

## Navios Maritime Partners L.P. Reports

### Financial Results for the First Quarter Ended March 31, 2017

- **Revenue: \$42.4 million in Q1**
- **Adjusted EBITDA: \$25.9 million in Q1**
- **No debt maturities until August 2020**
- **Acquired five drybulk vessels – three Capesize and two Panamax vessels – for \$113.9 million**
- **Formed Navios Maritime Containers Inc.: 40% initial equity stake + 6.8% equity opportunity through warrants. Initial target: 14-vessel fleet of Rickmers Maritime Trust Pte.**

MONACO, May 22, 2017 – Navios Maritime Partners L.P. (“Navios Partners” or the “Company”) (NYSE: NMM), an international owner and operator of container and dry bulk vessels, today reported its financial results for the first quarter ended March 31, 2017.

Angeliki Frangou, Chairman and Chief Executive Officer of Navios Partners stated, “For the first quarter of 2017, Navios Partners reported revenue of \$42.4 million and adjusted EBITDA of \$25.9 million. We are pleased with these results as we are coming off the worst year in history for the dry bulk market - with the BDI reaching a historical low in the first quarter of 2016 and the container sector suffering its own set of challenges.”

Angeliki Frangou continued, “Through balance sheet discipline and rigorous cost management, Navios Partners has weathered the storm. And, by innovative transactions, Navios Partners is positioned to thrive in a recovering market. During the first quarter of 2017, we refinanced debt, so that Navios Partners has no debt maturing for over three years. Navios Partners also raised \$100.0 million in equity and has acquired five drybulk vessels which are expected to provide reasonable levered returns. Finally, Navios Partners took advantage of a unique opportunity by raising \$75.0 million for Navios Maritime Containers Inc. (“Navios Containers”), a growth vehicle dedicated to containers. Navios Partners will benefit from any recovery in the container sector through its 40% equity in Navios Containers.”

#### **Navios Maritime Containers Inc.**

In April 2017, Navios Partners agreed to acquire the entire container fleet (the “Fleet”) of Rickmers Maritime Trust Pte. (the “Trust”). The Fleet consists of 14 Container vessels. The acquisition of the first five 4,250 TEU vessels is expected in May 2017. These vessels are employed on charters that have staggered expirations in 2018 and early 2019 at a net daily charter rate of \$26,850.

On May 11, 2017, Navios Partners formed Navios Containers, a Marshall Islands company, which agreed with investors to sell approximately 15.0 million of its shares for aggregate gross proceeds of approximately \$75.0 million, at a subscription price of \$5.00 per share.

Navios Containers intends to use the proceeds to acquire the Fleet that Navios Partners previously agreed to purchase from the Trust as well as for further vessel acquisitions, working capital and general corporate purposes. The offering is expected to close on or about June 1, 2017.

Navios Partners will invest \$30.0 million and receive 40% of the equity, and Navios Maritime Holdings Inc. (“Navios Holdings”) will invest \$5.0 million and receive 6.67% of the equity of Navios Containers. Each of Navios Partners and Navios Holdings will also receive warrants, with a five-year term, for 6.8% and 1.7% of the equity, respectively.

The Fleet vessels are expected to be delivered starting in May, 2017. The acquisition is subject to a number of conditions, and no assurance can be provided that the acquisition will close at all or in part. Navios Containers also announced today that it intends to file an application to register on the Norwegian Over-The-Counter market (N-OTC). Navios Containers expects to be registered on or about June 1, 2017.

### **Debt Refinancing**

On March 14, 2017, Navios Partners completed the issuance of a new \$405.0 million Term Loan B facility. The Term Loan B facility bears an interest rate of LIBOR plus 500 basis points (“bps”) and has a three and a half year term with 5.0% amortization profile. Navios Partners used the net proceeds of the Term Loan B facility to: (i) to refinance the existing Term Loan B; and (ii) to pay fees and expenses related to the term loans.

In March 2017, Navios Partners agreed to refinance \$32.0 million of its existing credit facility with DVB Bank S.E. Based on the refinanced terms, the credit facility will mature in August 2020 and will bear interest at a rate of LIBOR plus 310 bps.

### **Acquisition of Vessels**

In April 2017, Navios Partners agreed to acquire two 2007 South Korean-built Panamax vessels of approximately 75,000 dwt each, for a total purchase price of \$27.0 million. The vessels are expected to be delivered to Navios Partners' owned fleet by July 2017.

In April 2017, Navios Partners agreed to acquire one 2010-built Capesize vessel of 178,132 dwt, for a purchase price of \$27.5 million. The vessel is expected to be delivered to Navios Partners' owned fleet by September 2017.

In May 2017, Navios Partners agreed to acquire one 2009 Japanese-built Capesize vessel of 180,274 dwt, for a purchase price of \$28.3 million. The vessel is expected to be delivered to Navios Partners' owned fleet by August 2017.

In May 2017, Navios Partners agreed to acquire one 2011 South Korean-built Capesize vessel of 179,016 dwt, for a purchase price of \$31.05 million. The vessel is expected to be delivered to Navios Partners' owned fleet by June 2017.

### **Acquisition of Other Assets**

On March 17, 2017, Navios Holdings transferred to Navios Partners its participation in Navios Revolving Loans and Navios Term Loans, both relating to Navios Europe I, for \$4.1 million in cash and 13,076,923 newly issued common units of Navios Partners.

### **Completion of Sale of the Navios Apollon**

In April 2017, the Company completed the sale of the Navios Apollon, a 2000 Ultra-Handymax vessel of 52,073 dwt. The vessel was sold to an unrelated third party for a total net sale price of \$4.8 million.

## Long-Term Cash Flow

Navios Partners has entered into medium to long-term time charter-out agreements for its vessels with a remaining average term of 2.6 years. Navios Partners has currently contracted out 79.2% of its available days for 2017, 33.8% for 2018 and 17.3% for 2019, including index-linked charters, respectively, expecting to generate revenues of approximately \$134.1 million, \$83.2 million and \$54.7 million, respectively. The average expected daily charter-out rate for the fleet is \$17,244, \$25,746 and \$24,972 for 2017, 2018 and 2019, respectively.

## EARNINGS HIGHLIGHTS

For the following results and the selected financial data presented herein, Navios Partners has compiled consolidated statements of operations for the three month periods ended March 31, 2017 and 2016. The quarterly 2017 and 2016 information was derived from the unaudited condensed consolidated financial statements for the respective periods. EBITDA, Adjusted EBITDA, Adjusted Earnings per Common Unit, Adjusted Net Income and Operating Surplus are non-GAAP financial measures and should not be used in isolation or substitution for Navios Partners' results.

	<b>Three Month Period Ended March 31, 2017 (unaudited)</b>	<b>Three Month Period Ended March 31, 2016 (unaudited)</b>
<b>(in \$'000 except per unit data)</b>		
Revenue	\$ 42,411	\$ 45,641
Net (loss)/ income	\$ (5,655)	\$ 209
Adjusted Net income	\$ 720 <sup>(1)</sup>	\$ 209
EBITDA	\$ 22,654	\$ 28,070
Adjusted EBITDA	\$ 25,873 <sup>(2)</sup>	\$ 28,070
Earnings per Common unit (basic and diluted)	\$ (0.06)	\$ —
Adjusted Earnings per Common unit (basic and diluted)	\$ 0.01 <sup>(1)</sup>	\$ —
Operating Surplus	\$ 17,566	\$ 18,283
Maintenance and Replacement Capital expenditure reserve	\$ 3,265	\$ 2,975

- (1) Adjusted Net Income and Adjusted Earnings per Common unit for the three months ended March 31, 2017 have been adjusted to exclude a \$3.2 million write-off of deferred finance fees and discount related to the refinancing of the Term Loan B Facility, \$1.5 million allowance for doubtful accounts, \$1.3 million loss related to the disposal of one of our vessels and \$0.5 million equity compensation expense.
- (2) Adjusted EBITDA for the three months ended March 31, 2017 has been adjusted to exclude a \$1.5 million allowance for doubtful accounts, \$1.3 million loss related to the disposal of one of our vessels and \$0.5 million equity compensation expense.

### **Three month periods ended March 31, 2017 and 2016**

Time charter and voyage revenues for the three month period ended March 31, 2017 decreased by \$3.2 million or 7.1% to \$42.4 million, as compared to \$45.6 million for the same period in 2016. The decrease was mainly attributable to the decrease in TCE to \$14,671 per day for the three month period ended March 31, 2017, from \$15,524 per day for the three month period ended March 31, 2016, due to the sale of the MSC Cristina in January 2017. As a result of the vessel's sale, available days of the fleet decreased to 2,794 days for the three month period ended March 31, 2017, as compared to 2,821 days for the three month period ended March 31, 2016.

EBITDA for the three months ended March 31, 2017 was negatively affected by the accounting effect of a: (i) \$1.5 million allowance for doubtful accounts; (ii) \$1.3 million loss related to the disposal of the MSC Cristina and; (iii) \$0.5 million equity compensation expense. Excluding these items, Adjusted EBITDA decreased by \$2.2 million to \$25.9 million for the three months ended March 31, 2017, as compared to \$28.1 million for the same period in 2016. The decrease in Adjusted EBITDA was primarily due to a: \$3.2 million decrease in revenue and \$0.3 million increase in general and administrative expenses. The above decrease was partially mitigated by a: (i) \$0.4 million decrease in time charter and voyage expenses; (ii) \$0.4 million decrease in management fees due to the sale of the MSC Cristina in January 2017; (iii) \$0.4 million decrease in other expenses; and (iv) \$0.1 million increase in other income.

The reserve for estimated maintenance and replacement capital expenditures for the three month periods ended March 31, 2017 and 2016 were \$3.3 million and \$3.0 million, respectively (please see Reconciliation of Non-GAAP Financial Measures in Exhibit 3).

Navios Partners generated an operating surplus for the three month period ended March 31, 2017 of \$17.6 million, compared to \$18.3 million for the three month period ended March 31, 2016. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (please see Reconciliation of Non-GAAP Financial Measures in Exhibit 3).

Net income for the three months ended March 31, 2017 was negatively affected by the accounting effect of a: (i) \$3.2 million write-off of deferred finance fees and discount related to the refinancing of the Term Loan B Facility; (ii) \$1.5 million allowance for doubtful accounts; (iii) \$1.3 million loss related to the disposal of the MSC Cristina; and (iv) \$0.5 million equity compensation expense. Excluding these items, Adjusted net income for the three months ended March 31, 2017 amounted to \$0.7 million compared to \$0.2 million for the three months ended March 31, 2016. The increase in Adjusted net income of \$0.5 million was due to a: (i) \$2.0 million decrease in depreciation and amortization expense; (ii) \$0.5 million decrease in interest expense and finance cost, net; and (iii) \$0.5 million increase in interest income. The above increase was partially mitigated by a \$2.2 million decrease in adjusted EBITDA and \$0.2 million increase in direct vessel expenses, comprising of the amortization of dry dock and special survey costs.

### **Fleet Employment Profile**

The following table reflects certain key indicators of Navios Partners' core fleet performance for the three months ended March 31, 2017 and 2016.

	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
Available Days <sup>(1)</sup>	2,794	2,821
Operating Days <sup>(2)</sup>	2,790	2,820
Fleet Utilization <sup>(3)</sup>	99.83%	99.96%
Time Charter Equivalent (per day) <sup>(4)</sup>	\$ 14,671	\$ 15,524
Vessels operating at period end	31	31

(1) Available days for the fleet represent total calendar days the vessels were in Navios Partners' possession for the relevant period after subtracting off-hire days associated with scheduled repairs, dry dockings or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which a vessel is capable of generating revenues.

(2) Operating days is 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 Partners' vessels were available for revenue generating available days, 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 efficiency in finding employment for vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs, drydockings or special surveys.
- (4) TCE rate: Time Charter Equivalent rate per day is defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The TCE rate per day is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of charter contracts for the number of available days of the fleet.

### **Conference Call Details:**

Navios Partners' management will host a conference call today, Monday, May 22, 2017 to discuss the results for the first quarter ended March 31, 2017.

Call Date/Time: Monday, May 22, 2017 at 8:30 am ET

Call Title: Navios Partners Q1 2017 Financial Results Conference Call

US Dial In: +1.866.394.0817

International Dial In: +1.706.679.9759

Conference ID: 2091 0008

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

US Replay Dial In: +1.800.585.8367

International Replay Dial In: +1.404.537.3406

Conference ID: 2091 0008

### **Slides and audio webcast:**

There will also be a live webcast of the conference call, through the Navios Partners website ([www.navios-mlp.com](http://www.navios-mlp.com)) under "Investors". Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

A supplemental slide presentation will be available on the Navios Partners' website under the "Investors" section by 8:00 am ET on the day of the call.

### **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 our website at [www.navios-mlp.com](http://www.navios-mlp.com).

### **Forward-Looking Statements**

This press release contains forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events including Navios Partners' 2017 cash flow generation, future contracted revenues, future distributions and its ability to have a dividend going forward, opportunities to reinvest cash accretively in a fleet renewal program or otherwise, potential capital gains, our ability to take advantage of dislocation in the market and Navios Partners' growth strategy and measures to implement such strategy; including expected vessel acquisitions 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. Such statements include comments regarding expected revenue and time charters.

These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Navios Partners at the time these statements were made. Although Navios Partners 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 Partners. 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, 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 dry cargo shipping sector in general and the demand for our Panamax, Capesize, Ultra-Handymax and Container vessels in particular, fluctuations in charter rates for dry cargo carriers and container 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 Partners operates; risks associated with operations outside the United States; and other factors listed from time to time in Navios Partners' filings with the Securities and Exchange Commission, including its Form 20-Fs and Form 6-Ks. Navios Partners 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 Partners' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Partners makes no prediction or statement about the performance of its common units.

## **Contacts**

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**NAVIOS MARITIME PARTNERS L.P.**  
**SELECTED BALANCE SHEET DATA**  
(Expressed in thousands of U.S. Dollars except unit data)

	March 31, 2017 (unaudited)	December 31, 2016 (unaudited)
<b>ASSETS</b>		
Cash and cash equivalents, including restricted cash	\$ 117,949	\$ 25,088
Other current assets	36,674	31,261
Vessels, net	1,023,602	1,037,206
Vessel held for sale	—	125,000
Other non-current assets	90,013	31,073
Intangible assets	15,781	18,952
<b>Total assets</b>	<b>\$ 1,284,019</b>	<b>\$ 1,268,580</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Other current liabilities	\$ 29,235	\$ 24,919
Current portion of long-term debt, net	22,009	74,031
Long-term debt, net	402,476	449,745
Other non-current liabilities	25,586	39,676
Total partners' capital	804,713	680,209
<b>Total liabilities and partners' capital</b>	<b>\$ 1,284,019</b>	<b>\$ 1,268,580</b>

**NAVIOS MARITIME PARTNERS L.P.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Expressed in thousands of U.S. Dollars except unit and per unit data)

	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
Time charter and voyage revenues	\$ 42,411	\$ 45,641
Time charter and voyage expenses	(1,413)	(1,849)
Direct vessel expenses	(1,702)	(1,464)
Management fees (entirely through related parties transactions)	(14,343)	(14,719)
General and administrative expenses	(3,212)	(2,488)
Depreciation and amortization	(16,775)	(18,805)
Interest expense and finance cost, net	(10,355)	(7,664)
Interest income	523	72
Other income	3,120	3,054
Other expense	(3,909)	(1,569)
<b>Net (loss)/ income</b>	<b>\$ (5,655)</b>	<b>\$ 209</b>

**Earnings per unit:**

	Three Month Period Ended March 31, 2017 (unaudited)	Three Month Period Ended March 31, 2016 (unaudited)
Earnings per unit:		
Common unit (basic and diluted)	\$ (0.06)	\$ —

**NAVIOS MARITIME PARTNERS L.P.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of U.S. Dollars)

	<b>Three Month Period Ended March 31, 2017 (unaudited)</b>	<b>Three Month Period Ended March 31, 2016 (unaudited)</b>
<b>OPERATING ACTIVITIES:</b>		
<b>Net cash (used in)/ provided by operating activities</b>	<b>(1,737)</b>	<b>23,531</b>
<b>INVESTING ACTIVITIES:</b>		
Net cash proceeds from sale of vessels	107,250	—
Repayments of notes receivable	1,172	—
Loans receivable from affiliates	(6,327)	(450)
Note receivable from affiliates	(4,050)	—
<b>Net cash provided by/ (used in) investing activities</b>	<b>98,045</b>	<b>(450)</b>
<b>FINANCING ACTIVITIES:</b>		
Net proceeds from issuance of general partner units	2,626	—
Proceeds from issuance of common units, net of offering costs	98,207	—
Common units issuance cost for Navios Europe I loans	(561)	—
Proceeds from long-term debt	391,100	—
Net decrease in restricted cash	985	5,326
Repayment of long-term debt and payment of principal	(489,942)	(21,780)
Deferred financing cost	(4,434)	—
<b>Net cash used in financing activities</b>	<b>(2,019)</b>	<b>(16,454)</b>
<b>Increase in cash and cash equivalents</b>	<b>94,289</b>	<b>6,627</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>17,360</b>	<b>26,750</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 111,649</b>	<b>\$ 33,377</b>

<b>Owned Drybulk Vessels</b>	<b>Type</b>	<b>Built</b>	<b>Capacity (DWT)</b>
Navios Apollon <sup>(1)</sup>	Ultra-Handymax	2000	52,073
Navios Soleil	Ultra-Handymax	2009	57,337
Navios La Paix	Ultra-Handymax	2014	61,485
Navios Gemini S	Panamax	1994	68,636
Navios Libra II	Panamax	1995	70,136
Navios Felicity	Panamax	1997	73,867
Navios Galaxy I	Panamax	2001	74,195
Navios Hyperion	Panamax	2004	75,707
Navios Alegria	Panamax	2004	76,466
Navios Orbiter	Panamax	2004	76,602
Navios Helios	Panamax	2005	77,075
Navios Hope	Panamax	2005	75,397
Navios Sun	Panamax	2005	76,619
Navios Sagittarius	Panamax	2006	75,756
Navios Harmony	Panamax	2006	82,790
Navios Fantastiks	Capesize	2005	180,265
Navios Aurora II	Capesize	2009	169,031
Navios Pollux	Capesize	2009	180,727
Navios Fulvia	Capesize	2010	179,263
Navios Melodia	Capesize	2010	179,132
Navios Luz	Capesize	2010	179,144
Navios Buena Ventura	Capesize	2010	179,259
Navios Joy	Capesize	2013	181,389
Navios Beaufiks	Capesize	2004	180,310

(1) The vessel was sold on April 21, 2017.

<b>Vessels to be delivered</b>	<b>Type</b>	<b>Built</b>	<b>Capacity (DWT)</b>	<b>Delivery Date</b>
Navios TBN I	Panamax	2007	75,511	Q3 2017
Navios TBN II	Panamax	2007	75,527	Q3 2017
Navios TBN III	Capesize	2010	178,132	Q3 2017
Navios TBN IV	Capesize	2009	180,274	Q3 2017
Navios TBN V	Capesize	2011	179,016	Q2 2017

<b>Owned Container Vessels</b>	<b>Type</b>	<b>Built</b>	<b>Capacity (TEU)</b>
Hyundai Hongkong	Container	2006	6,800
Hyundai Singapore	Container	2006	6,800
Hyundai Tokyo	Container	2006	6,800
Hyundai Shanghai	Container	2006	6,800
Hyundai Busan	Container	2006	6,800
YM Utmost	Container	2006	8,204
YM Unity	Container	2006	8,204

**Disclosure of Non-GAAP Financial Measures****1. EBITDA and Adjusted EBITDA**

EBITDA represents net income before interest and finance costs, before depreciation and amortization (including intangible accelerated amortization) and income taxes. Adjusted EBITDA represents EBITDA before equity compensation expense, loss on sale of vessel and allowance for doubtful accounts. We use Adjusted EBITDA as a 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 in this document 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 and write-off of deferred finance charges and other related expenses, (v) allowance for doubtful accounts, (vi) equity in earnings of affiliates, (vii) payments for drydock and special survey costs, (viii) gain/(loss) on sale of assets/subsidiaries, (ix) impairment charges, (x) non cash accrued interest income and amortization of deferred revenue, (xi) gain/(loss) on debt repayments and (xii) equity compensation expense. Navios Partners believes that EBITDA and Adjusted EBITDA are each the basis upon which liquidity can be assessed and presents useful information to investors regarding Navios Partners' ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and make cash distributions. Navios Partners 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.

Adjusted EBITDA represents EBITDA excluding certain items, as described under "Earnings Highlights."

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 Partners' 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 Partners' 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.

**2. Operating Surplus**

Operating Surplus represents net income adjusted for depreciation and amortization expense, non-cash interest expense, estimated maintenance and replacement capital expenditures and one-off items. Maintenance and replacement capital expenditures are those capital expenditures required to maintain over the long term the operating capacity of, or the revenue generated by, Navios Partners' capital assets.

Operating Surplus is a quantitative measure used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Operating Surplus is not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

### 3. Available Cash

Available Cash generally means for each fiscal quarter, all cash on hand at the end of the quarter:

- less the amount of cash reserves established by the Board of Directors to:
  - provide for the proper conduct of Navios Partners' business (including reserve for maintenance and replacement capital expenditures);
  - comply with applicable law, any of Navios Partners' debt instruments, or other agreements; or
  - provide funds for distributions to the unitholders and to the general partner for any one or more of the next four quarters;
- plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under any revolving credit or similar agreement used solely for working capital purposes or to pay distributions to partners.

Available Cash is a quantitative measure used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Available cash is not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

#### 4. Reconciliation of Non-GAAP Financial Measures

	Three Month Period Ended March 31, 2017 (\$ '000) (unaudited)	Three Month Period Ended March 31, 2016 (\$ '000) (unaudited)
Net cash (used in)/ provided by operating activities	\$ (1,737)	\$ 23,531
Net increase in operating assets	9,591	2,047
Net decrease/ (increase) in operating liabilities	9,617	(4,299)
Net interest cost	9,832	7,592
Amortization and write-off of deferred financing cost	(4,554)	(836)
Non cash accrued interest income and amortization of deferred revenue	3,085	—
Equity compensation expense	(464)	—
Non cash accrued interest income from receivable from affiliates	80	—
Allowance for doubtful accounts	(1,495)	—
Loss on vessel disposal	(1,260)	—
Equity in earnings of affiliates	(41)	35
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 22,654</b>	<b>\$ 28,070</b>
Allowance for doubtful accounts	1,495	—
Loss on vessel disposal	1,260	—
Equity compensation expense	464	—
<b>Adjusted EBITDA</b>	<b>\$ 25,873</b>	<b>\$ 28,070</b>
Cash interest income	101	4
Cash interest paid	(5,143)	(6,816)
Maintenance and replacement capital expenditures	(3,265)	(2,975)
<b>Operating Surplus</b>	<b>\$ 17,566</b>	<b>\$ 18,283</b>
Cash reserves	(17,566)	(18,283)
<b>Available cash for distribution</b>	<b>\$ —</b>	<b>\$ —</b>

(1)

	Three Month Period Ended March 31, 2017 (\$ '000) (unaudited)	Three Month Period Ended March 31, 2016 (\$ '000) (unaudited)
Net cash (used in)/ provided by operating activities	\$ (1,737)	\$ 23,531
Net cash provided by/ (used in) investing activities	\$ 98,045	\$ (450)
Net cash used in financing activities	\$ (2,019)	\$ (16,454)