



**Navios Maritime Acquisition Corporation**



**Q4 2018 Earnings Presentation  
February 6, 2019**

# 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 Navios Acquisition's future dividends, expected 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. 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. 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 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.

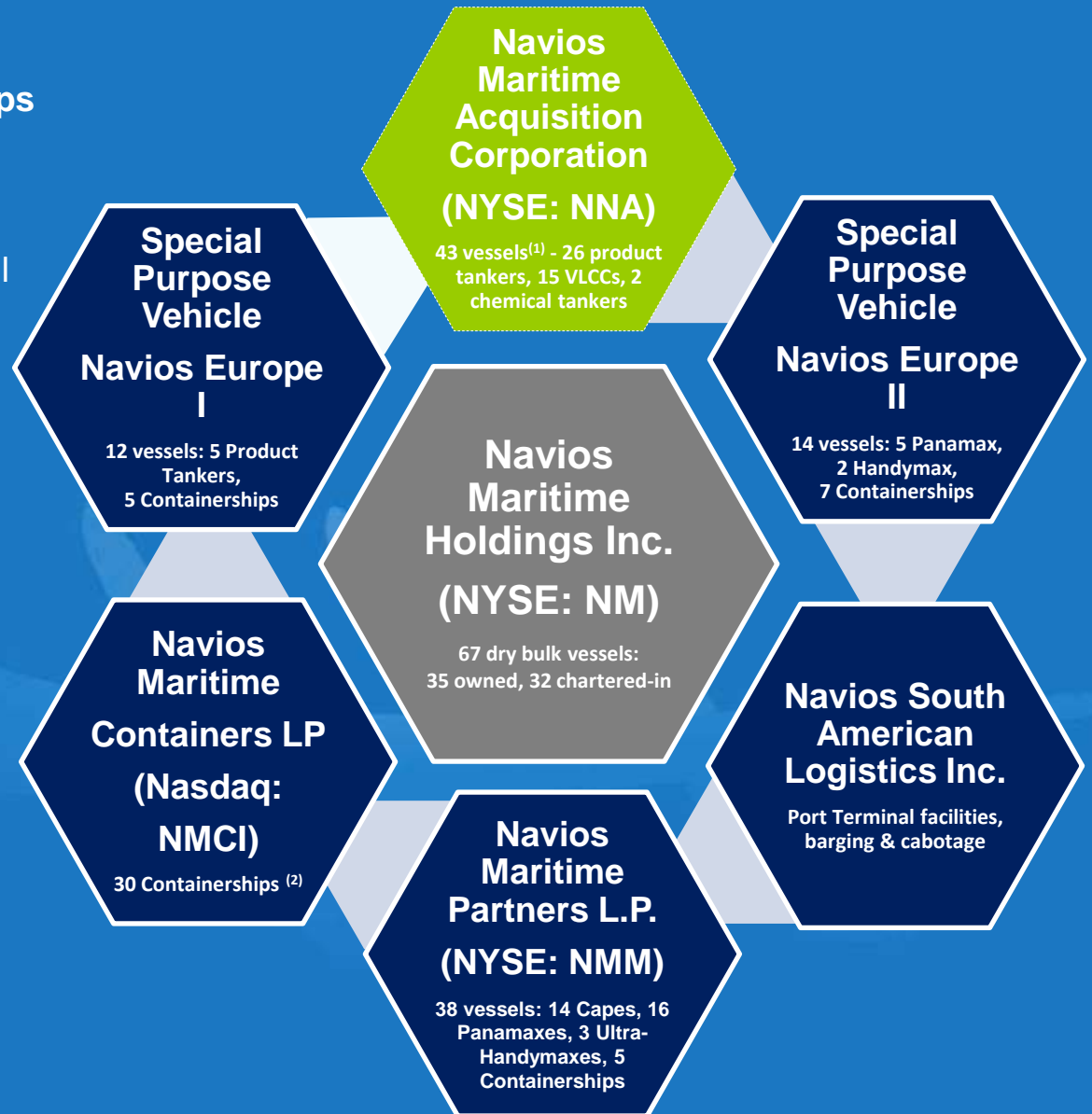
# Navios Universe

## Scale, experience and relationships

- Global brand, industry relationships and reputation
- Economies of scale: ~200 vessel fleet owned/managed
- Ship management within the public company – cost center vs profit center
- Track record of value creation through the cycle

## Importance to NNA

- Access to deal flow
- Professional management team
- Alignment of interests
- Fixed OpEx



(1) Includes two newbuild vessels on bareboat charter expected to be delivered in Q3 and Q4 2020

(2) Includes one 10,000 TEU containership expected to be delivered in Q1 2019. Also includes a second 10,000 TEU containership, assuming the exercise of the Company's option



# NNA Fleet and Investments

**Navios Maritime Acquisition Corp.**  
**NYSE: NNA – \$5.82**  
**43 Vessels**



**15 VLCCs<sup>(1)</sup>**



**8 LR1 Product Tankers**



**18 MR2 Product Tankers**



**2 Chemical Tankers**



**\$5.27 per share value<sup>(2)</sup>**

<b>Navios Europe I</b> 47.5% owned	<b>Navios Europe II</b> 47.5% owned
<ul style="list-style-type: none"> <li>➤ <b>\$27.4 million value<sup>(2)</sup></b></li> <li>➤ <b>12.7% p.a. compounded quarterly</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>\$45.1 million value<sup>(2)</sup></b></li> <li>➤ <b>18.0% p.a. compounded quarterly</b></li> </ul>
<p><b>10 Vessels</b></p> <ul style="list-style-type: none"> <li>• 5 product tankers</li> <li>• 5 containerships</li> </ul>	<p><b>14 Vessels</b></p> <ul style="list-style-type: none"> <li>• 7 dry bulk vessels</li> <li>• 7 containerships</li> </ul>

All market data as of February 5, 2019

(1) Includes two newbuild vessels on bareboat charter expected to be delivered in Q3 and Q4 2020

(2) Value includes initial investment, term loan, working capital contributions and accrued compound return as of December 31, 2018. Excludes NNA's residual value portion

# Company Highlights

<p><b>Modern &amp; Diverse Tanker Fleet</b></p>	<ul style="list-style-type: none"> <li>■ 43-vessel fleet</li> <li>■ 15 VLCC, 8 LR1, 18 MR2 and 2 Chemical Tankers</li> <li>■ Average age = 8.3 years</li> </ul>
<p><b>Renewing VLCC Fleet</b></p>	<ul style="list-style-type: none"> <li>■ Two VLCCs Japanese built (with scrubbers)</li> <li>■ Expected delivery: Q3 and Q4 2020</li> </ul>
<p><b>Strength through Subsidiaries</b></p>	<ul style="list-style-type: none"> <li>■ Navios Europe I and Navios Europe II - 24 vessel fleet               <ul style="list-style-type: none"> <li>– \$72.5 million value as of December 31, 2018<sup>(1)</sup></li> <li>– Average annual interest rate = 16%</li> </ul> </li> </ul>
<p><b>Cash Flow Visibility</b></p>	<ul style="list-style-type: none"> <li>■ ~ \$450 million in long-term contracted revenue</li> <li>■ 52.1% of total available days fixed in 2019 = \$126.7+ million<sup>(2)</sup> <ul style="list-style-type: none"> <li>– 44.6% of 2019 available days fixed on base rate (81.7% with profit sharing)</li> <li>– 7.5% of 2019 available days fixed on floating rates</li> </ul> </li> <li>■ Diverse group of first-class charterers (Navig8, Vitol, Shell, Chevron, etc)</li> </ul>
<p><b>Low OpEx</b></p>	<ul style="list-style-type: none"> <li>■ Operating expenses fixed through mid-2020</li> <li>■ ~ 17% lower operating costs than peers in 2017</li> </ul>
<p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>■ Chartering strategy balances risk and opportunity</li> </ul>
<p><b>Seasoned Management Team Strong Track Record Access to Capital</b></p>	<ul style="list-style-type: none"> <li>■ Strategic relationships with banks, shipyards and other key industry players</li> <li>■ Average industry experience of 20+ years per person</li> <li>■ NNA raised about \$3.5 billion in debt and equity since 2010</li> </ul>

(1) See slide 7

(2) 7.5% of available days that are fixed on floating rate without floor are excluded from contracted revenue. Please refer to appendix for employment details





# Key Developments

## Significant value created through NAP acquisition

- December 14, 2018 = NNA acquired 41% of NAP (entire public float)
- Consideration = 3,683,284 newly issued shares of NNA common stock
  - ~ \$23 million (based on \$6.24/share NNA closing price on December 13, 2018)
- Acquisition of NAP:
  - Accretive to NAV
  - Creates \$15.6 million additional expected free cash flow in 2019<sup>(1)</sup>

## EBITDA

- \$56.8 million 2018 Adjusted EBITDA<sup>(2)</sup>
- \$20.9 million Q4 2018 Adjusted EBITDA<sup>(2)</sup>

## Return of capital

- \$0.30 quarterly dividend / \$1.20 annualized - 21% yield
- 716,338 shares purchased under program for \$7.4 million
  - 5.2% of shares outstanding
  - 13,747,284 fully diluted number of shares<sup>(3)</sup>

## Credit facilities refinancing

- Executed term sheet to refinance \$77.8 million through a leasing structure<sup>(4)</sup>
  - Rate = 3M Libor + 3.50%
  - Tenor = 7 years
  - Repayment profile = 11.4 years (18 years age adjusted)

(1) Based on Clarksons current 1 year TC of \$30,500 for VLCC for the 41% acquired  
(2) Please see details in slide 18  
(3) As of February 5, 2019  
(4) No assurances can be provided that the transaction will be successfully completed



# Navios Europe I and II: \$72.5 Million Value

**Navios Europe I**  
47.5% owned

**Formed in 2013**

**FLEET**

- 3 MR1 product tankers
- 2 LR1 product tankers
- 5 containerships

**Navios Europe II**  
47.5% owned

**Formed in 2015**

**FLEET**

- 7 dry bulk vessels
- 7 containerships

Initial Investment

**\$4.8 million**

Working Capital contributions

**\$11.8 million**

**12.7%**  
Preferred return

Value as of 12/31/2018<sup>(1)</sup>

**\$27.4 million**

Navios right to exit

**Q4 2019**

Initial Investment

**\$6.7 million**

Working Capital contributions

**\$20.7 million**

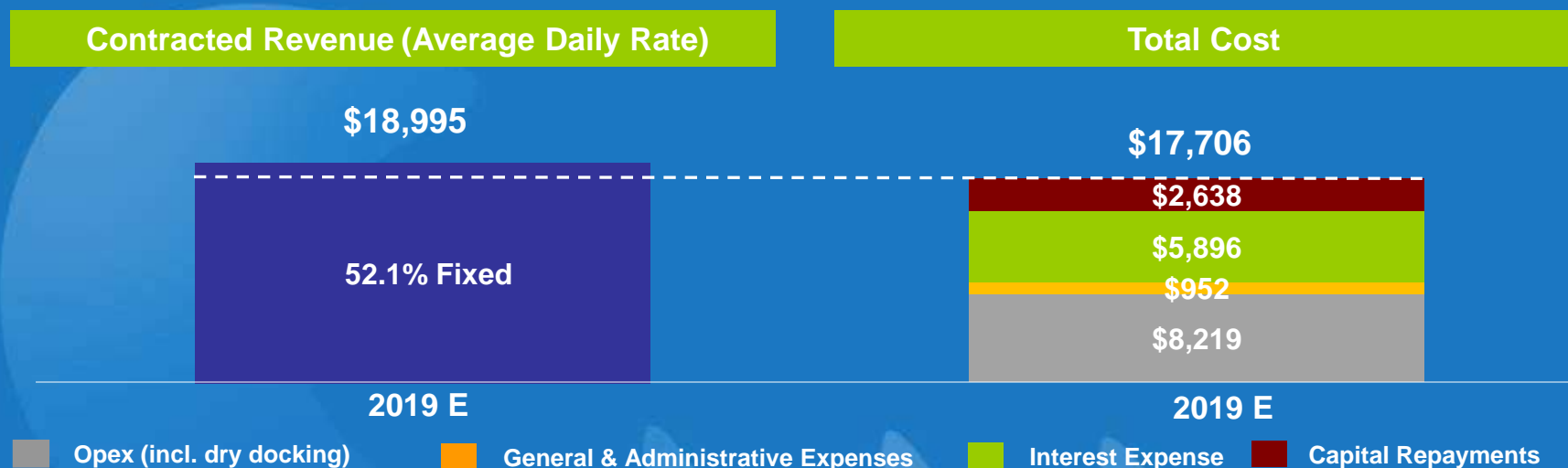
**18.0%**  
Preferred return

**\$45.1 million**

**Q3 2021**

(1) Value includes initial investment, term loan, working capital contributions and accrued compound return as of December 31, 2018. Amounts covered by asset values net of senior debt. Excludes residual equity value portion

# 2019 Cost Structure



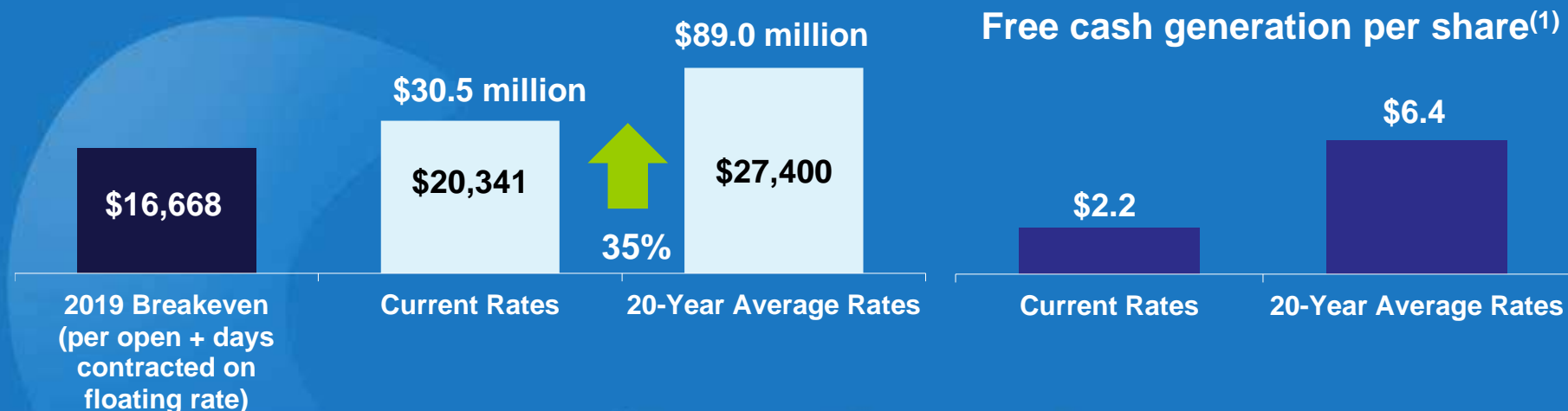
– Total Available Days of Fleet: 14,965 for 2019

USD	2019E
Total contracted revenue	126,717,193
Total cost	(264,965,197)
<b>Excess cost over revenue</b>	<b>(138,248,005)</b>
Open + days contracted on floating rate	8,294
<b>Breakeven</b>	<b>16,668</b>
– Breakeven includes operating expenses as per Management Agreement inclusive of dry docking estimated expenses, general and administrative expenses, interest expense and capital repayment	

2019	
Open + days on floating rate	
Product and chemical tankers	5,853
VLCCs	2,441
<b>Total</b>	<b>8,294</b>



# 2019 Expected Cash Flow Generation



## Cash Flow Analysis

(USD)

	2019E	
	Current Rates	20-Year Average Rates
Total contracted revenue	126,717,193	126,717,193
Total cost <sup>(2)</sup>	(264,965,197)	(264,965,197)
<b>Excess cost over revenue</b>	<b>(138,248,005)</b>	<b>(138,248,005)</b>
Revenue from open + days contracted on floating rate	168,711,677	227,255,562
<b>Expected free cash generation</b>	<b>30,463,672</b>	<b>89,007,557</b>
Open + days contracted on floating rate	8,294	8,294
Breakeven per open + days contracted on floating rate	<b>16,668</b>	<b>16,668</b>

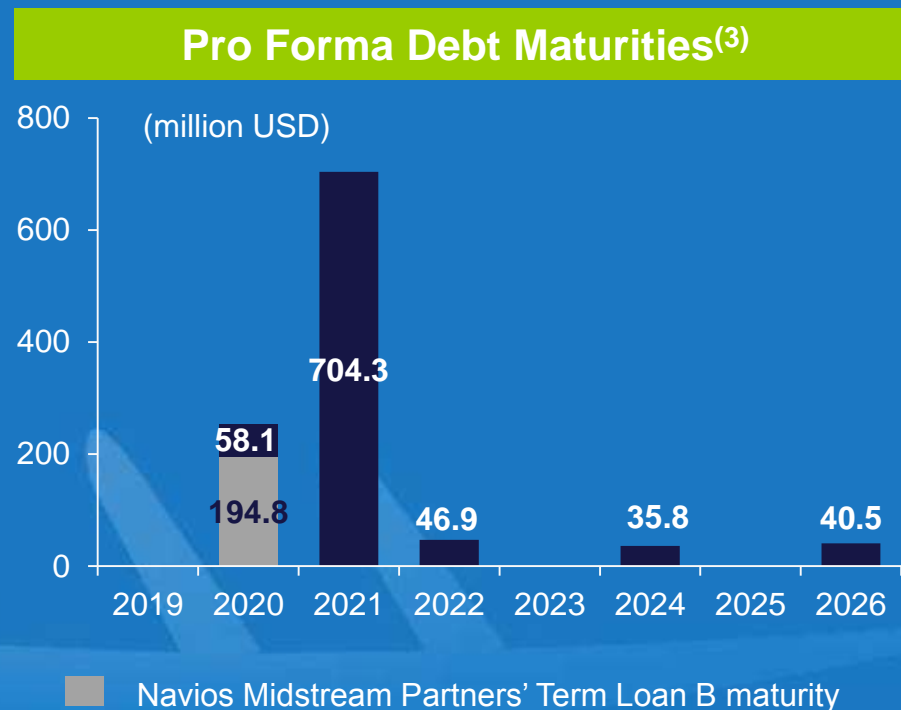
Note: Current rate based on 1-year TC rates as per clarksons of \$30,500 for VLCC, \$14,500 for LR1 product tankers and \$13,500 for MR2 product tankers and 20-year average 1-year TC rates for VLCCs \$38,779, LR1 Product Tankers \$20,308 (19 year average) and MR2 Product Tankers / Chemical tankers \$16,897 per day. Cash flow generation assumes normal operational performance of current fleet and expected profit sharing based on the rate assumptions where applicable under the current charters. Rates shown in above tables are weighted to reflect vessel sizes for open days.

(1) Based on 13,747,284 fully diluted number of shares as of February 5, 2019

(2) Total cost includes operating expenses as per Management Agreement inclusive of dry docking amortization, general and administrative expenses, interest expense and capital repayment

# NNA Liquidity

(in million USD)	December 31, 2018
Cash <sup>(1)</sup>	46.6
Debt <sup>(2)</sup>	1,205.8
Shareholders' Equity	380.3
Capitalization	1,586.2
Net Debt / Capitalization	73.1%



## Fully Funded Growth Capex

(1) Includes restricted cash of \$2.6 million.

(2) Net of deferred finance costs

(3) Executed term sheet to refinance \$77.8 million (\$63.1 million of debt maturities in 2019 and \$14.7 in 2020) through a leasing structure extending to Q1 2026. No assurances can be provided that the transaction will be successfully completed.



# Fleet Update

# Fleet

## 43 Vessels (6.0 million dwt)



	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 newbuild vessels on bareboat charter expected to be delivered in Q3 and Q4 2020



## Recent Fleet Developments

### **Nave Neutrino VLCC chartered out for eleven months**

- Charter rate = 100% of TD3C index + \$2,000 premium up to \$37,525 and 50% thereafter with \$19,158 floor
- Expected base EBITDA per vessel = \$3.0 million<sup>(1)</sup>

### **Shinyo Ocean VLCC chartered out for 75 – 120 days**

- Charter rate = \$27,500 net per day
- Expected EBITDA per vessel = \$1.7million<sup>(1)</sup>

### **Nave Electron VLCC chartered out for 60 – 90 days**

- Charter rate = \$25,181 net per day
- Expected EBITDA per vessel = \$1.1 million<sup>(1)</sup>

### **Nave Sextans and Nave Pyxis MR2 product tankers' charters extended for one year**

- Charter rate = \$14,500 net per day
- Expected EBITDA per vessel = \$2.6 million<sup>(1)</sup>

### **Nave Equinox MR2 product tanker chartered out for 12-15 months**

- Charter rate = \$14,319 net per day plus Ice-transit premium
- Expected base EBITDA per vessel = \$2.9 million<sup>(1)</sup>

### **Nave Capella MR2 product tanker chartered out for one year**

- Charter rate = \$11,850 net per day plus profit sharing arrangements
- Expected base EBITDA per vessel = \$1.7 million<sup>(1)</sup>

### **Nave Bellatrix MR2 product tanker chartered out for six plus six months**

- Charter rate = \$10,863 net per day plus profit sharing arrangements
- Optional period charter rate = \$11,850 net per day plus profit sharing arrangements
- Expected base EBITDA per vessel = \$0.7 million<sup>(1)</sup>

### **Nave Dorado MR2 product tanker chartered out for nine months plus one year**

- Charter rate = \$11,356 net per day plus profit sharing arrangements
- Optional period charter rate = \$13,331 net per day plus profit sharing arrangements
- Expected base EBITDA per vessel = \$1.1 million<sup>(1)</sup>

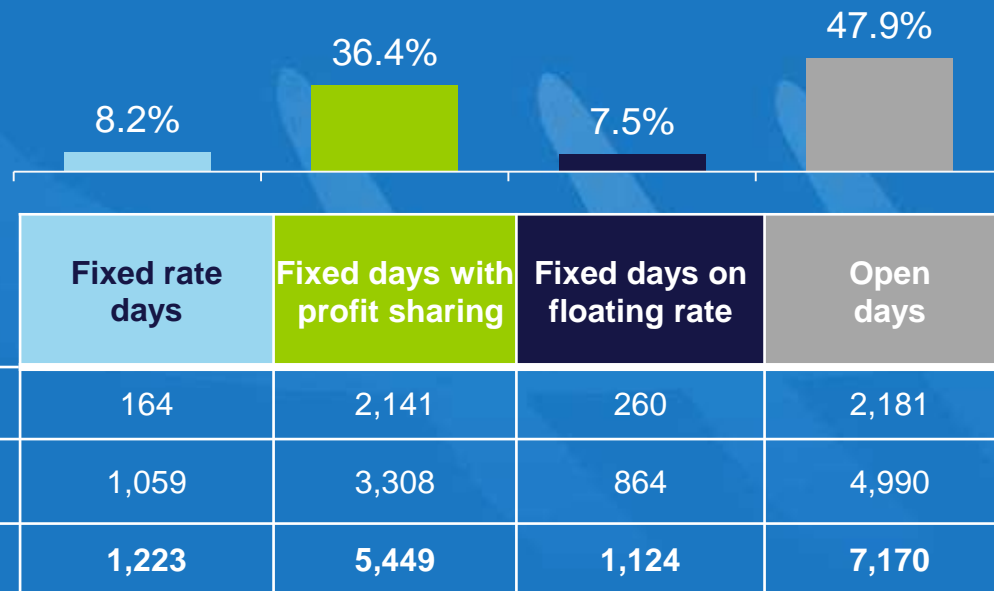
Note: Please refer to appendix for employment details

(1) Assuming operating costs and 360 revenue days per year as per management agreement.

# Chartering Strategy – Managing Risk and Reward

- 52.1% of 2019 available days fixed
  - 44.6% fixed on base rate or base rate and profit sharing
  - 7.5% fixed on floating rates
- Capture market improvement through profit sharing and days fixed on floating rates

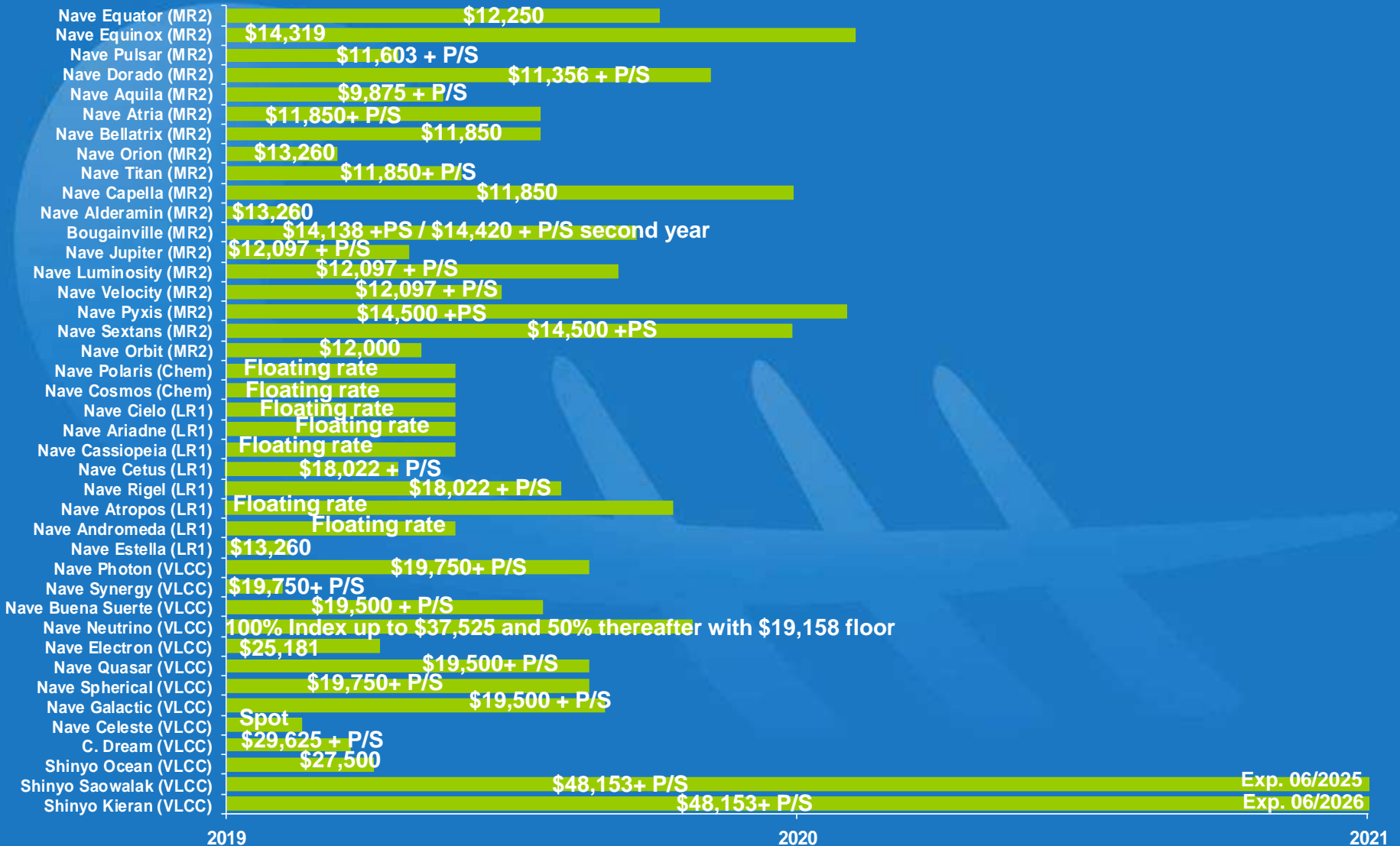
## 2019 – 14,965 days







# Charter Expirations

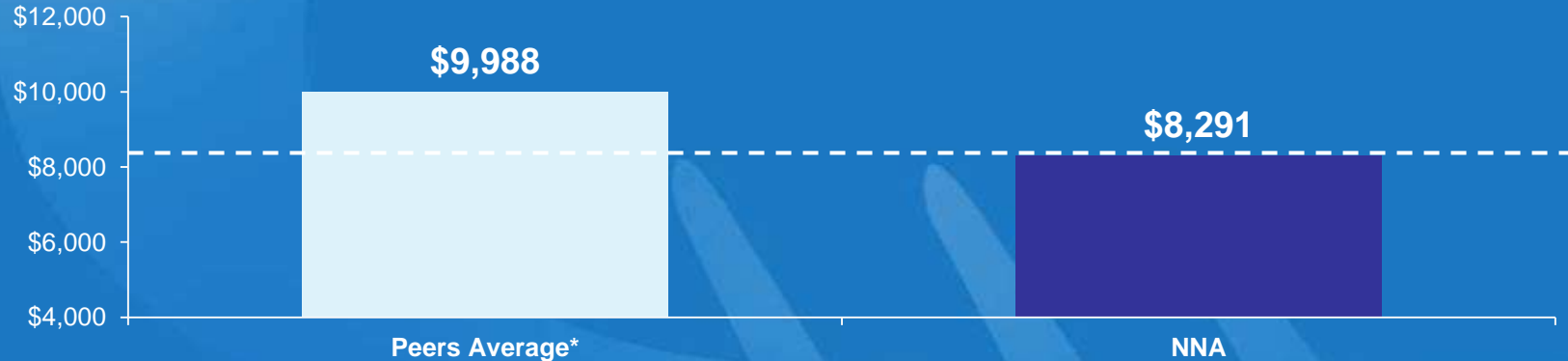


Note: Please refer to appendix for employment details

## ~ 17% Lower Operating Costs than Peers in 2017

- Navios Maritime Holdings Inc. (“NM”) has created significant economies of scale
- NM shares these efficiencies with NNA by providing technical & commercial management + administrative services
- NNA operating cost (opex and G&A expenses) for 2017 was 17% lower than the average of listed peers\*

### 2017 Peer\* Survey – operating cost per day per vessel



**2017 NNA estimated savings ~ \$22.3 million (\$1,697 p/d/p vessel x 13,140 calendar days)**

**~\$111.0 Million of Estimated Operating Cost Savings in 2014-2017<sup>(1)</sup>**

(1) Includes 2016 estimated savings of 23.0 million (\$1,663 p/d/p vessel x 13,792 calendar days, 2015 estimated savings of \$33.5 million (\$2,416 p/d/p vessel x 13,877 calendar days) and 2014 estimated savings of \$32.6 million (\$2,440 p/d/p vessel x 13,344 calendar days)

(\*) Peer group includes: DHT, EURN, GNRT, INSW, STNG, TNK, TNP and TORM

Operating cost = (1) vessel operating expense (including technical management and related services) + (2) general and administrative expense + (3) as applicable, fees and commissions related to the affiliate management services that are not otherwise included such as 0.75% - 1.25% commissions on vessel gross revenue or flat fees when vessels are chartered to parties other than related pools, 1% commission of gross purchase/sale price (capitalized as part of the carrying value of the vessel), supervisory fees on vessel construction (capitalized under construction costs), 1.25% commission on freight, hires and demurrages as chartering services, special awards for capital raising (deducted as additional paid in capital). Operating cost per day is based on calendar days of owned vessels for the vessel operating expenses and total days (including charter in vessels) for general and administrative expenses.

Analysis for 2014, 2015, 2016 and 2017 is based on the 2015, 2016 and 2017 20-F filings of the peer companies, recent filings, annual reports and press releases.



# Q4 and Full Year 2018 Financial Results

# Fourth Quarter 2018 and Full Year 2018 Earnings Highlights

(\$ million except per share data)	Three month period ended December 31, 2018	Three month period ended December 31, 2017	YoY (%)	Year ended December 31, 2018	Year ended December 31, 2017	YoY (%)
Revenue	58.7	50.3	16.7%	187.9	227.3	(17.3%)
EBITDA	18.5	19.9	(7.3%)	47.6	48.6	(2.1%)
Adjusted EBITDA	20.9 <sup>(1)</sup>	20.0 <sup>(3)</sup>	4.6%	56.8 <sup>(2)</sup>	107.7 <sup>(4)</sup>	(47.3%)
Net Loss	(16.4)	(12.0)	N/A	(86.4)	(78.9)	N/A
Adjusted Net Loss	(14.0) <sup>(1)</sup>	(12.3) <sup>(3)</sup>	N/A	(76.8) <sup>(2)</sup>	(19.4) <sup>(4)</sup>	N/A
Loss per share	(1.55)	(1.2)	N/A	(8.40)	(7.5)	N/A
Adjusted Loss per Share	(1.33) <sup>(1)</sup>	(1.2) <sup>(3)</sup>	N/A	(7.48) <sup>(2)</sup>	(1.8) <sup>(4)</sup>	N/A

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; (x) stock- based compensation and (xi) transaction costs. 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.

- (1) EBITDA, net loss and loss per share (basic) for the three month period ended December 31, 2018 have been adjusted to exclude (i) \$2.2 million transaction costs in relation to the merger with Navios Midstream; and (ii) \$0.3 million of non-cash stock-based compensation.
- (2) EBITDA, net loss and loss per share (basic) for the year ended December 31, 2018 have been adjusted to exclude; (i) \$6.0 million of non-cash impairment loss relating to our affiliate, Navios Midstream; (ii) \$2.2 million transaction costs in relation to the merger with Navios Midstream; (iii) \$1.1 million of non-cash stock-based compensation; and (iv) \$0.03 million of gain on sale of the Nave Galactic. Net loss and loss per share (basic) for the year ended December 31, 2018 were further adjusted to exclude \$0.3 million write-off of deferred finance costs.
- (3) EBITDA, net loss and loss per share (basic) for the three month period ended December 31, 2017 have been adjusted to exclude \$0.1 million of non-cash stock-based compensation. Net loss and loss per share (basic) for the three month period ended December 31, 2017 were further adjusted to exclude \$0.3 million write off of deferred finance income.
- (4) EBITDA, net loss and loss per share (basic) for the year ended December 31, 2017 have been adjusted to exclude \$59.1 million of other-than-temporary impairment loss on equity investment in Navios Maritime Midstream Partners L.P. and \$0.1 million of non-cash stock-based compensation. Net loss and net loss per share (basic) for the year ended December 31, 2017 were further adjusted to exclude \$0.4 million write-off of deferred finance costs.

# Balance Sheet Highlights

## Selected Balance Sheet Data (in million USD)

	December 31, 2018	December 31, 2017
Cash & cash equivalents <sup>(1)</sup>	46.6	86.5
Vessels, net	1,383.6	1,250.0
Investments in affiliates	11.4	125.1
Total Assets	1,627.4	1,572.8
Total debt <sup>(2)</sup>	1,205.8	1,065.4
Stockholders Equity	380.4	462.5
Total Liabilities and Shareholders Equity	1,627.4	1,572.8
Book Capitalization	1,586.2	1,527.8
Net Debt / Book Capitalization	73.1%	64.1%

(1) Including restricted cash

(2) Net of deferred finance costs and premium

# Returning Capital to Shareholders

## Dividend Policy

- Q4 2018 Distribution: \$0.30 per share
  - Record date: February 27, 2019
  - Payment date: March 27, 2019

## Stock Repurchase Program

- 716,338 shares purchased under program for \$7.4 million
  - 5.2% of shares outstanding
  - 13,747,284 fully diluted number of shares<sup>(1)</sup>

(1) As of February 5, 2019



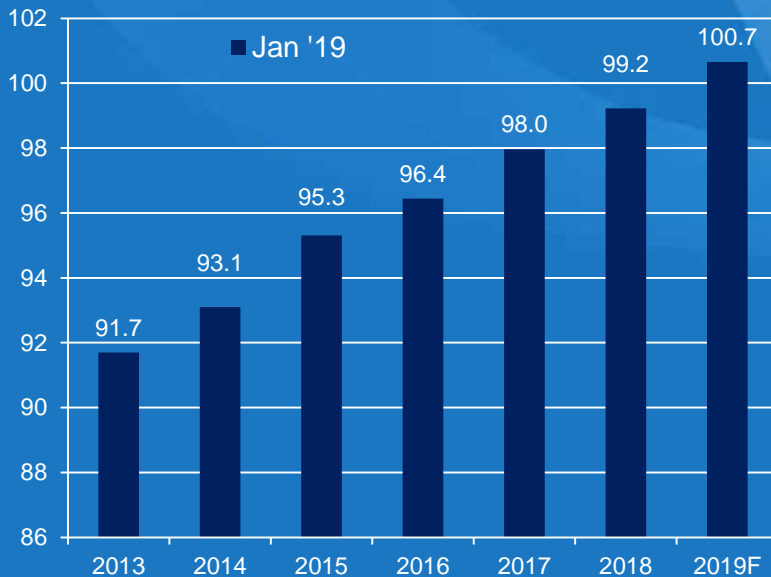


# Crude Market Overview

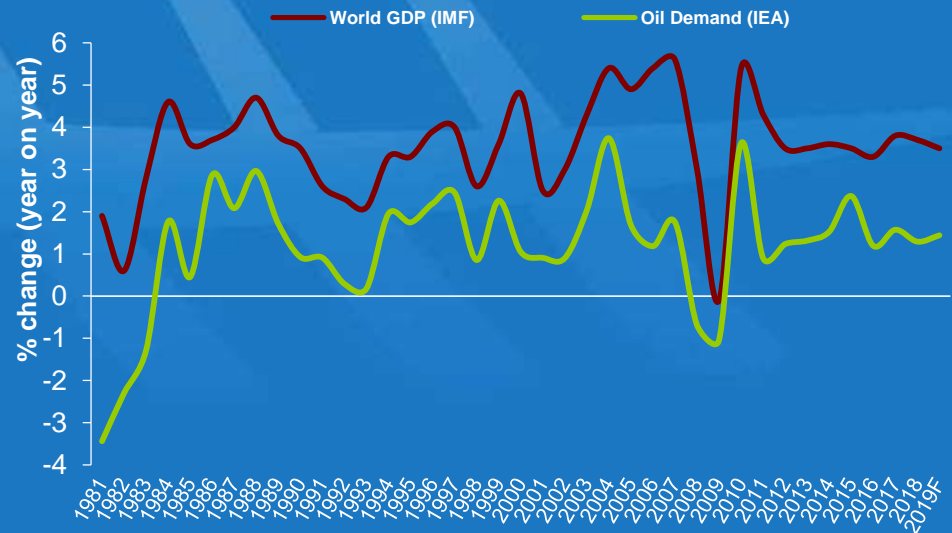
# Global Oil Demand: Growth Continues

- Global oil demand is driven by GDP
- In January, the IMF projected global GDP growth 3.5% for 2019 and 3.6% for 2020, lead by expansions in emerging and developing Asian economies and India, despite European and US growth concerns
- Global oil demand rose by 1.3% or 1.3 mb/d in 2018
- IEA projects 1.4% growth in oil demand in 2019 or 1.4 mb/d.
- Non-OECD economies account for 74% of the forecast oil demand growth in 2018 and 83% of the anticipated 2019 increase, with China and India driving the expansion.

Global Oil Demand (2013-2019) (mm b/d)

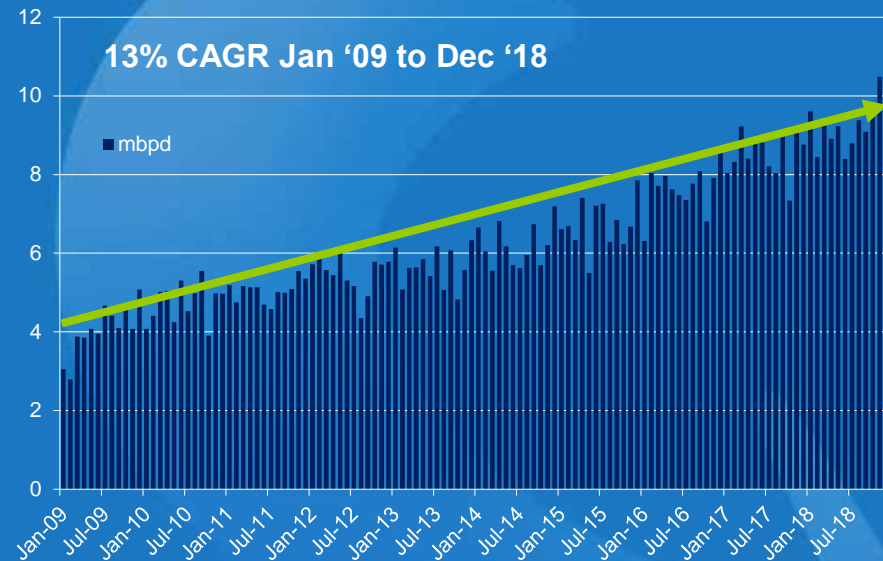


38 Year Global Oil Demand and GDP Growth

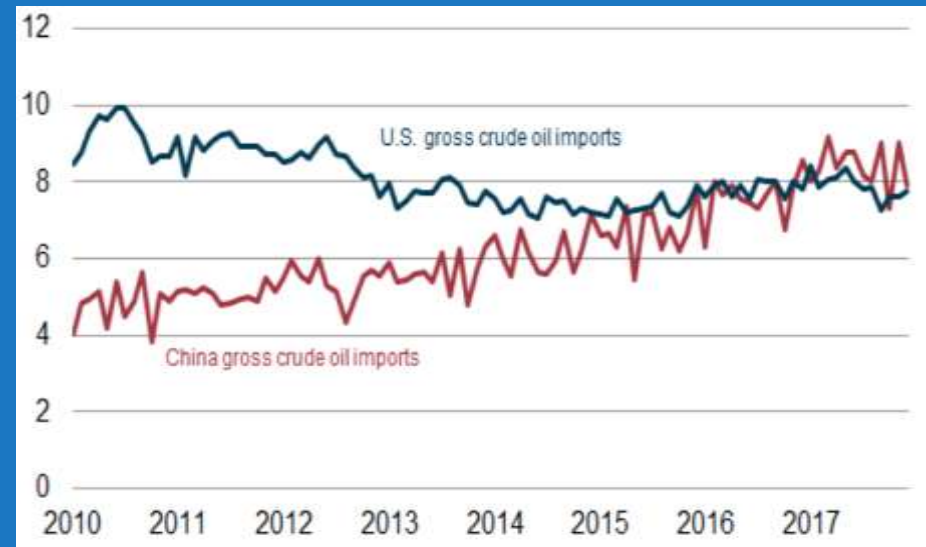


# Increasing Chinese Consumption Still Below World Average

## Chinese Crude Oil Imports (2009 – 2018)



## China Now World's Largest Crude Importer



**Current Chinese per capita oil consumption is 3.3 barrels per year**  
**Chinese crude imports have averaged 9.2 MBPD in 2018 up from the 2017 average of 8.4 MBPD**

### Per Capita Ratios:

US/China	6.7x
Europe/China	3.1x
World/China	1.4x

### China consumption goes to:

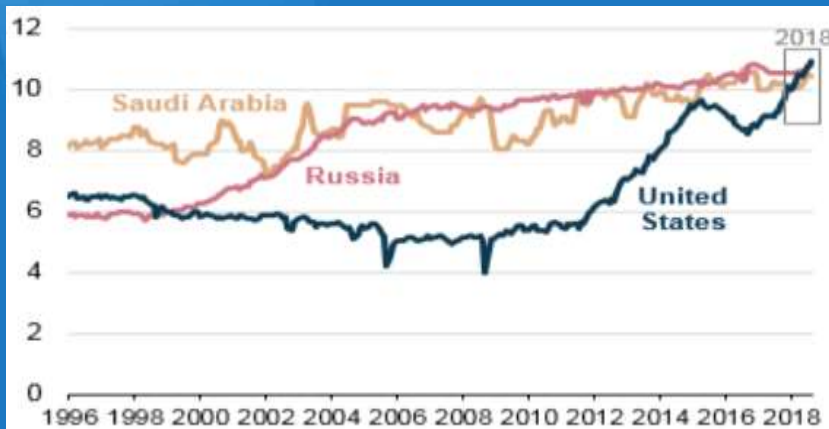
China consumption goes to:	Additional mbpd	Additional VLCC <sup>(1)</sup>
US per capita usage	72.9	3,281
Europe per capita usage	26.6	1,199
World per capita usage	5.5	249

(1) Assuming 90 days VLCC roundtrip and all additional crude is imported by sea  
 Source: Drewry, Clarksons, US Census, BP Statistical Review 2018, BP Energy Outlook 2018, Citibank.

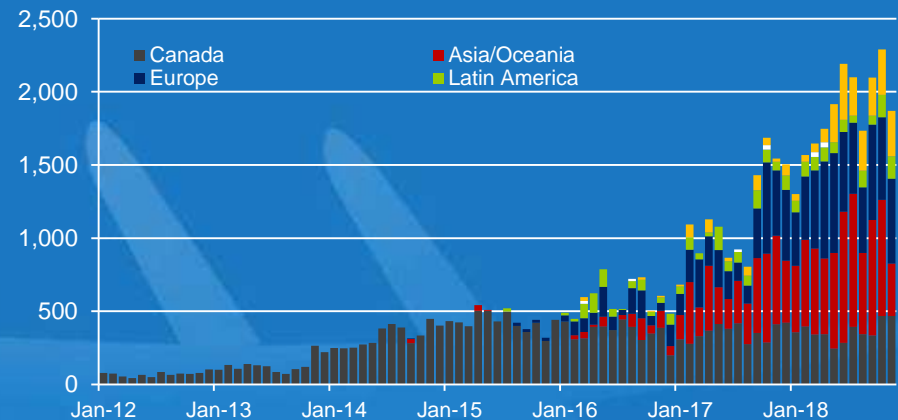
# Atlantic Production to Serve Refinery Additions in the East

- US crude oil production hit an all time high in November of 11.9 mb/d, the sixth month in a row of record production
- Through 2023, the IEA forecasts that crude exports from the US to Asia will grow by 280% to 1.9 mb/d, the single largest increase in world crude trade over that period. That growth of 1.4 mb/d in US exports to the Far East by 2023 equates to a need for an additional 64 VLCCs worth of capacity
- China and Other Asia to expand refinery capacity by 2.9 MBPD between 2019 and 2021 representing 60% of all expansions. 18.5 mbpd refinery capacity in China in 2020 translates to an additional 690<sup>(1)</sup> million barrels of crude oil which would require 86 VLCCs<sup>(2)</sup>

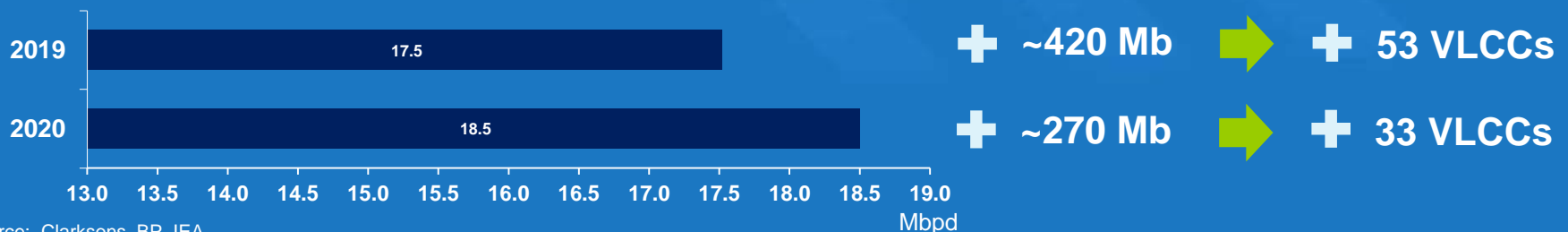
US Crude Production vs Saudi and Russia



US Crude Exports (kbpd)



## Refinery capacity increase in China requires significant increase in VLCC fleet



Source: Clarksons, BP, IEA

(1) Additional crude needed based on 2016 utilization rate of 78% and 350 operating days

(2) Assuming 90 day VLCC round trip

# VLCC Net Fleet, Age Profile + Historical Scrapping

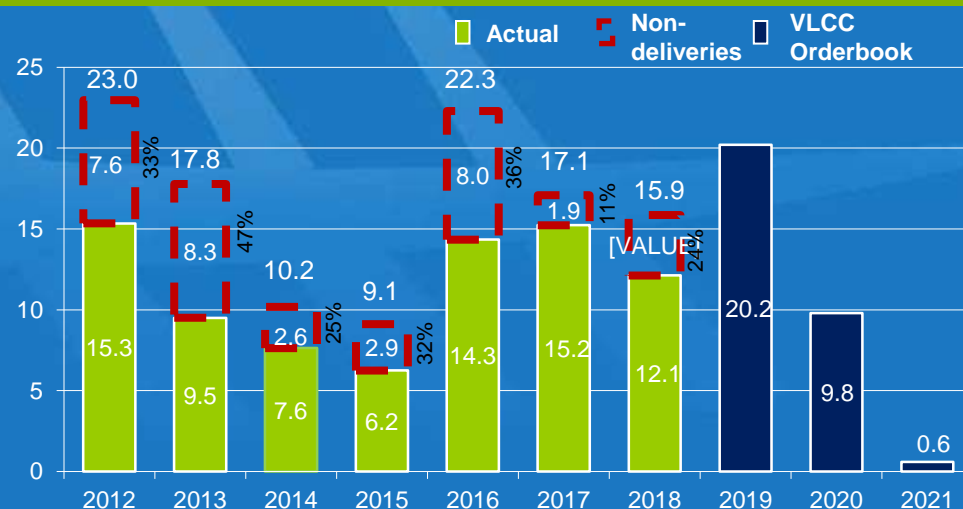
Deliveries					
Year	Actual		Projected		% Non-Delivery
2019	3.1	M	3.7	M	17%
2018	12.1	M	15.9	M	24%
2017	15.2	M	17.1	M	11%
2016	14.3	M	22.3	M	36%
2015	6.2	M	9.1	M	32%
2014	7.6	M	10.2	M	25%
2013	9.5	M	17.8	M	47%
2012	15.3	M	23.0	M	33%

Removals		
Year	DWT	% of Fleet
2019*	0.0 M	0.0%
2018	10.4 M	4.6%
2017	4.2 M	2.0%
2016	0.6 M	0.3%
2015	1.1 M	0.6%
2014	4.1 M	2.2%
2013	6.5 M	3.5%
2012	4.8 M	2.7%

Net Fleet Growth				
Year	DWT		% of Fleet	Fleet Period End
2019*	3.1	M	1.4%	230.8 M
2018	1.7	M	0.8%	227.7 M
2017	11.4	M	5.3%	226.0 M
2016	14.7	M	7.4%	214.6 M
2015	6.0	M	3.1%	199.9 M
2014	3.5	M	1.8%	193.9 M
2013	3.0	M	1.6%	190.4 M
2012	10.5	M	6.0%	187.5 M

Removals		
Year	Total	% of Fleet
2006	1.5 M	1.05%
2007	3.5 M	2.45%
2008	9.5 M	6.45%
2009	6.8 M	4.52%
2010	12.4 M	7.71%
2011	6.9 M	4.20%
2012	4.8 M	2.69%
2013	6.5 M	3.47%
2014	4.1 M	2.18%
2015	1.1 M	0.59%
2016	0.6 M	0.29%
2017	4.2 M	1.95%
2018	10.4 M	4.61%
2019*	0.0 M	0.00%

## VLCC tanker orderbook schedule (million dwt – as of January 2019)



Source: Clarksons; \* Unless noted, all data in DWT as of 2/1/19:  
 2017 fleet includes one VLCC added after conversion  
 (1) Orderbook 2/1/19: 30.3 M DWT/ 98 vsls;  
 2019: 17.1 M/ 55 vsls; 2020: 10.4 M/ 34 vsls; 2021: 2.8 M/ 9 vsls

**2019 Expected Net Fleet Growth: 4.2%**



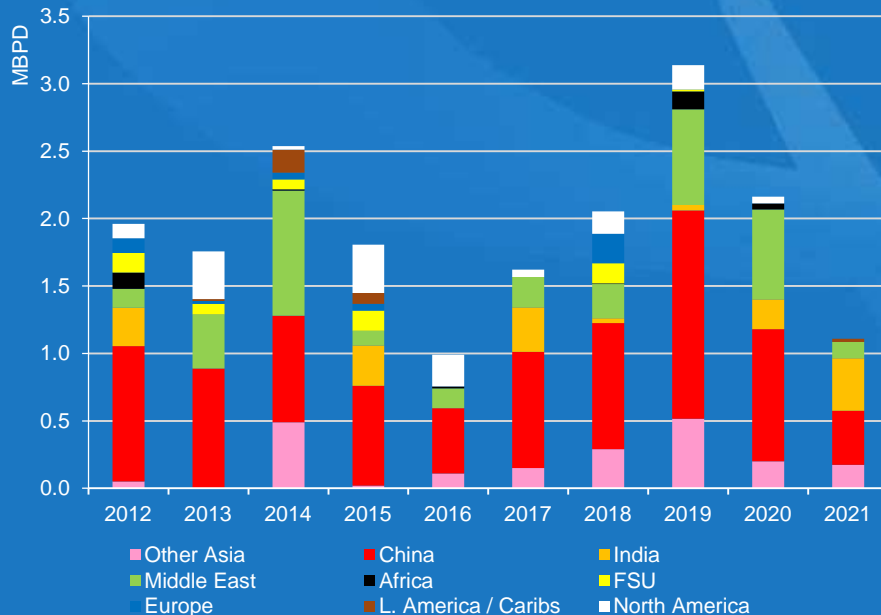
# Product Market Overview



# Refinery Capacity Shifting to Asia and Middle East

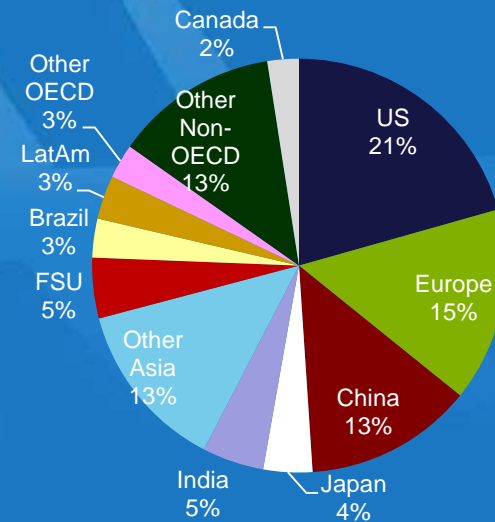
- According to the IEA, refinery capacity is expected to increase by 12.5 million barrels per day (MBPD) for the period 2018-2023; About 67% of that capacity will be added in the broader Asia and Middle East regions.
- For the same period the IEA expects OECD capacity to increase by about 1.2 MBPD with growth in capacity in all OECD regions
- New low-cost Asian and Middle Eastern refineries are producing for export, structurally favoring more long-haul products trade.

**Refining Capacity Additions  
(2012-2021)**



Source: Clarksons, IEA MRS Mar 2018

**2018 Global Oil Consumption**

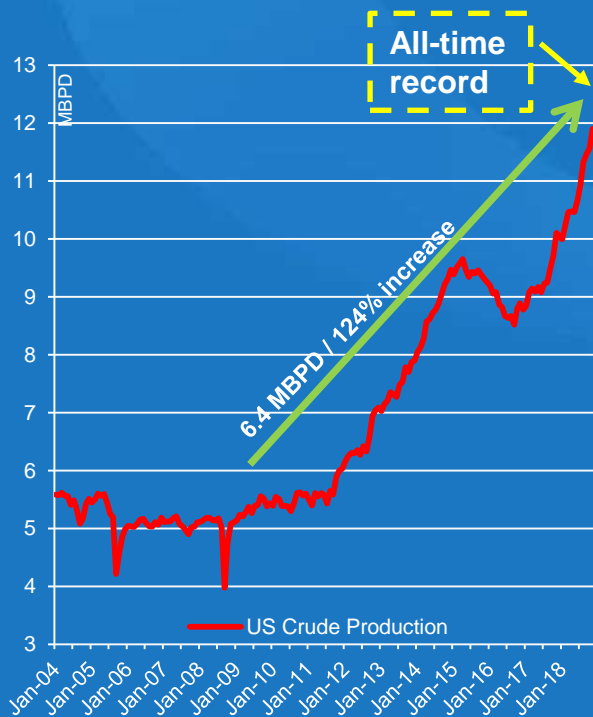


Source: IEA OMR January 2019

# US Role in the Energy Marketplace

- Average US domestic crude production increased 6.4 MBPD since end 2008 reaching a record 11.9 MBPD in Nov 2018
  - Product exports have increased with crude production
- US Crude production increases along with refinery expansions in US Gulf have lead to product exports from the US rising by 507% since beginning 2004. Majority of exports went to Latin America/Caribs
- US has become a net exporter of Petroleum Products
  - Exports surpassed Imports by 160 MBarrels in 2011, 390 MB in 2012, 496MB in 2013, 704 MB in 2014, 798 MB in 2015, 902 MB in 2016, 1,184 MB in 2017

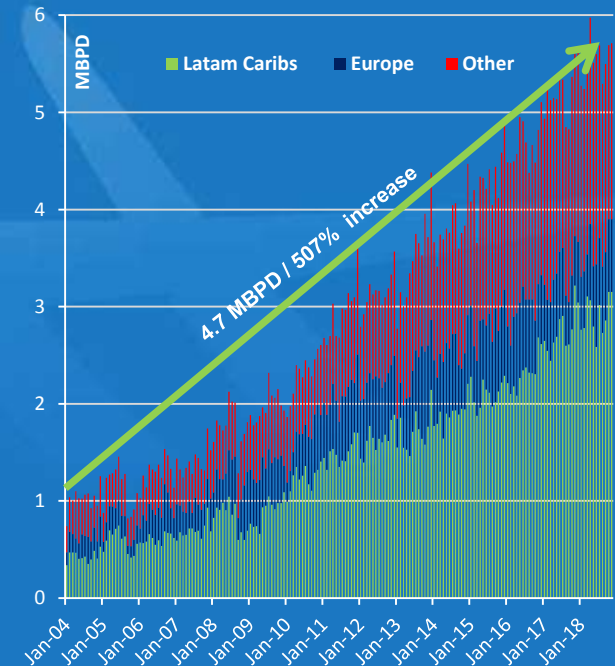
## US Crude Production increased by 6.2 MBPD '09 – Nov '18



## US Imports / Exports of Petroleum Products '00 – Nov'18



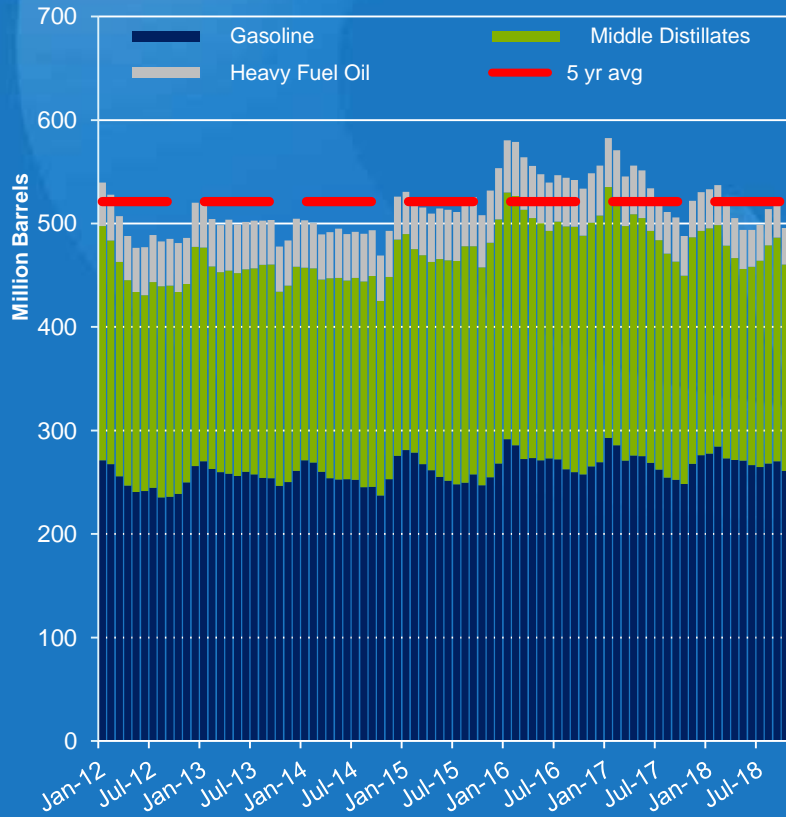
## US Exports by Region '04 to Nov'18



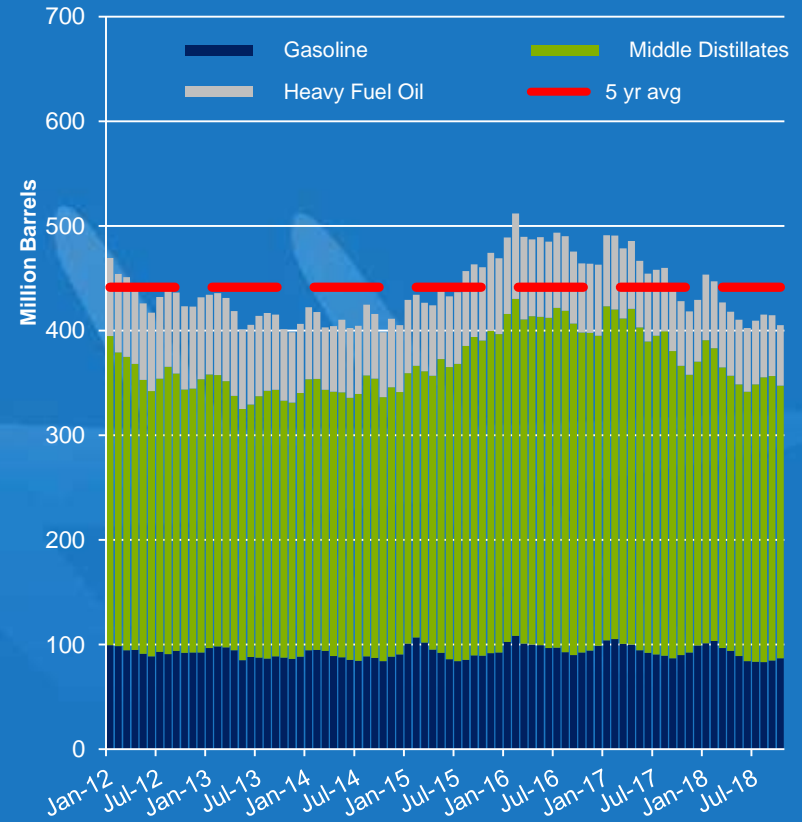
# OECD Product Stocks

- OECD product stocks in Europe and the Americas have finally declined below their 5 year averages
- OECD stocks declined for 5 straight months August to December 2017

## North American Product Stocks



## European Product Stocks



# Product Tanker<sup>(1)</sup> Net Fleet and Removals

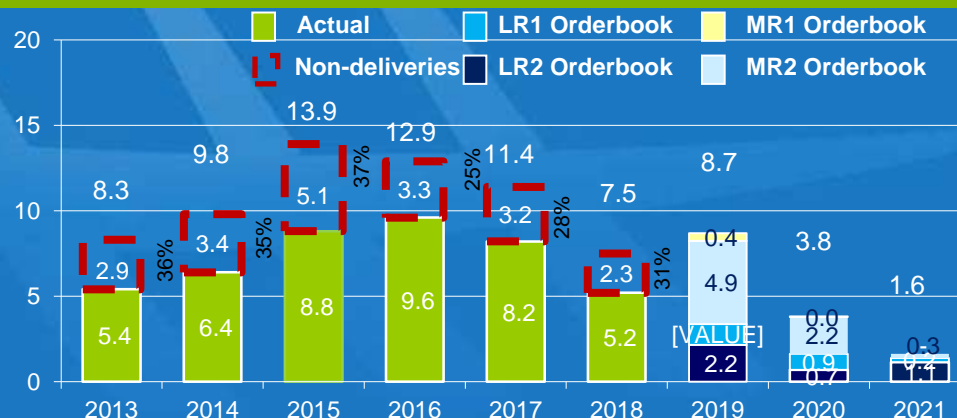
Deliveries					
Year	Actual		Projected		% non-delivery
2018	5.2	M	7.5	M	31%
2017	8.2	M	11.4	M	28%
2016	9.6	M	12.9	M	25%
2015	8.8	M	13.9	M	37%
2014	6.4	M	9.8	M	35%
2013	5.4	M	8.3	M	36%
2012	5.8	M	10.1	M	42%
2011	6.8	M	14.4	M	53%

Removals		
Year	DWT	% of fleet
2018	3.2 M	2.0%
2017	2.0 M	1.3%
2016	0.8 M	0.5%
2015	1.4 M	1.1%
2014	1.8 M	1.3%
2013	2.6 M	2.0%
2012	3.5 M	2.8%
2011	2.7 M	2.3%

Net Fleet Growth			
Year	DWT	% of Fleet	Fleet period end
2018	2.0 M	1.2%	160.0 M
2017	6.1 M	4.0%	158.1 M
2016	8.9 M	6.2%	152.0 M
2015	7.3 M	5.4%	143.1 M
2014	4.6 M	3.5%	135.7 M
2013	2.8 M	2.2%	131.1 M
2012	2.4 M	1.9%	128.3 M
2011	4.0 M	3.3%	125.9 M

Removals		
Year	Total	As % of Fleet
2005	2.5 M	3.55%
2006	2.1 M	2.71%
2007	2.8 M	3.27%
2008	2.6 M	2.72%
2009	4.5 M	4.23%
2010	5.2 M	4.52%
2011	2.7 M	2.25%
2012	3.5 M	2.76%
2013	2.6 M	2.03%
2014	1.8 M	1.34%
2015	1.4 M	1.06%
2016	0.8 M	0.53%
2017	2.0 M	1.34%
2018	3.2 M	2.02%

## World product tanker orderbook schedule (million dwt – Jan 2019)



**Expected 2019 Net fleet growth: 2.7%**

Unless noted, all data in DWT

\*Source: Clarksons Jan 2019

(1) Product tankers defined as all coated tankers above 25k dwt plus uncoated 25-85k dwt tankers including IMO 2/3 with avg tank size > 3k cbm, excluding stainless steel and specialized tankers



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# Appendix



# Fleet – VLCCs

Vessel	Type	DWT	Year Built	Net Charter Rate (\$/day)	Expiration Date	Profit Share Arrangements
Nave Photon	VLCC	297,395	2008	19,750+PS <sup>(1)</sup>	Aug-19	100%
Nave Spherical	VLCC	297,188	2009	19,750+PS <sup>(1)</sup>	Aug-19	100%
Nave Synergy	VLCC	299,973	2010	19,750+PS <sup>(1)</sup>	Feb-19	100%
Nave Quasar	VLCC	297,376	2010	19,500+PS <sup>(2)</sup>	Sep-19	50%/50%
Nave Buena Suerte	VLCC	297,491	2011	19,500+PS <sup>(2)</sup>	Aug-19	50%/50%
Nave Neutrino	VLCC	298,287	2003	Floating with \$19,158 floor <sup>(3)</sup>	Nov-19	
Nave Electron	VLCC	305,178	2002	\$25,181	Apr-19	
TBN I <sup>(4)</sup>	VLCC	300,000	2020	\$27,816	Sep-30	
TBN II <sup>(4)</sup>	VLCC	300,000	2020	\$27,816	Nov-30	
<b>TOTAL</b>		<b>2,692,888</b>				

(1) Rate applicable to first 9 months; last three months on floating rate. Profit sharing arrangement 100% on actual pool earnings. Any adjustment by the charterers for the expense/loss will be settled initially in January 2019 and every two months thereafter.

(2) Charterer's option to extend the charter for one year at \$ 20,475 net per day + PS. Profit sharing arrangement 50% on actual pool earnings. Any adjustment by the charterers for the expense/loss will be provisionally settled on a quarterly basis and finally settled at the end of the charter period.

(3) Contract provides 100% of BITR TD3C-TCE index plus \$2,000 up to \$37,525 and 50% thereafter with \$19,158 floor

(4) Charterer's option to extend the bareboat charter for five years at \$ 29,751 net per day

# Fleet - Navios Midstream VLCCs

Vessel	Type	DWT	Year Built	Net Charter Rate (\$/day)	Expiration Date	Profit Share Arrangements
Shinyo Ocean	VLCC	281,395	2001	27,500	Mar-19	–
Nave Galactic <sup>(1)</sup>	VLCC	297,168	2009	19,500	Oct-2019	50%
Shinyo Saowalak	VLCC	298,000	2010	48,153	June-2025	35% above \$54,388 40% above \$59,388 50% above \$69,388
Shinyo Kieran	VLCC	297,066	2011	48,153	June-2026	35% above \$54,388 40% above \$59,388 50% above \$69,388
C. Dream	VLCC	298,570	2000	29,625	Mar-2019	50% above \$30,000 40% above \$40,000
Nave Celeste	VLCC	298,717	2003	spot		-
<b>TOTAL</b>		<b>1,770,916</b>				

(1) Charterer's option to extend the charter for one year at \$ 20,475 net per day + PS. Profit sharing arrangement 50% on actual pool earnings. Any adjustment by the charterers for the expense/loss will be provisionally settled on a quarterly basis and finally settled at the end of the charter period.

# Fleet – LR1 Product Tankers

Vessel	Type	DWT	Year Built	Net Charter Rate (\$/day)	Expiration Date	Profit Sharing Arrangements
Nave Atropos	LR1 Product Tanker	74,695	2013	Floating rate	Oct-19	
Nave Rigel	LR1 Product Tanker	74,673	2013	18,022	Aug-19	50%/50%
Nave Cetus	LR1 Product Tanker	74,581	2012	18,022	April-19	50%/50%
Nave Cassiopeia	LR1 Product Tanker	74,711	2012	Floating rate	May-19	
Nave Estella	LR1 Product Tanker	75,000	2012	13,260 <sup>(1)</sup>	Mar-19	
Nave Andromeda	LR1 Product Tanker	75,000	2011	Floating rate	May-19	none
Nave Cielo	LR1 Product Tanker	74,671	2007	Floating rate	May-19	50%/50% / none
Nave Ariadne	LR1 Product Tanker	74,671	2007	Floating rate	May-19	
<b>TOTAL</b>		<b>598,002</b>				

(1) Charterer's option to extend the charter for one year at \$14,625 net per day

# Fleet – Chemical and MR2 Product Tankers

Vessel	Type	DWT	Year Built	Net Charter Rate (\$/day)	Expiration Date	Profit Sharing Arrangement / Premium
Nave Velocity	MR2 Product Tanker	49,999	2015	12,097	May-19	50%-50%
Nave Sextans	MR2 Product Tanker	49,999	2015	14,500	Feb-20	50%-50%
Nave Pyxis	MR2 Product Tanker	49,998	2014	14,500	Mar-20	50%-50%
Nave Luminosity	MR2 Product Tanker	49,999	2014	12,097	Sep-19	50%-50%
Nave Jupiter	MR2 Product Tanker	49,999	2014	12,097	May-19	50%-50%
Bougainville	MR2 Product Tanker	50,626	2013	14,420 <sup>(1)</sup>	Sep-19	100%
Nave Alderamin	MR2 Product Tanker	49,998	2013	13,260	Feb-19	None
Nave Capella	MR2 Product Tanker	49,995	2013	11,850	Jan-20	50%-50%
Nave Titan	MR2 Product Tanker	49,999	2013	11,850	Jun-19	50%-50%
Nave Orion	MR2 Product Tanker	49,999	2013	13,260	Mar-19	None
Nave Bellatrix	MR2 Product Tanker	49,999	2013	10,863 <sup>(2)</sup>	Jul-19	50%-50%
Nave Aquila	MR2 Product Tanker	49,991	2012	9,875 <sup>(3)</sup>	May-19	50%-50%
Nave Atria	MR2 Product Tanker	49,992	2012	11,850	Jul-19	50%-50%
Nave Equator	MR2 Product Tanker	50,542	2009	12,250	Oct-19	None
Nave Orbit	MR2 Product Tanker	50,470	2009	12,000 <sup>(4)</sup>	May-19	50%-50%
Nave Equinox	MR2 Product Tanker	50,922	2007	14,319	Mar-20	Ice-transit premium
Nave Pulsar	MR2 Product Tanker	50,922	2007	11,603	Apr-19	
Nave Dorado	MR2 Product Tanker	47,999	2005	11,356 <sup>(5)</sup>	Nov-19	50%-50%
Nave Cosmos	Chemical Tanker	25,130	2010	Floating rate	May-19	
Nave Polaris	Chemical Tanker	25,145	2011	Floating rate	May-19	
<b>TOTAL</b>		<b>951,723</b>				

- (1) Rate can reach a maximum of \$19,013 net per day in year one and \$19,393 in year two calculated based on a formula. Charterer's option to extend the charter for two years at \$14,708 net per day for the first year and \$15,002 net per day second year plus profit sharing arrangements for both years
- (2) Charterer's option to extend the charter for 6 months at \$11,850 net per day plus profit sharing arrangements
- (3) Charterer's option to extend the charter for 6 months at \$11,850 net per day plus profit sharing arrangements
- (4) Charterer's option to extend the charter for 6 months at \$12,750 net per day plus profit sharing arrangements
- (5) Charterer's option to extend the charter for one year at \$13,331 net per day plus profit sharing arrangements



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