

Navios Maritime Containers Inc. Reports Financial Results for the Second Quarter Ended June 30, 2017

- **Acquisition of 14 container vessels from Rickmers Trust**
- **\$50.3 million private placement in Q2 2017**
- **Initiated trading on the N-OTC**
- **\$34.9 million of cash as of June 30, 2017**

MONACO- July 26, 2017 (GLOBE NEWSWIRE) -- Navios Maritime Containers Inc. ("Navios Containers " or "the Company") (N-OTC: NMCI), a growth vehicle dedicated to the container sector of the maritime industry, today reported financial results for the period from April 28, 2017 (date of inception) through June 30, 2017.

Angeliki Frangou, Chairman and Chief Executive Officer, stated, "We are pleased with the launch of Navios Containers, a vehicle dedicated to the container sector. Navios Containers has the right to acquire all containerships offered to the Navios Group."

Angeliki Frangou continued: "We are also pleased to have closed on the Rickmers Maritime Trust transaction and expect all 14 vessels to be delivered to our fleet shortly. We are also actively seeking to grow the containership fleet during this difficult part of the cycle where we see attractive valuations for containerships. We remain in active dialogue with industry participants regarding possible vessel acquisitions, although the outcome is far from certain."

HIGHLIGHTS -- RECENT DEVELOPMENTS

Initial Private Placement

On June 8, 2017, Navios Containers closed its private placement of 10,057,645 shares at a subscription price of \$5.00 per share, resulting in gross proceeds of \$50.3 million. Navios Maritime Partners L.P. ("Navios Partners") invested \$30.0 million and received 59.7% of the equity, and Navios Maritime Holdings Inc. ("Navios Holdings") invested \$5.0 million and received 9.9% of the equity of Navios Containers. Each of Navios Partners and Navios Holdings also received warrants, with a five-year term, for 6.8% and 1.7% of the equity, respectively.

Navios Containers also registered its shares on the Norwegian Over-The-Counter Market (N-OTC) on June 12, 2017 under the ticker NMCI.

Fleet Acquisition

Navios Containers used the proceeds of the private placement to acquire five 4,250 TEU vessels from Navios Partners for a total purchase price of \$64.0 million. The payment terms included a \$24.0 million credit by Navios Partners for a period of up to 90 days from the purchase date at LIBOR plus 375 bps, of which \$14.0 million remained outstanding as of June 30, 2017. These vessels were previously acquired by Navios Partners from Rickmers Maritime Trust Pte. ("Rickmers Trust") and are employed on charters with a net daily charter rate of \$26,850 which expire in 2018 and early 2019.

In addition, Navios Containers acquired all the rights under the acquisition agreements entered into between Navios Partners and Rickmers Trust to purchase the remaining nine vessels in the original 14-vessel container fleet (the "Fleet") for a purchase price of \$54.0 million plus certain delivery and other operating costs. As of July 25, 2017, five of these vessels had been delivered to Navios Containers' and the remaining four are expected to be delivered during August 2017.

Credit Facility

On June 29, 2017, Navios Containers entered into a loan facility for an amount of \$40.0 million with a commercial bank in order to finance the acquisition of seven container vessels of the Fleet (including the original five vessels). The facility is repayable in six consecutive quarterly instalments of \$3.8 million each, plus a balloon payment on the last repayment date. The facility matures in December 2018 and bears interest at LIBOR plus 385 bps per annum. As of June 30, 2017, the outstanding loan amount under this facility was \$34.3 million and an additional amount of \$3.2 million was drawn in July 2017. The Company is in advanced discussions with the same commercial bank for the financing of the remaining seven vessels of the Fleet.

Fleet Development

Navios Containers controls a fleet of 14 vessels, of which four vessels are expected to be delivered during August 2017, totaling 57,100 TEU and the current average age of the fleet is 9.7 years. As of July 25, 2017, Navios Containers has chartered-out 46.7% of available days for the remaining six months of 2017, expecting to generate revenues of approximately \$26.0 million. The average contractual daily charter-out rate for the fleet during this period is expected to be \$23,780.

Earnings Highlights

EBITDA is a non-U.S. GAAP financial measure and should not be used in isolation or as a substitute for Navios Containers' results calculated in accordance with U.S. GAAP.

See Exhibit I under the heading, "Disclosure of Non-GAAP Financial Measures," for a discussion of EBITDA of Navios Containers and a reconciliation of this measure to the most comparable measures calculated under U.S. GAAP.

Second Quarter 2017 Results (in thousands of U.S. dollars, except per share data and unless otherwise stated):

The second quarter 2017 information presented below was derived from the unaudited condensed consolidated financial statements for the respective period.

	Period from April 28, 2017 (date of inception) to June 30, 2017	
	(unaudited)	
Revenue	\$	3,102
Net income	\$	881
Net cash used in operating activities	\$	(1,491)
EBITDA	\$	2,281
Basic Earnings per Share	\$	0.09

Fleet Summary Data:

The following table reflects certain key indicators indicative of the performance of the Navios Containers' operations and its fleet performance for the period from which the vessels were delivered, June 8, 2017 through June 30, 2017.

	Period from June 8, 2017 to June 30, 2017
	(Unaudited)
Available Days (1)	115
Operating Days (2)	115
Fleet Utilization (3)	100%
Vessels operating at period end	5
TCE (4)	\$ 26,968

- (1) Available days for the fleet are total calendar days the vessels were in Navios Containers' 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 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 is the percentage of time that Navios Containers' 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.
- (4) TCE is defined as voyage and time charter revenues less voyage expenses during a relevant period divided by the number of available days during the period.

About Navios Maritime Containers Inc.

Navios Maritime Containers Inc. (N-OTC: NMCI) is a growth vehicle dedicated to the container sector of the maritime industry. For more information, please visit its website at www.navios-containers.com.

About Navios Maritime Holdings Inc.

Navios Maritime Holdings Inc. (NYSE: NM) is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities including iron ore, coal and grain. For more information about Navios Holdings please visit our website: www.navios.com.

About Navios Maritime Partners L.P.

Navios Partners (NYSE: NMM) is a publicly traded master limited partnership which owns and operates container and dry bulk vessels. For more information, please visit its website at www.navios-mlp.com.

Forward Looking Statements - Safe Harbor

This press release contains forward-looking statements concerning future events, including cash flow generation for the remainder of 2017, future contracted revenues, financial performance of the fleet, vessel deliveries, and Navios Containers' growth strategy and measures to implement such strategy; including expected vessel acquisitions and the ability to secured related financing, the further growth of our containership fleet, and entering into further time charters. 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 Containers at the time these statements were made. Although Navios Containers 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 Containers. 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, risks relating to the completion of the fleet acquisition on the anticipated timing or at all, the quality of the fleet and the market for the fleet vessels, the uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles, our continued ability to enter into long-term time charters, our ability to maximize the use of our vessels, expected demand in the container shipping sector in general, fluctuations in charter rates for container carrier vessels, the aging of our fleet and resultant increases in operations costs, the loss of any customer or charter or vessel, the financial condition of our customers, changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors, 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, general domestic and international political conditions, competitive factors in the market in which Navios Containers operates, and risks associated with global operations. Navios Containers 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 Containers' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Containers makes no prediction or statement about the performance of its common stock.

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NAVIOS MARITIME CONTAINERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of U.S. dollars - except for share and per share data)

	Period from April 28, 2017 (date of inception) to June 30, 2017
	(unaudited)
Revenue	\$ 3,102
Time charter and voyage expenses	(1)
Management fees (entirely through related parties transactions)	(702)
General and administrative expenses	(117)
Depreciation and amortization	(1,320)
Interest expense and finance cost, net	(80)
Other (expense)/ income, net	(1)
Net income	\$ 881
Net income attributable to common stockholders	\$ 881
Net earnings per share, basic and diluted	\$ 0.09
Weighted average number of shares, basic and diluted	10,057,645

NAVIOS MARITIME CONTAINERS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars – except for share data)

	June 30, 2017 (unaudited)
ASSETS	
Current assets	
Cash and cash equivalents	\$ 34,936
Prepaid and other current assets	40
Amounts due from related companies	3,292
Total current assets	38,268
Non-current assets	
Vessels, net	32,339
Favorable lease terms	25,353
Long-term receivable from related companies	1,373
Total non-current assets	59,065
Total assets	\$ 97,333
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Accounts payable	\$ 82
Accrued expenses	2,515
Deferred income and cash received in advance	1,561
Amounts due to related companies	1,723
Consideration payable to parent company	14,000
Current portion of long-term debt, net	12,317
Total current liabilities	32,198
Non-current liabilities	
Long-term debt, net of current portion and deferred financing fees	21,353
Total non-current liabilities	21,353
Total liabilities	\$ 53,551
Commitments and contingencies	
	—
Stockholders' equity	
Common stock — \$0.0001 par value, 75,000,000 authorized registered ordinary shares, 10,057,645 issued and outstanding as of June 30, 2017.	1
Additional paid-in capital	42,900
Retained earnings	881
Total stockholders' equity	43,782
Total liabilities and stockholders' equity	\$ 97,333

NAVIOS MARITIME CONTAINERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars – except for share data)

Period from April 28, 2017
(date of inception) to June 30,
2017
(unaudited)

OPERATING ACTIVITIES:	
Net income	\$ 881
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	1,320
Changes in operating assets and liabilities:	
Increase in due from related companies	(2,844)
Decrease in prepaid and other current assets	7
Increase in long-term receivable from affiliate companies	(1,373)
Increase in accounts payable	35
Increase in accrued expenses	1,123
Increase in due to related companies	49
Decrease in deferred income and cash received in advance	(689)
Net cash used in operating activities	\$ (1,491)
INVESTING ACTIVITIES:	
Cash acquired through asset acquisition	5,433
Acquisition of vessels and favorable lease terms	(50,000)
Net cash used in investing activities	\$ (44,567)
FINANCING ACTIVITIES:	
Proceeds from long-term borrowings	34,320
Debt issuance costs	(650)
Proceeds from issuance of common shares, net of offering costs	47,324
Net cash provided by financing activities	\$ 80,994
Increase in cash and cash equivalents	\$ 34,936
Cash and cash equivalents, beginning of period	\$ -
Cash and cash equivalents, end of period	\$ 34,936

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-cash investing and financing activities	
Consideration payable net of working capital acquired	\$ (11,273)
Deemed distribution payable to controlling shareholders	\$ (4,423)

NAVIOS MARITIME CONTAINERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of U.S. dollars — except for share data)

For the period from April 28, 2017 (date of inception) to June 30, 2017

	Number of Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance April 28, 2017 (date of inception)	-	\$ -	-	\$ -	-
Issuance of common stock, net of offering expenses	10,057,645	1	47,323	-	47,324
Deemed distribution to controlling shareholders	-	-	(4,423)	-	(4,423)
Net income	-	-	-	881	881
Balance June 30, 2017 (unaudited)	<u>10,057,645</u>	<u>\$ 1</u>	<u>42,900</u>	<u>\$ 881</u>	<u>\$ 43,782</u>

Disclosure of Non-GAAP Financial Measures

EBITDA is a “non-U.S. GAAP financial measure” and should not be used in isolation or considered a substitute for net income/ (loss), cash flow from operating activities and other operations or cash flow statement data prepared in accordance with generally accepted accounting principles in the United States.

EBITDA represents net income/(loss) before interest and finance costs, before depreciation and amortization, before income taxes and before stock-based compensation. We use EBITDA as liquidity measures and reconcile 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 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) deferred finance charges, (v) provision for losses on accounts receivable, and (vi) payments for drydock and special survey costs. Navios Containers believes that EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Containers’ ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Containers also believes that EBITDA is used (i) by prospective and current lessors as well as 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 is presented to provide additional information with respect to the ability of Navios Containers to satisfy its respective obligations, including debt service, capital expenditures, working capital requirements and pay dividends. While EBITDA is frequently used as a measure of operating results and the ability to meet debt service requirements, the definition of EBITDA used here may not be comparable to those used by other companies due to differences in methods of calculation.

EBITDA has limitations as an analytical tool, and therefore, should not be considered in isolation or as a substitute for the analysis of Navios Containers’ results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA does not reflect changes in, or cash requirements for, working capital needs; (ii) EBITDA does not reflect the amounts necessary to service interest or principal payments on our debt and other financing arrangements; and (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, EBITDA should not be considered as a principal indicator of Navios Containers’ performance. Furthermore, our calculation of EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

Navios Containers Reconciliation of EBITDA to Cash from Operations

(in thousands of U.S. dollars)	Period from April 28, 2017 (date of inception) to June 30, 2017
	(unaudited)
Net cash used in operating activities	\$ (1,491)
Net increase in operating assets	4,210
Net increase in operating liabilities	(518)
Net interest cost	80
EBITDA⁽¹⁾	\$ 2,281

(1)

(in thousands of U.S. dollars)	Period from April 28, 2017 (date of inception) to June 30, 2017
	(unaudited)
Net cash used in operating activities	\$ (1,491)
Net cash used in investing activities	\$ (44,567)
Net cash provided by financing activities	\$ 80,994

Owned Vessels

Vessel Name	TEU	Year Built
Navios Summer	3,450	2006
Navios Verano	3,450	2006
Navios Verde	4,250	2007
Navios Amarillo	4,250	2007
Navios Azure	4,250	2007
MOL Dominance	4,250	2008
MOL Delight	4,250	2008
MOL Dedication	4,250	2008
MOL Devotion	4,250	2009
MOL Destiny	4,250	2009

Vessels to be Delivered

Vessel Name	TEU	Year Built	Delivery Date
Moni Rickmers	3,450	2007	08/2017
Erwin Rickmers	4,250	2007	08/2017
Sabine Rickmers	4,250	2007	08/2017
Vicki Rickmers	4,250	2007	08/2017