

# **Navios Maritime Containers Inc. Reports Financial Results for the Second Quarter and Six Months Ended June 30, 2018**

- **40% increase in fleet capacity YTD 2018**
- **Acquired four containerships since end of Q1 2018 for \$131.2 million, growing fleet to 26 vessels**
- **\$19.6 million net cash from operating activities for H1 2018; \$12.2 million for Q2 2018**
- **\$32.4 million EBITDA for H1 2018; \$16.7 million EBITDA for Q2 2018**
- **\$61.0 million new term loan facilities**
- **Entered into agreements to acquire five containerships and acquired options to acquire four additional containerships**

MONACO- July 31, 2018 -- 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 second quarter and six months ended June 30, 2018.

## **HIGHLIGHTS -- RECENT DEVELOPMENTS**

### **Vessel Acquisitions**

Navios Containers acquired four containerships since the end of the first quarter of 2018 for \$131.2 million in aggregate, increasing its total fleet size to 26 vessels with a total fleet capacity of 124,101 TEU, including one containership of which Navios Containers expects to take delivery in Q3/Q4 2018. Fleet capacity has grown from 21 to 26 vessels since the end of 2017, representing a fleet capacity growth of 40% during the period.

On July 30, Navios Containers agreed to acquire one 2009-built 4,563 TEU containership from an unrelated third party for a purchase price of \$13.9 million. The Company expects to take delivery of the vessel in Q3/Q4 2018. The acquisition of the vessel is expected to be financed with \$9.0 million of additional bank debt on terms consistent with existing credit facilities and the balance with available cash.

On July 2, 2018, Navios Containers took delivery of the YM Utmost and YM Unity, two 2006-built 8,204 TEU containerships. The vessels were acquired for an aggregate purchase price of \$67.0 million from Navios Maritime Partners L.P. ("Navios Partners"). These vessels are time chartered out at a net daily charter rate of \$34,266 per vessel until August 2018 and October 2018, respectively. The acquisition of the YM Utmost and YM Unity was unanimously approved by a Special Committee of the independent members of the Board of Directors of Navios Containers. The acquisition of the vessels from Navios Partners was financed with a new \$36.0 million term loan facility and the balance with available cash. The term loan facility has an amortization profile of 7 years, matures in June 2022 and bears interest at LIBOR plus 325 bps per annum.

On May 30, 2018, Navios Containers took delivery of the Navios Unison, a 2010-built, 10,000 TEU containership. The vessel was acquired from an unrelated third party for a purchase price of \$50.3 million. The vessel is chartered out at a net rate of \$26,663 per day until March 2019. The acquisition of the vessel was financed with cash on the balance sheet and a new \$25.0 million term loan facility. The facility has an amortization profile of 9 years, matures in May 2023 and bears interest at LIBOR plus 300 bps per annum.

## **Acquisition of Five Containerships and Options to Acquire Four Additional Containerships**

As previously announced, Navios Containers agreed to acquire five containerships for a total purchase price of \$246.0 million, including four 2011-built 10,000 TEU containerships from an unrelated third party for \$210.0 million and one 2006-built 6,800 TEU containership (the Hyundai Hongkong) from Navios Partners for \$36.0 million. Navios Containers also acquired options to purchase an additional four containerships from Navios Partners for a purchase price of \$36.0 million per vessel. The acquisition of the Hyundai Hongkong and the options to acquire the additional four 6,800 TEU vessels were unanimously approved by the Special Committee of the independent members of the Board of Directors of Navios Containers.

All of the acquisitions are subject to certain conditions, and there can be no assurances that these acquisitions will occur in whole or in part. In addition, the Company may be unable to secure financing for these acquisitions on terms satisfactory to us, or at all.

## **New Sale and Leaseback Agreement - Refinancing Existing Credit Facilities – Extending Maturities to 2023**

As previously announced, on May 25, 2018, Navios Containers entered into a \$119.0 million sale and leaseback transaction with Minsheng Financial Leasing Co. Ltd. in order to refinance our outstanding credit facilities on 18 vessels maturing in the fourth quarter of 2019, with a combined balance of \$92.4 million outstanding on March 31, 2018. On June 29, 2018, the Company completed the sale and leaseback of the first six vessels for approximately \$37.5 million. On July 27, 2018, the Company completed the sale and leaseback of two additional vessels for approximately \$13.0 million. Navios Containers expects to complete the sale and leaseback of the remaining 10 vessels during the third quarter of 2018. Upon completion of the sale and leaseback transaction, we will be obligated to make 60 monthly payments in respect of all 18 vessels of approximately \$1.4 million each. Navios Containers also has an obligation to purchase the vessels at the end of the fifth year for \$59.5 million. No assurances can be provided that the Company will successfully refinance these credit facilities in full or that the terms will be as described in this press release.

## **Fleet Development**

Navios Containers owns a fleet of 26 vessels totaling 124,101 TEU, including one containership of which Navios Containers expects to take delivery in Q3/Q4 2018. The current average age of the fleet is 10.3 years (See Exhibit II). As of July 26, 2018, Navios Containers has chartered-out 78.3% and 23.6% of available days for the remaining six months of 2018 and for 2019, respectively, which are expected to generate \$63.9 million and \$50.6 million in revenue, respectively. The average expected daily charter-out rate for the fleet is \$17,453 and \$22,564 for the remaining six months of 2018 and for 2019, respectively and the total expected available days for the remaining six months of 2018 and for 2019, are 4,674 days and 9,490 days, respectively.

## **Earnings Highlights**

EBITDA is a non-U.S. GAAP financial measure and should not be used in isolation or as 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 2018 and period from April 28, 2017 (date of inception) to June 30, 2017 Results (in thousands of U.S. dollars, except per share data and unless otherwise stated):**

The information for the second quarter 2018 and for the period from April 28, 2017 (date of inception) to June 30, 2017 presented below was derived from the unaudited condensed consolidated financial statements for the respective periods.

	<b>Three Month Period Ended June 30, 2018</b>	<b>Period from April 28, 2017 (date of inception) to June 30, 2017</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	\$ 31,508	\$ 3,102
Net Income	\$ 4,487	\$ 881
Net cash provided by/(used in) operating activities	\$ 12,232	\$ (1,491)
EBITDA	\$ 16,657	\$ 2,281
Basic Earnings per Share	\$ 0.13	\$ 0.09

Revenue for the three month period ended June 30, 2018 was \$31.5 million, as compared to \$3.1 million for the period from April 28, 2017 (date of inception) to June 30, 2017. The increase is due to the increase in the number of vessels operating during the three month period ended June 30, 2018 and the resulting increase in the number of available days from 115 days for the period from April 28, 2017 (date of inception) to June 30, 2017, to 2,012 days for the three month period ended June 30, 2018.

Net income for the three months ended June 30, 2018 was \$4.5 million compared to \$0.9 million for the period from April 28, 2017 (date of inception) to June 30, 2017. The \$3.6 million increase in Net income was mainly attributable to an increase in revenue of \$28.4 million reflecting the growth in the number of vessels operating in the fleet during the period, partially mitigated by (i) a \$11.7 million increase in management fees; (ii) a \$1.6 million increase in general and administrative expenses; (iii) a \$0.7 million increase in time charter and voyage expenses; (iv) an increase in depreciation and amortization of \$8.6 million; (v) an increase in interest expense and finance cost, net of \$2.0 million related to the financing of new vessels; and (vi) an increase in amortization of deferred drydock and special survey costs of \$0.2 million, in each case, relating to the increase in the size of the fleet.

EBITDA for the three months ended June 30, 2018 increased by \$14.4 million to \$16.7 million as compared to \$2.3 million for the period from April 28, 2017 (date of inception) to June 30, 2017.

**First Half of 2018 and period from April 28, 2017 (date of inception) to June 30, 2017 Results (in thousands of U.S. dollars, except per share data and unless otherwise stated):**

The information for the six month period ended June 30, 2018 and for the period from April 28, 2017 (date of inception) to June 30, 2017 presented below was derived from the unaudited condensed consolidated financial statements for the respective periods.

	<b>Six Month Period Ended June 30, 2018</b>	<b>Period from April 28, 2017 (date of inception) to June 30, 2017</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	\$ 61,425	\$ 3,102
Net Income	\$ 7,528	\$ 881
Net cash provided by/(used in) operating activities	\$ 19,613	\$ (1,491)
EBITDA	\$ 32,363	\$ 2,281
Basic Earnings per Share	\$ 0.23	\$ 0.09

Revenue for the six month period ended June 30, 2018 was \$61.4 million, as compared to \$3.1 million for the period from April 28, 2017 (date of inception) to June 30, 2017. The increase is due to the increase in the number of vessels operating during the three month period ended June 30, 2018 and the resulting increase in the number of available days from 115 for the period from April 28, 2017 (date of inception) to June 30, 2017, to 3,919 for the six month period ended June 30, 2018.

Net income for the six months ended June 30, 2018 was \$7.5 million compared to \$0.9 million for the period from April 28, 2017 (date of inception) to June 30, 2017. The \$6.6 million increase in Net income was mainly attributable to an increase in revenue of \$58.3 million, reflecting the growth in the number of vessels operating in the fleet during the period, partially offset by (i) a \$23.4 million increase in management fees; (ii) a \$3.2 million increase in general and administrative expenses; (iii) a \$1.5 million increase in time charter and voyage expenses; (iv) a \$0.1 million increase in other expense, net; (v) an increase in depreciation and amortization of \$19.1 million; (vi) an increase in interest expense and finance cost, net of \$3.9 million related to the financing of new vessels; and (vii) an increase in amortization of deferred drydock and special survey costs of \$0.5 million, in each case, relating to the increase in the size of the fleet.

EBITDA for the six months ended June 30, 2018 increased by \$30.1 million to \$32.4 million as compared to \$2.3 million for the period from April 28, 2017 (date of inception) to June 30, 2017.

#### 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 three and six month periods ended June 30, 2018 and for the period from which the vessels were delivered, June 8, 2017 through June 30, 2017.

	<b>Three Month Period Ended June 30, 2018 (unaudited)</b>	<b>Period from June 8, 2017 to June 30, 2017 (unaudited)</b>	<b>Six Month Period Ended June 30, 2018 (unaudited)</b>	<b>Period from June 8, 2017 to June 30, 2017 (unaudited)</b>
Available Days (1)	2,012	115	3,919	115
Operating Days (2)	1,980	115	3,857	115
Fleet Utilization (3)	98.4%	100%	98.4%	100%
Vessels operating at period end	23	5	23	5
TCE (4)	\$ 15,308	\$ 26,968	\$ 15,284	\$ 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](http://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 its website: [www.navios.com](http://www.navios.com).

## **About Navios Maritime Partners L.P.**

Navios Maritime Partners L.P. (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](http://www.navios-mlp.com).

## **Forward Looking Statements - Safe Harbor**

This press release contains forward-looking statements concerning future events, including future contracted revenues and rates, EBITDA, future available days, future financial performance of the fleet, timing of vessel deliveries, vessel acquisitions, financing activities, and Navios Containers' growth strategy and measures to implement such strategy, including future vessel acquisitions and the ability to secure or refinance 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 favorable timing for acquisitions and chartering opportunities in the container shipping sector and Navios Containers' ability to take advantage of such opportunities; the value of container shipping vessels; Navios Containers' ability to identify container shipping vessels for acquisition at attractive prices, if at all, including the availability of distressed acquisition opportunities in the container shipping industry; Navios Containers' ability to execute on a low-cost operating structure; Navios Containers' ability to achieve a return on investment for and to pay cash distributions to our unit holders or make common unit repurchases from our unit holders; the level of trade growth and recovery of charter rates and asset values in the container shipping industry; general market conditions and shipping industry trends, including charter rates, vessel values and the future supply of, and demand for, ocean-going containership shipping services; any advantages resulting from Navios Containers' strategic focus on intermediate-size containerships; Navios Containers' ability to leverage the scale, experience, reputation and relationships of the Navios Group, consisting of Navios Maritime Holdings Inc. ("Navios Holdings"), Navios Maritime Acquisition Corporation, Navios Partners, Navios Maritime Midstream Partners L.P., and any one or more of their subsidiaries, including the wholly-owned subsidiary of Navios Holdings which manages the commercial and technical operation of Navios Containers' fleet pursuant to a management agreement (the "Manager"); Navios Containers' ability to maintain or develop new and existing customer relationships with existing charterers and new customers, including liner companies; Navios Containers' ability to successfully grow its business and its capacity to manage its expanding business; future levels of dividends, as well as Navios Containers' dividend policy; Navios Containers' current and future competitive strengths and business strategies and other plans and objectives for future operations; Navios Containers' future operating and financial results, its ability to identify and consummate desirable fleet acquisitions, business strategy, areas of possible expansion and expected capital expenditure or operating expenses; container shipping industry trends,

including charter rates and vessel values and factors affecting vessel supply and demand as well as trends and conditions in the newbuilding markets and scrapping of vessels; Navios Containers' future financial condition or results of operations and its future revenues and expenses, including its estimated adjusted cash flow; the loss of any customer or charter or vessel; the aging of Navios Containers' vessels and resultant increases in operation and drydocking costs; the ability of Navios Containers' vessels to pass classification, security and customs inspections; significant changes in vessel performance, including increased equipment breakdowns; the creditworthiness of Navios Containers' charterers and the ability of its contract counterparties to fulfill their obligations to Navios Containers; Navios Containers' ability to maintain long-term relationships with major liner companies; Navios Containers' ability to retain key executive officers and the Manager's ability to attract and retain skilled employees; Navios Containers' ability to access debt, credit and equity markets; changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors; Navios Containers' ability to repay outstanding indebtedness, to obtain additional financing and to obtain replacement charters for its vessels, in each case, at commercially acceptable rates or at all; estimated future acquisition, maintenance and replacement expenditures; potential liability from litigation and our vessel operations, including discharge of pollutants; Navios Containers' and the Navios Group's performance in safety, environmental and regulatory matters; global economic outlook and growth and changes in general economic and business conditions; general domestic and international political conditions, including wars, acts of piracy and terrorism; changes in production of or demand for container shipments, either globally or in particular regions; changes in the standard of service or the ability of the Manager to be approved as required; increases in costs and expenses, including but not limited to, crew wages, insurance, technical maintenance costs, spares, stores and supplies, charter brokerage commissions on gross voyage revenues and general and administrative expenses; the adequacy of Navios Containers' insurance arrangements and its ability to obtain insurance and required certifications; the expected cost of, and Navios Containers' ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by its charterers applicable to its business; the changes to the regulatory requirements applicable to the shipping and container transportation industry, including, without limitation, stricter requirements adopted by international organizations, such as the International Maritime Organization and the European Union, or by individual countries or charterers and actions taken by regulatory authorities and governing such areas as safety and environmental compliance; the anticipated taxation of Navios Containers and its shareholders; potential liability and costs due to environmental, safety and other incidents involving Navios Containers' vessels; and the effects of increasing emphasis on environmental and safety concerns by customers, governments and others, as well as changes in maritime regulations and standards. 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)

	Three Month Period Ended <u>June 30, 2018</u> (unaudited)	Period from April 28, 2017 (date of inception) to <u>June 30, 2017</u> (unaudited)	Six Month Period Ended <u>June 30, 2018</u> (unaudited)	Period from April 28, 2017 (date of inception) to <u>June 30, 2017</u> (unaudited)
Revenue	\$ 31,508	\$ 3,102	\$ 61,425	\$ 3,102
Time charter and voyage expenses	(714)	(1)	(1,525)	(1)
Direct vessel expenses	(232)	—	(460)	—
Management fees (entirely through related parties transactions)	(12,449)	(702)	(24,088)	(702)
General and administrative expenses	(1,670)	(117)	(3,360)	(117)
Depreciation and amortization	(9,871)	(1,320)	(20,437)	(1,320)
Interest expense and finance cost, net	(2,067)	(80)	(3,938)	(80)
Other expense, net	(18)	(1)	(89)	(1)
<b>Net income</b>	<b>\$ 4,487</b>	<b>\$ 881</b>	<b>\$ 7,528</b>	<b>\$ 881</b>
Net earnings per share, basic and diluted	\$ 0.13	\$ 0.09	\$ 0.23	\$ 0.09
<b>Weighted average number of shares, basic and diluted</b>	<b>34,603,100</b>	<b>10,057,645</b>	<b>32,433,336</b>	<b>10,057,645</b>



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

	<b>June 30, 2018 (unaudited)</b>	<b>December 31, 2017 (unaudited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 40,455	\$ 14,221
Restricted cash	645	280
Accounts receivable, net	729	642
Balance due from related companies, current	9,824	5,643
Inventories	331	536
Prepaid and other current assets	2,702	49
<b>Total current assets</b>	<b>54,686</b>	<b>21,371</b>
Vessels, net	239,129	177,597
Intangible assets	39,700	58,496
Deferred dry dock and special survey costs, net	4,743	3,582
Balance due from related companies, non-current	7,038	5,765
Other long term assets	457	—
<b>Total non-current assets</b>	<b>291,067</b>	<b>245,440</b>
<b>Total assets</b>	<b>\$ 345,753</b>	<b>\$ 266,811</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,470	\$ 582
Accrued expenses	3,978	3,934
Deferred income and cash received in advance	2,339	2,544
Finance lease liability short term, net	3,111	—
Current portion of long-term debt, net	15,192	42,499
<b>Total current liabilities</b>	<b>26,090</b>	<b>49,559</b>
Long-term finance lease liability, net of current portion	33,591	—
Long-term debt, net of current portion	108,771	76,534
<b>Total non-current liabilities</b>	<b>142,362</b>	<b>76,534</b>
<b>Total liabilities</b>	<b>\$ 168,452</b>	<b>\$ 126,093</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity</b>		
Common stock — \$0.0001 par value, 75,000,000 authorized registered ordinary shares, 34,603,100 and 29,148,554 issued and outstanding as of June 30, 2018 and December 31, 2017.	3	3
Additional paid-in capital	167,132	138,077
Retained earnings	10,166	2,638
<b>Total stockholders' equity</b>	<b>177,301</b>	<b>140,718</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 345,753</b>	<b>\$ 266,811</b>



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

	<b>Six Month Period Ended June 30, 2018 (unaudited)</b>	<b>Period from April 28, 2017 (date of inception) to June 30, 2017 (unaudited)</b>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 7,528	\$ 881
<b>Adjustments to reconcile net income to net cash provided by /(used in) operating activities:</b>		
Depreciation and amortization	20,437	1,320
Amortization of deferred financing costs	526	—
Amortization of deferred drydock and special survey costs	460	—
<b>Changes in operating assets and liabilities:</b>		
Increase in accounts receivable	(87)	—
Increase in balance due from related companies, current	(4,181)	(2,844)
Decrease in inventories	205	—
Increase/(decrease) in prepaid and other current assets	(2,653)	7
Increase in balance due from related companies, non-current	(1,274)	(1,373)
Increase in other long term assets	(457)	—
Increase in accounts payable	890	35
Increase in accrued expenses	45	1,123
Payments for drydock and special survey costs	(1,621)	—
Increase in due to related companies	—	49
Decrease in deferred income and cash received in advance	(205)	(689)
<b>Net cash provided by/(used in) operating activities</b>	<b>\$ 19,613</b>	<b>\$ (1,491)</b>
<b>INVESTING ACTIVITIES:</b>		
Cash acquired through asset acquisition	—	5,433
Acquisition of vessels and time charters at favorable terms	(63,174)	(50,000)
<b>Net cash used in investing activities</b>	<b>\$ (63,174)</b>	<b>\$ (44,567)</b>
<b>FINANCING ACTIVITIES:</b>		
Repayment of long term debt	(25,930)	—
Proceeds from long-term debt	68,500	34,320
Debt issuance costs	(1,465)	(650)
Proceeds from issuance of common shares, net of offering costs	29,055	47,324
<b>Net cash provided by financing activities</b>	<b>70,160</b>	<b>80,994</b>
<b>Increase in cash and cash equivalents and restricted cash</b>	<b>26,599</b>	<b>34,936</b>
<b>Cash and cash equivalents and restricted cash, beginning of period</b>	<b>14,501</b>	<b>—</b>
<b>Cash and cash equivalents and restricted cash, end of period</b>	<b>\$ 41,100</b>	<b>\$ 34,936</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Consideration payable net of working capital acquired	—	\$ (11,273)
Deemed distribution payable to controlling stockholders	—	\$ (4,423)
Cash paid for interest, net	\$ 3,408	—

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

	Number of Common Shares	Common Stock	Additional Paid- in Capital	Retained Earnings	Total Stockholders' Equity
<b>Balance April 28, 2017 (date of inception)</b>	-	\$ -	-	\$ -	-
Issuance of common stock, net of offering costs	10,057,645	1	47,323	-	47,324
Deemed distribution	-	-	(4,423)	-	(4,423)
Net income	-	-	-	881	881
<b>Balance June 30, 2017 (unaudited)</b>	<b>10,057,645</b>	<b>\$ 1</b>	<b>42,900</b>	<b>\$ 881</b>	<b>\$ 43,782</b>
<b>Balance December 31, 2017</b>	<b>29,148,554</b>	<b>\$ 3</b>	<b>138,077</b>	<b>\$ 2,638</b>	<b>\$ 140,718</b>
Issuance of common stock, net of offering costs	5,454,546	-	29,055	-	29,055
Net income	-	-	-	7,528	7,528
<b>Balance June 30, 2018 (unaudited)</b>	<b>34,603,100</b>	<b>\$ 3</b>	<b>167,132</b>	<b>\$ 10,166</b>	<b>\$ 177,301</b>

## 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, 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 before interest and finance costs, before depreciation and amortization. We use EBITDA as liquidity measure 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 and (v) 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

<b>Three Months Ended</b> <b>(in thousands of U.S. dollars)</b>	<b>June 30,</b> <b>2018</b>	<b>Period from April 28,</b> <b>2017</b> <b>(date of inception)</b> <b>to June 30, 2017</b>
	<u>(unaudited)</u>	<u>(unaudited)</u>
Net cash provided by/ (used in) operating activities	\$ 12,232	\$ (1,491)
Net (decrease)/increase in operating assets	(487)	4,210
Net decrease/(increase) in operating liabilities	1,479	(518)
Net interest cost	2,067	80
Deferred finance charges	(255)	-
Payments for drydock and special survey costs	1,621	-
<b>EBITDA</b>	<b>\$ 16,657</b>	<b>\$ 2,281</b>

<b>Three Month Period Ended</b> <b>(in thousands of U.S. dollars)</b>	<b>June 30,</b> <b>2018</b>	<b>Period from April</b> <b>28, 2017</b> <b>(date of inception)</b> <b>to June 30, 2017</b>
	<u>(unaudited)</u>	<u>(unaudited)</u>
Net cash provided by/ (used in) operating activities	\$ 12,232	\$ (1,491)
Net cash used in investing activities	\$ (50,386)	\$ (44,567)
Net cash provided by financing activities	\$ 45,963	\$ 80,994

<b>Six Months Ended</b> <b>(in thousands of U.S. dollars)</b>	<b>June 30,</b> <b>2018</b>	<b>Period from April 28,</b> <b>2017</b> <b>(date of inception)</b> <b>to June 30, 2017</b>
	<u>(unaudited)</u>	<u>(unaudited)</u>
Net cash provided by/ (used in) operating activities	\$ 19,613	\$ (1,491)
Net increase in operating assets	8,447	4,210
Net increase in operating liabilities	(730)	(518)
Net interest cost	3,938	80
Deferred finance charges	(526)	-
Payments for drydock and special survey costs	1,621	-
<b>EBITDA</b>	<b>\$ 32,363</b>	<b>\$ 2,281</b>

<b>Six Month Period Ended</b> <b>(in thousands of U.S. dollars)</b>	<b>June 30,</b> <b>2018</b>	<b>Period from April</b> <b>28, 2017</b> <b>(date of inception)</b> <b>to June 30, 2017</b>
	<u>(unaudited)</u>	<u>(unaudited)</u>
Net cash provided by/ (used in) operating activities	\$ 19,613	\$ (1,491)
Net cash used in investing activities	\$ (63,174)	\$ (44,567)
Net cash provided by financing activities	\$ 70,160	\$ 80,994

**Owned Vessels**

<b>Vessel Name</b>	<b>TEU</b>	<b>Year Built</b>
Navios Summer <sup>(1)</sup>	3,450	2006
Navios Verano <sup>(1)</sup>	3,450	2006
Navios Spring <sup>(1)</sup>	3,450	2007
Navios Amaranth	4,250	2007
Navios Indigo <sup>(1)</sup>	4,250	2007
Navios Vermilion <sup>(1)</sup>	4,250	2007
Navios Verde <sup>(1)</sup>	4,250	2007
Navios Amarillo	4,250	2007
Navios Azure <sup>(1)</sup>	4,250	2007
Navios Domino <sup>(1)</sup>	4,250	2008
MOL Delight	4,250	2008
MOL Dedication	4,250	2008
MOL Devotion	4,250	2009
MOL Destiny	4,250	2009
Navios Lapis	4,250	2009
Navios Tempo	4,250	2009
Niledutch Okapi	4,250	2010
Navios Felicitas	4,360	2010
APL Oakland	4,730	2008
APL Los Angeles	4,730	2008
APL Denver	4,730	2008
APL Atlanta	4,730	2008
YM Utmost	8,204	2006
YM Unity	8,204	2006
Navios Unison	10,000	2010

**Owned Vessel to be Delivered**

<b>Vessel Name</b>	<b>TEU</b>	<b>Year Built</b>
TBN 1	4,563	2009

**Vessels to be Acquired**

<b>Vessel Name</b>	<b>TEU</b>	<b>Year Built</b>
Hyundai Hongkong	6,800	2006
TBN 2	10,000	2011
TBN 3	10,000	2011
TBN 4	10,000	2011
TBN 5	10,000	2011

**Vessels Underlying Purchase Option**

<b>Vessel Name</b>	<b>TEU</b>	<b>Year Built</b>
Hyundai Shanghai	6,800	2006
Hyundai Tokyo	6,800	2006
Hyundai Busan	6,800	2006
Hyundai Singapore	6,800	2006

(1) The vessel is subject to a sale and leaseback transaction with Minsheng Financial Leasing Co. Ltd. for a period of up to five years, at which time we have an obligation to purchase the vessel.