



**Navios Maritime Acquisition Corporation**



**NNA Merger with NAP  
October 8, 2018**

## Important Information

- This Presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities.
- In connection with the proposed transaction, Navios Acquisition will file a registration statement 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 Transaction will be registered.
- Investors are urged to read the registration statement and the related prospectus (including all amendments and supplements) because they will contain important information regarding the Navios Acquisition shares and the Transaction.
- Investors may obtain free copies of the registration statement and the related prospectus when they become available, as well as other filings containing information about Navios Acquisition and Navios Midstream, without charge, at the SEC's Web site ([www.sec.gov](http://www.sec.gov)).

# Forward-Looking Statements

This Presentation 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 the timing of closing of the proposed Transaction and the expected impact of the Transaction on Navios Acquisition's capital and organizational structure, the trading liquidity and float of Navios Acquisition's common stock and Navios Acquisition's access to the capital markets, credit profile, cash retention, future profitability, expected cost savings and cost of capital. 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. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Navios Acquisition at the time these statements were 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 creditworthiness of the charterers of Navios Acquisition and Navios Midstream and the ability of their contract counterparties to fulfill their obligations, tanker industry trends, including charter rates and vessel values and factors affecting vessel supply and demand, the aging of vessels of Navios Acquisition and Navios Midstream and resultant increases in operation and dry docking costs, the loss of any customer or charter or vessel, Navios Acquisition and Navios Midstream's ability to repay outstanding indebtedness, to obtain additional financing and to obtain replacement charters for their respective 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 and Navios Midstream operate; risks associated with operations outside the United States; and other factors listed from time to time in the Navios Acquisition and Navios Midstream's filings with the U.S. Securities and Exchange Commission, including their respective annual and interim reports filed on Form 20-F and Form 6-K. Navios Acquisition and Navios Midstream expressly disclaim any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their 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 or preferred stock.



## Transaction Summary

Navios Maritime Acquisition Corporation (“Navios Acquisition”) (NYSE:NNA) and Navios Maritime Midstream Partners L.P. (“Navios Midstream”) (NYSE:NAP) have entered into a definitive merger agreement under which Navios Acquisition will acquire all of the publicly held units of Navios Midstream for shares of Navios Acquisition (the “Transaction”).

Navios Acquisition also announced that its Board of Directors approved a 1-for-15 reverse stock split of its 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 for November 2018. The reverse stock split is expected to be effected before the closing of the Transaction.

- Under the terms of the Transaction, holders of publicly held units of Navios Midstream may, at their election, exchange each unit for either:
  - 6.292 newly issued shares of Navios Acquisition common stock (0.42 of a share, after giving effect to the 1:15 reverse stock split); or
  - 1.0 share of a newly issued series of convertible participating preferred stock (“Preferred Stock”) of Navios Acquisition. Each share of Preferred Stock will be convertible by its holder into 5.1 shares of Navios Acquisition common stock (0.34 of a share, after giving effect to the 1:15 reverse stock split) at any time beginning six months after closing of the Transaction.
- Navios Midstream publicly held units for which no election is made will be deemed to elect the form of consideration most elected by electing holders of publicly held units of Navios Midstream.
- Automatic conversion if 80% or more of the Navios Midstream units outstanding at the closing, other than those held by Navios Acquisition, elect to be converted into common shares, whether through an initial or default election to receive Navios Acquisition common stock in the Transaction or whether through voluntary election to convert the Preferred Stock received in the Transaction.
- The Transaction is expected to close around December 2018.



## Benefits of Merger with Navios Midstream

**Simplifies the capital and organizational structure**

**Increases trading liquidity and float of the common stock**

**Enhances access to the capital markets**

**Enhances credit profile**

**Allows cash retention to support self-funded growth**

**Builds scale through a larger asset base that is capable of generating increased profitability**

**Creates significant savings in public company costs**

**Reduces cost of capital**

# Strategic Rationale for Merger with Navios Midstream

<p><b>Simplifies Capital &amp; Organizational Structures</b></p>	<ul style="list-style-type: none"> <li>Single public entity streamlines governance and reduces complexity for investors</li> </ul>
<p><b>Increases Common Stock Liquidity &amp; Enhances Capital Market Access</b></p>	<ul style="list-style-type: none"> <li>Benefit from larger size of combined entity with market cap greater than \$100 million</li> <li>Enhances ability to finance growth and strategic opportunities with a reduced cost of capital</li> </ul>
<p><b>Improves Credit Profile</b></p>	<ul style="list-style-type: none"> <li>Strengthens balance sheet</li> <li>Retained cash flow can be used for deleveraging and expansion</li> <li>Reduces pro forma leverage ~33%. Debt / LTM EBITDA reduces to 9.9x from 14.8x</li> <li>Improves interest coverage ~44%. EBITDA / Interest improves to 1.3x from 0.9x</li> </ul>
<p><b>Allows Cash Retention to Support Self-Funded Growth</b></p>	<ul style="list-style-type: none"> <li>~ \$250 million additional long-term contracted revenue</li> <li>~ \$ 46 million additional expected EBITDA for 2019 <sup>(1)</sup></li> <li>~ \$ 30 million additional expected free cash flow for 2019 <sup>(1,2)</sup></li> <li>\$74 million pro forma cash as of June 30, 2018</li> </ul>
<p><b>Builds Scale</b></p>	<ul style="list-style-type: none"> <li>Larger asset base of 43 <sup>(3)</sup> vessels capable of generating increased profitability from a recovering tanker market</li> <li>Consistent with Navios' strategy of investing and operating through the cycle</li> </ul>
<p><b>Significant Annual Savings in Public Company Costs</b></p>	<ul style="list-style-type: none"> <li>~ \$1.5 million of expected annual cost savings in general and administrative expenses</li> </ul>
<p><b>NAP Unit holders</b></p>	<ul style="list-style-type: none"> <li>9.2% premium to the closing price as of October 5, 2018</li> <li>Continued participation in the business through equity consideration</li> </ul>

(1) Assumes (a) revenue based on contracted time charter rate from unaffiliated 3rd parties through the charter expiration period and the current rate of \$23,500 per open day based on current Clarkson's Research 1 year TC rates for VLCCs and (b) 360 revenue days, operating and g&a expenses in line with the management agreement and normal operations.

(2) Assumes debt service per NAP's current term loan B.

(3) Includes two bareboat chartered-in newbuild VLCCs.



# Material Features of Navios Acquisition's Preferred Stock

<b>Dividends</b>	The Preferred Stock will be entitled to any dividends declared by the Board of Directors of Navios Acquisition, pro rata with the Navios Acquisition common stock, on an as-converted basis.
<b>Voting Rights</b>	The Preferred Stock will be entitled to vote, on an as-converted basis, along with the Navios Acquisition common stock.
<b>Liquidation Preference</b>	The Preferred Stock will have a liquidation preference of \$3.01 per share.
<b>Voluntary Conversion</b>	Each share of Preferred Stock will be convertible by its holder into 5.1 shares of Navios Acquisition common stock (0.34 of a share, after giving effect to the 1:15 reverse stock split) at any time beginning six months after closing of the Transaction.
<b>Automatic Conversion</b>	<p>Each share of preferred stock will be automatically converted into 5.1 shares of Navios Acquisition common stock (0.34 of a share, after giving effect to the 1:15 reverse stock split) upon the first to occur:</p> <ul style="list-style-type: none"><li>▪ After 24 months from the closing of the Transaction, the Navios Acquisition common stock will have closed on 20 of any 30 consecutive trading days at or above \$0.62 (\$9.24 after giving effect to the 1:15 reverse stock split); or</li><li>▪ 30 months elapsed since closing of the Transaction; or</li><li>▪ 80% or more of the publicly held Navios Midstream units have converted into Navios Acquisition common stock, whether through an initial or default election for Navios Acquisition common stock or whether voluntarily converted.</li></ul>
<b>Listing / Transferability</b>	If a majority of the outstanding publicly held Navios Midstream units elect (or are deemed to have elected) to receive the Preferred Stock, the Preferred Stock will be listed on the New York Stock Exchange ("NYSE") to the extent permitted by the NYSE. Whether or not listed, the Preferred Stock will be transferable.

# Pro Forma Tanker Fleet

43 Vessels (6.0 million dwt), Average Age = 8.0 years<sup>(1)</sup>



	15 Crude Tankers <sup>(1)</sup>	26 Product Tankers		2 Chemical Tankers
Vessel Sizes in NNA Fleet	<ul style="list-style-type: none"> <li>VLCC tankers (280,000 – 320,000 dwt)</li> </ul>	<ul style="list-style-type: none"> <li>8 LR1 product tankers (60,000 – 85,000 dwt)</li> </ul>	<ul style="list-style-type: none"> <li>18 MR2 product tankers (47,000 – 52,000 dwt)</li> </ul>	<ul style="list-style-type: none"> <li>Chemical tankers (25,000 dwt)</li> </ul>
Commodities Transported	<ul style="list-style-type: none"> <li>Crude Oil, no heat fuel oils</li> </ul>	<ul style="list-style-type: none"> <li>Refined petroleum products and blending stocks (diesel, naphtha, gasoline, gasoil, jet fuel, fuel oils)</li> </ul>		<ul style="list-style-type: none"> <li>Liquid bulk chemicals (Organic/inorganic chemicals, vegetable oils and animal fats)</li> </ul>
Key Trades	<ul style="list-style-type: none"> <li>Primarily long-haul routes</li> <li>AG to Japan / China</li> <li>AG to US Gulf</li> <li>West Africa to South East Asia and China</li> </ul>	<ul style="list-style-type: none"> <li>Atlantic basin; Europe to/from US</li> <li>US Gulf to Central and South Americas</li> <li>Europe to West Africa</li> <li>Middle East and India to Atlantic basin and Far East</li> <li>Intra Far East and South East Asia including Australasia</li> </ul>		<ul style="list-style-type: none"> <li>Middle East major export zone</li> <li>Far East and S. East Asia major import zone</li> <li>US/Europe and Far East</li> </ul>

(1) Includes two bareboat chartered-in newbuild VLCCs.



[www.navios-acquisition.com](http://www.navios-acquisition.com)