Net loss and loss per share (basic) for the nine month period ended September 30, 2017 were further adjusted to exclude a \$0.7 million write-off of deferred finance costs.

EBITDA, Adjusted EBITDA, Adjusted net (loss)/ income and Adjusted (loss)/income per share (basic) are non-GAAP financial measures and should not be used in isolation or substitution for Navios Acquisition's results (see Exhibit II for reconciliation of EBITDA and Adjusted EBITDA).

Three month periods ended September 30, 2018 and 2017

Revenue for the three month period ended September 30, 2018 decreased by \$12.4 million, or 23.0%, to \$41.6 million, as compared to \$54.0 million for the same period of 2017. The decrease was mainly attributable to a: (i) decrease in the market rates during the third quarter ended September 30, 2018, as compared to the same period in 2017; and (ii) decrease in revenue of \$2.4 million due to the sale of the Nave Galactic to Navios Midstream in March 2018. Available days of the fleet decreased to 3,178 days for the three month period ended September 30, 2018, as compared to 3,215 days for the three month period ended September 30, 2017. The time charter equivalent rate, or TCE Rate, decreased to \$12,394 for the three month period ended September 30, 2018, from \$16,486 for the three month period ended September 30, 2017.

Net loss for the three month period ended September 30, 2018 was \$23.4 million as compared to \$8.1 million for the same period of 2017. The increase in net loss was due to a: (a) \$13.7 million decrease in EBITDA; (b) \$1.0 million increase in direct vessel expenses; (c) \$0.7 million decrease in interest income; and (d) \$0.4 million increase in interest expense and finance cost, net of deferred finance cost; partially mitigated by a \$0.4 million decrease in depreciation and amortization.

EBITDA for the three month period ended September 30, 2018 decreased by approximately \$13.7 million to \$9.6 million, as compared to \$23.3 million for the same period of 2017. The decrease in EBITDA was mainly due to a: (a) \$12.4 million decrease in revenue, as described above; (b) \$2.5 million increase in time charter expenses mainly due to the increase of the accrued backstop commitment to Navios Midstream and the voyage expenses incurred in the period; and (c) \$0.3 million increase in general and administrative expenses due to the stock based compensation; partially mitigated by a: (i) \$0.8 million increase in equity/(loss) in net earnings of affiliated companies; (ii) \$0.6 million decrease in management fees, due to the sale of the Nave Galactic to Navios Midstream in March 2018, which was partially offset by the amendment to the fees under the Management Agreement; and (iii) \$0.2 million decrease in other expense, net.

Nine month periods ended September 30, 2018 and 2017

Revenue for the nine month period ended September 30, 2018 decreased by \$47.7 million, or 27.0%, to \$129.2 million, as compared to \$177.0 million for the same period of 2017. The decrease was mainly attributable to a: (a) decrease in the market rates during the nine month period ended September 30, 2018, as compared to the same period in 2017; and (b) decrease in revenue of \$6.5 million mainly due to the sale of the Nave Galactic to Navios Midstream in March 2018. Available days of the fleet decreased from 9,678 days for the nine month period ended September 30, 2017 to 9,439 days for the nine month period ended September 30, 2018. The TCE Rate decreased from \$17,814 for the nine month period ended September 30, 2017, to \$13,287 for the nine month period ended September 30, 2018.

Net loss for the nine month period ended September 30, 2018 was \$69.9 million as compared to \$66.9 million for the same period of 2017. The increase was due to a: (a) \$2.4 million increase in direct vessel expenses; (b) \$1.6 million decrease in interest income; and (c) \$0.4 million increase in interest expense and finance cost; partially mitigated by a (i) \$0.9 million decrease in depreciation and amortization and (ii) \$0.5 million increase in EBITDA.

EBITDA for the nine month period ended September 30, 2018 increased by \$0.5 million to \$29.1 million, as compared to \$28.7 million for the same period of 2017. The increase in EBITDA was mainly due to a: (a) \$55.7 million increase in equity/(loss) in net earnings of affiliated companies (which includes \$59.1 million of

non-cash impairment loss on equity investment in Navios Midstream in the second quarter of 2017); and (b) \$1.4 million decrease in management fees, due to the sale of the Nave Galactic to Navios Midstream in March 2018, which was partially offset by the amendment to the fees under the Management Agreement; partially mitigated by a (i) \$47.7 million decrease in revenue, as described above; (ii) \$6.0 million increase in time charter expenses mainly due to the increase of the accrued backstop commitment to Navios Midstream; (iii) \$1.9 million increase in general and administrative expenses; and (iv) \$1.0 million increase in other expense, net.

Fleet Employment Profile

The following table reflects certain key indicators of the performance of Navios Acquisition and its core fleet for the three and nine month periods ended September 30, 2018 and 2017.

| | Three month period ended | | Nine month period ended | |
|---|--------------------------|-------------|-------------------------|-------------|
| | September 30, | | September 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| FLEET DATA | | | | |
| Available days ⁽¹⁾ | 3,178 | 3,215 | 9,439 | 9,678 |
| Operating days ⁽²⁾ | 3,153 | 3,205 | 9,386 | 9,660 |
| Fleet utilization ⁽³⁾ | 99.2% | 99.7% | 99.4% | 99.8% |
| Vessels operating at period end | 35 | 36 | 35 | 36 |
| AVERAGE DAILY RESULTS | | | | |
| Time charter equivalent rate per day ⁽⁴⁾ | \$ 12,394 | \$ 16,486 | \$ 13,287 | \$ 17,814 |

Navios Acquisition believes that the important measures for analyzing trends in its results of operations consist of the following:

- (1) **Available days:** Available days for the fleet are total calendar days the vessels were in Navios Acquisition's possession for the relevant period after subtracting off-hire days associated with major repairs, drydocking or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which vessels should be capable of generating revenues.
- (2) **Operating days:** Operating days are 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:** Fleet utilization is the percentage of time that Navios Acquisition's vessels were available for generating revenue, 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 a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off hire for reasons other than scheduled repairs, dry dockings or special surveys.
- (4) **TCE Rate:** Time charter equivalent rate per day is 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 per day is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels of various types of charter contracts for the number of available days of the fleet.

Conference Call, Webcast and Presentation Details:

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As previously announced, Navios Acquisition will host a conference call today, Tuesday, November 6, 2018 at 8:30 am ET, at which time Navios Acquisition's senior management will provide highlights and commentary on earnings results for the third quarter and nine month periods ended September 30, 2018.

US Dial In: +1.877.480.3873

International Dial In: +1.404.665.9927

Conference ID: 279 3754

The conference call replay will be available shortly after the live call and remain available for one week at the following numbers:

US Replay Dial In: +1.800.585.8367

International Replay Dial In: +1.404.537.3406

Conference ID: 279 3754

The call will be simultaneously Webcast. The Webcast will be available on the Navios Acquisition website, www.navios-acquisition.com, under the Investors section. The Webcast will be archived and available at the same Web address for two weeks following the call.

A supplemental slide presentation will be available by 8:00 am ET on the day of the call.

About Navios Acquisition

Navios Acquisition (NYSE: NNA) is an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

For more information about Navios Acquisition, please visit our website: www.navios-acquisition.com.

Important Information

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities. In connection with the proposed acquisition of Navios Midstream, on October 30, 2018, Navios Acquisition filed a registration statement on Form F-4 and a related prospectus with the Securities and Exchange Commission pursuant to which shares of common stock and preferred stock of Navios Acquisition to be issued in the proposed acquisition will be registered. Investors are urged to read the registration statement and the related prospectus (including all amendments and supplements) because they contain important information regarding the Navios Acquisition shares and the proposed acquisition. Investors may obtain free copies of the registration statement and the related prospectus, as well as other filings containing information about Navios Acquisition and Navios Midstream, without charge, at the SEC's Web site (www.sec.gov).

Forward Looking Statements

This press release contains forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events and expectations, including with respect to Navios Acquisition's future dividends, 2018 cash flow generation and Navios Acquisition's growth strategy and measures to implement such strategy; including expected vessel acquisitions and entering into further employment contracts and the pending acquisition of Navios Midstream. Words such as may, expects, intends, plans, believes, anticipates, hopes, estimates, and variations of such words and similar expressions are intended to identify forward-looking statements. Such statements include comments regarding expected revenue and employment contracts and any potential merger with Navios Midstream. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Navios Acquisition at the time this filing was made. Although Navios Acquisition believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Acquisition. Actual results may differ materially from those expressed or implied by such

forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to the timing and the ability to consummate the potential merger with Navios Midstream, the creditworthiness of our charterers and the ability of our contract counterparties to fulfill their obligations to us, tanker industry trends, including charter rates and vessel values and factors affecting vessel supply and demand, the aging of our vessels and resultant increases in operation and dry docking costs, the loss of any customer or charter or vessel, our ability to repay outstanding indebtedness, to obtain additional financing and to obtain replacement charters for our vessels, in each case, at commercially acceptable rates or at all, increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses, the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, potential liability from litigation and our vessel operations, including discharge of pollutants, general domestic and international political conditions, competitive factors in the market in which Navios Acquisition operates; risks associated with operations outside the United States; and other factors listed from time to time in the Navios Acquisition's filings with the SEC, including its annual and interim reports filed on Form 20-F and Form 6-K. Navios Acquisition expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Acquisition's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Acquisition makes no prediction or statement about the performance of its common stock.

Public & Investor Relations Contact:

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EXHIBIT I**NAVIOS MARITIME ACQUISITION CORPORATION****CONDENSED CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of U.S. dollars-except share data)

| | September 30, 2018 (unaudited) | December 31, 2017 (unaudited) |
|--|---|--|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 46,102 | \$ 81,151 |
| Restricted cash | 2,211 | 5,307 |
| Accounts receivable, net | 12,774 | 12,810 |
| Due from related parties, short term | 16,649 | 13,931 |
| Prepaid expenses and other current assets | 12,800 | 6,534 |
| Total current assets | 90,536 | 119,733 |
| Vessels, net | 1,163,894 | 1,250,043 |
| Goodwill | 1,579 | 1,579 |
| Other long-term assets | 450 | 900 |
| Deferred dry dock and special survey costs, net | 31,070 | 20,871 |
| Investment in affiliates | 118,041 | 125,062 |
| Due from related parties, long-term | 50,902 | 54,593 |
| Total non-current assets | 1,365,936 | 1,453,048 |
| Total assets | \$ 1,456,472 | \$ 1,572,781 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 8,865 | \$ 3,862 |
| Accrued expenses | 26,230 | 12,211 |
| Due to related parties, short-term | 17,751 | 17,107 |
| Deferred revenue | 3,138 | 5,028 |
| Current portion of long-term debt, net of deferred finance costs | 80,842 | 36,410 |
| Total current liabilities | 136,826 | 74,618 |
| Long-term debt, net of current portion, premium and net of deferred finance costs | 935,482 | 1,028,959 |
| Deferred gain on sale of assets | 6,212 | 6,729 |
| Total non-current liabilities | 941,694 | 1,035,688 |
| Total liabilities | \$ 1,078,520 | \$ 1,110,306 |
| Commitments and contingencies | | |
| Stockholders equity | | |
| Preferred stock, \$0.0001 par value; 10,000,000 shares authorized; 1,000 series C shares issued and outstanding as of September 30, 2018 and December 31, 2017 | | |
| Common stock, \$0.0001 par value; 250,000,000 shares authorized; 144,182,831 and 152,107,905 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively | 14 | 15 |

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| | | |
|--|---------------------|---------------------|
| Additional paid-in capital | 503,491 | 518,071 |
| Accumulated deficit | (125,553) | (55,611) |
| Total stockholders equity | 377,952 | 462,475 |
| Total liabilities and stockholders equity | \$ 1,456,472 | \$ 1,572,781 |

NAVIOS MARITIME ACQUISITION CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in thousands of U.S. dollars- except share and per share data)

| | For the Three Months Ended September 30, 2018 (unaudited) | For the Three Months Ended September 30, 2017 (unaudited) | For the Nine Months Ended September 30, 2018 (unaudited) | For the Nine Months Ended September 30, 2017 (unaudited) |
|---|--|--|---|---|
| Revenue | \$ 41,589 | \$ 54,021 | \$ 129,218 | \$ 176,961 |
| Time charter and voyage expenses | (9,560) | (7,030) | (21,749) | (15,793) |
| Direct vessel expenses | (2,011) | (1,053) | (5,251) | (2,880) |
| Management fees (entirely through related party transactions) | (23,340) | (23,939) | (69,652) | (71,035) |
| General and administrative expenses | (3,157) | (2,837) | (11,212) | (9,293) |
| Depreciation and amortization | (13,777) | (14,220) | (41,763) | (42,660) |
| Gain on sale of vessel | | | 25 | |
| Interest income | 2,061 | 2,755 | 5,875 | 7,495 |
| Interest expense and finance cost | (19,308) | (18,890) | (57,917) | (57,522) |
| Equity/ (loss) in net earnings of affiliated companies | 4,522 | 3,752 | 4,463 | (51,208) |
| Other expense, net | (427) | (664) | (1,979) | (972) |
| Net loss | \$ (23,408) | \$ (8,105) | \$ (69,942) | \$ (66,907) |
| Net loss per share, basic and diluted | \$ (0.16) | \$ (0.05) | \$ (0.46) | \$ (0.42) |
| Weighted average number of shares, basic | 142,836,948 | 150,379,186 | 145,184,923 | 150,438,485 |
| Weighted average number of shares, diluted | 142,836,948 | 150,379,186 | 145,184,923 | 150,438,485 |

NAVIOS MARITIME ACQUISITION CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

| | For the Nine Months Ended September 30, 2018 (unaudited) | For the Nine Months Ended September 30, 2017 (unaudited) |
|--|---|---|
| Operating Activities | | |
| Net loss | \$ (69,942) | \$ (66,907) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 41,763 | 42,660 |
| Amortization and write-off of deferred finance fees and bond premium | 2,860 | 3,322 |
| Amortization of dry dock and special survey costs | 5,251 | 2,880 |
| Stock based compensation | 816 | |
| Gain on sale of vessel | (25) | |
| (Equity)/ loss in net earnings of affiliates, net of dividends received | (4,463) | 57,941 |
| Changes in operating assets and liabilities: | | |
| Increase in prepaid expenses and other current assets | (6,266) | (300) |
| Decrease in accounts receivable | 120 | 8,414 |
| (Increase)/ decrease in due from related parties, short-term | (2,718) | 9,620 |
| Decrease in other long term assets | 450 | |
| Decrease/ (increase) in due from related parties, long-term | 5,964 | (16,348) |
| Increase / (decrease) in accounts payable | 4,930 | (1,708) |
| Increase in accrued expenses | 14,193 | 14,097 |
| Payments for dry dock and special survey costs | (15,915) | (10,427) |
| Increase in due to related parties, short-term | 800 | 12,365 |
| (Decrease)/ increase in deferred revenue | (1,673) | 49 |
| Net cash (used in)/ provided by operating activities | \$ (23,855) | \$ 55,658 |
| Investing Activities | | |
| Loans receivable from affiliates | | (9,061) |
| Dividends received from affiliates | 8,477 | 9,242 |
| Investment in affiliates | | (84) |
| Net cash proceeds from sale of vessel | 44,500 | |
| Net cash provided by investing activities | \$ 52,977 | \$ 97 |
| Financing Activities | | |
| Loan proceeds, net of deferred finance costs | 69,547 | 49,764 |
| Loan repayments | (121,417) | (73,836) |
| Dividend paid | (9,206) | (23,714) |

| | | | | |
|---|-----------|-----------------|-----------|-----------------|
| Redemption of convertible shares and puttable common stock | | | | (2,250) |
| Acquisition of treasury stock | | (6,191) | | |
| Net cash used in financing activities | \$ | (67,267) | \$ | (50,036) |
| Net (decrease)/ increase in cash, cash equivalents and restricted cash | | (38,145) | | 5,719 |
| Cash, cash equivalents and restricted cash, beginning of period | | 86,458 | | 56,658 |
| Cash, cash equivalents and restricted cash, end of period | \$ | 48,313 | \$ | 62,377 |

EXHIBIT II**Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities**

| | Three Month Period Ended September 30, 2018 (unaudited) | Three Month Period Ended September 30, 2017 (unaudited) | Nine Month Period Ended September 30, 2018 (unaudited) | Nine Month Period Ended September 30, 2017 (unaudited) |
|--|--|--|---|---|
| Expressed in thousands of U.S. dollars | | | | |
| Net cash provided by/ (used in) operating activities | \$ 7,139 | \$ 22,552 | \$ (23,855) | \$ 55,658 |
| Net increase / (decrease) in operating assets | 571 | (1,814) | 2,450 | (1,386) |
| Net increase in operating liabilities | (23,202) | (18,798) | (18,250) | (24,803) |
| Net interest cost | 17,247 | 16,135 | 52,042 | 50,027 |
| Amortization and write-off of deferred finance costs and bond premium | (879) | (743) | (2,860) | (3,322) |
| Equity/ (loss) in net earnings of affiliates (including OTTI loss), net of dividends received | 4,522 | 472 | 4,463 | (57,941) |
| Payments for dry dock and special survey costs | 4,504 | 5,499 | 15,915 | 10,427 |
| Gain on sale of vessel | | | 25 | |
| Stock based compensation | (275) | | (816) | |
| EBITDA | \$ 9,627 | \$ 23,303 | \$ 29,114 | \$ 28,660 |
| Net negative effect on equity/ (loss) in net earnings of affiliated companies due to sale of the Shinyo Kannika by Navios Midstream to an unaffiliated third party | | | 6,005 | |
| Gain on sale of vessel | | | (25) | |
| Stock based compensation | 275 | | 816 | |
| Other-than-temporary-impairment loss on equity investment | | | | 59,104 |
| Adjusted EBITDA | \$ 9,902 | \$ 23,303 | \$ 35,910 | \$ 87,764 |

| | Three Month Period Ended September 30, 2018 (unaudited) | Three Month Period Ended September 30, 2017 (unaudited) | Nine Month Period Ended September 30, 2018 (unaudited) | Nine Month Period Ended September 30, 2017 (unaudited) |
|--|--|--|---|---|
| Net cash provided by/ (used in) operating activities | \$ 7,139 | \$ 22,552 | \$ (23,855) | \$ 55,658 |
| Net cash provided by investing activities | \$ 1,575 | \$ 2,045 | \$ 52,977 | \$ 97 |
| Net cash used in financing activities | \$ (12,465) | \$ (19,012) | \$ (67,267) | \$ (50,036) |

Disclosure of Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, Adjusted net (loss)/ income and Adjusted (loss)/ income per share (basic) are non-U.S. GAAP financial measures and should not be used in isolation or as substitution for Navios Acquisition's results calculated in accordance with U.S. generally accepted accounting principles (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 certain items as described under Financial Highlights . Adjusted net (loss)/ income and Adjusted (loss)/ income per share (basic) represent Net (loss)/ income and (loss)/ income per share (basic), excluding certain items 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 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; (v) equity/ (loss) in net earnings of affiliates, net of dividends received; (vi) payments for dry dock and special survey costs; (vii) impairment charges; (viii) gain on sale of assets; (ix) gain/ (loss) on debt repayment; and (x) stock- based compensation. Navios Acquisition believes that EBITDA and Adjusted EBITDA are each the basis upon which liquidity can be assessed and present useful information to investors regarding Navios Acquisition's ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Acquisition 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 Acquisition'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 Acquisition'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.

EXHIBIT III

| Vessels | Type | Year Built/Delivery Date | DWT |
|---------------------------------|--------------------|---------------------------------|------------|
| Owned Vessels | | | |
| Nave Polaris | Chemical Tanker | 2011 | 25,145 |
| Nave Cosmos | Chemical Tanker | 2010 | 25,130 |
| Nave Velocity | MR2 Product Tanker | 2015 | 49,999 |
| Nave Sextans | MR2 Product Tanker | 2015 | 49,999 |
| Nave Pyxis | MR2 Product Tanker | 2014 | 49,998 |
| Nave Luminosity | MR2 Product Tanker | 2014 | 49,999 |
| Nave Jupiter | MR2 Product Tanker | 2014 | 49,999 |
| Bougainville | MR2 Product Tanker | 2013 | 50,626 |
| Nave Alderamin | MR2 Product Tanker | 2013 | 49,998 |
| Nave Bellatrix | MR2 Product Tanker | 2013 | 49,999 |
| Nave Capella | MR2 Product Tanker | 2013 | 49,995 |
| Nave Orion | MR2 Product Tanker | 2013 | 49,999 |
| Nave Titan | MR2 Product Tanker | 2013 | 49,999 |
| Nave Aquila | MR2 Product Tanker | 2012 | 49,991 |
| Nave Atria | MR2 Product Tanker | 2012 | 49,992 |
| Nave Orbit | MR2 Product Tanker | 2009 | 50,470 |
| Nave Equator | MR2 Product Tanker | 2009 | 50,542 |
| Nave Equinox | MR2 Product Tanker | 2007 | 50,922 |
| Nave Pulsar | MR2 Product Tanker | 2007 | 50,922 |
| Nave Dorado | MR2 Product Tanker | 2005 | 47,999 |
| Nave Atropos | LR1 Product Tanker | 2013 | 74,695 |
| Nave Rigel | LR1 Product Tanker | 2013 | 74,673 |
| Nave Cassiopeia | LR1 Product Tanker | 2012 | 74,711 |
| Nave Cetus | LR1 Product Tanker | 2012 | 74,581 |
| Nave Estella | LR1 Product Tanker | 2012 | 75,000 |
| Nave Andromeda | LR1 Product Tanker | 2011 | 75,000 |
| Nave Ariadne | LR1 Product Tanker | 2007 | 74,671 |
| Nave Cielo | LR1 Product Tanker | 2007 | 74,671 |
| Nave Buena Suerte | VLCC | 2011 | 297,491 |
| Nave Quasar | VLCC | 2010 | 297,376 |
| Nave Synergy | VLCC | 2010 | 299,973 |
| Nave Spherical | VLCC | 2009 | 297,188 |
| Nave Photon | VLCC | 2008 | 297,395 |
| Nave Neutrino | VLCC | 2003 | 298,287 |
| Nave Electron | VLCC | 2002 | 305,178 |
| Vessels to be delivered* | | | |
| TBN | VLCC | Expected Q3 2020 | 310,000 |
| TBN | VLCC | Expected Q4 2020 | 310,000 |

* Bareboat chartered-in vessels with purchase option

The following materials were posted by Navios Maritime Acquisition Corporation to its Website (available at: <http://ir.navios-acquisition.com>):

