

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring shell company report _____

For the transition period from _____ to _____

Commission file number
001-33311

Navios Maritime Holdings Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's Name into English)

Republic of Marshall Islands

(Jurisdiction of incorporation or organization)

Strathvale House, 90 N Church Street,
P.O. Box 309, Grand Cayman,
KY1-1104 Cayman Islands

(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	NM	The New York Stock Exchange
8.75% Series G Cumulative Redeemable Perpetual Preferred Stock, par value \$0.0001 per share ("Series G")		The New York Stock Exchange*
American Depositary Shares, each representing 1/100 th of a Share of Series G	NM-PG	The New York Stock Exchange
8.625% Series H Cumulative Redeemable Perpetual		The New York Stock Exchange *

**Preferred Stock, par value \$0.0001 per share
("Series H")**

**American Depositary Shares, each representing
1/100th of a Share of Series H**

NM-PH

The New York Stock Exchange

* Not for trading, but in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act. None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:

25,198,620 shares of common stock, 5,350 shares of Series G and 17,682 shares of Series H as of December 31, 2021

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definition of "accelerated filer" and "large accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated Filer

Accelerated Filer

Non-accelerated Filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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In this Annual Report, “we”, “us”, “our”, the “Company” and “Navios Holdings” all refer to Navios Maritime Holdings Inc. and its consolidated subsidiaries, as the context otherwise requires. We are incorporated as a Republic of the Marshall Islands corporation. References to “Navios Logistics” are to our majority-owned subsidiary Navios South American Logistics Inc., a Republic of the Marshall Islands corporation. References to the “Manager” are to Navios Shipmanagement Inc., a Republic of the Marshall Islands corporation. References to “NSM” are to N Shipmanagement Acquisition Corp together with its wholly-owned subsidiaries.

FORWARD-LOOKING STATEMENTS

This Annual Report should be read in conjunction with the consolidated financial statements and accompanying notes included in this report.

Certain statements under the captions “Item 3D. Risk Factors,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects” and elsewhere in this report relating to our business and financial outlook (including our statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto) constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather our current views, beliefs and assumptions with respect to expectations, estimates and projections about our industry. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond our control, we cannot assure provide assurance that we will achieve or accomplish these expectations, beliefs or projections. In some cases, the words “may,” “could,” “should,” “would,” “expect,” “plan,” “anticipate,” “intend,” “forecast,” “believe,” “estimate,” “predict,” “propose,” “potential,” “continue” and similar expressions will identify forward-looking statements.

In addition to these important factors and matters discussed elsewhere herein, important factors that, could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to:

- our ability to refinance our indebtedness including our 2022 Senior Secured Notes (as defined herein);
- our future financial condition or results of operations and our future revenues and expenses;
- demand for seaborne transportation of the products we ship;
- the cyclical nature of the international shipping industry;
- global and regional economic and political conditions including the Russian/Ukrainian conflict and the ongoing impact of the global pandemic resulting from the novel coronavirus (“COVID-19”), and worldwide efforts to contain its spread, including effects on global economic activity;
- the ability and willingness of charterers to fulfill their obligations to us;
- prevailing charter rates and vessel values;
- shipyards performing scrubber installations, drydocking and repairs;
- changing vessel crews;
- our ability to access debt and equity markets;
- changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors;
- potential disruption of shipping routes due to accidents, diseases, pandemics, political events, wars, piracy or acts by terrorists, uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles;
- potential liability and costs due to environmental, safety and other incidents involving our vessels;

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- our continued ability to charter-out and 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 Handysize vessels in particular;
- 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;
- 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; receipt of dividends and distributions from affiliate companies;
- the Company's ability to maintain compliance with the continued listing standards of the New York Stock Exchange (the "NYSE");
- the expected cost of, and our ability to comply with, governmental regulations, maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers;
- our ability to retain key executive officers;
- general domestic and international political conditions;
- competitive factors in the markets in which we operate;
- the value of our publicly traded subsidiaries; and
- risks associated with operations outside the United States, and other important factors described from time to time in the reports we file with the Securities and Exchange Commission (the "SEC").

We caution readers of this Annual Report on Form 20-F not to place undue reliance on these forward-looking statements, which reflect our view only as of the date of this report. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

We do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, changes in future operating results over time or otherwise.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Reserved

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Relating to Our Indebtedness

- *We have substantial debt and may incur substantial additional debt, including secured debt, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and make payments under our debt obligations.*
- *The agreements and instruments governing our debt, other than our 9.75% Senior Notes due in 2024 (the "2024 Notes"), contain restrictions and limitations that could significantly impact our ability to operate our business.*
- *Our ability to generate the significant amount of cash needed to pay interest and principal and otherwise service our debt and our ability to refinance all or a portion of our indebtedness or obtain additional financing depend on multiple factors, many of which may be beyond our control.*
- *We may be unable to raise funds necessary to finance the change of control repurchase offer required by the indentures governing our outstanding notes, other than the 2024 Notes, and our secured credit facilities.*
- *The market value of our vessels may fluctuate significantly, which could cause us to be in breach of certain debt covenants in our credit facilities that we currently have or debt covenants that we may incur in the future and result in foreclosure on our mortgaged vessels.*
- *As LIBOR is replaced as the reference rate under our debt obligations, it could affect our profitability, earnings and cash flow.*
- *We may require additional financing to acquire vessels or businesses or to exercise vessel purchase options, and such financing may not be available.*
- *Our Chairwoman and Chief Executive Officer beneficially owns approximately 40.8% of our common stock. Her failure to own a significant amount of our common stock or to be our Chief Executive Officer would constitute a default under our secured credit facilities.*

Risks Associated with the Shipping Industry and Our Operations

- *We currently have equity investments in two companies, one of which is not consolidated in our financial results, and our investment in such companies is subject to the risks related to their respective businesses.*
- *The cyclical nature of the shipping industry may lead to decreases in charter rates and lower vessel values, which could adversely affect our and our affiliate companies' results of operations and financial condition. In particular, charter rates in the dry cargo market were at or near historical lows in the first half of 2020 and certain of our vessels may operate below operating cost.*
- *An oversupply of vessel capacity may depress charter rates, which may affect our ability to operate our vessels profitably.*
- *Our growth depends on continued growth in demand for dry bulk commodities and the shipping of dry bulk cargoes.*
- *Disruptions in global financial markets from terrorist attacks, regional armed conflicts, wars, trade wars, general political unrest, economic crises, protectionist policies, the emergence of a new pandemic and the resulting governmental action to limit its effect could have a material adverse impact on our results of operations, financial condition and cash flows, and our ability to obtain financing required to acquire vessels or refinance our indebtedness. Furthermore, such a disruption could cause the market price of our shares to decline.*
- *An increase in trade protectionism and the unraveling of multilateral trade agreements could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.*
- *A decrease in the level of China's imports of raw materials or a decrease in trade globally could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.*
- *We conduct a substantial amount of business in China. The legal system in China has inherent uncertainties that could limit the legal protections available to us and could have a material adverse impact on our business, results of operations, financial condition and cash flows.*
- *When our contracts expire, we may not be able to replace them successfully. Our capacity to replace them depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition from new entrants and established companies with significant resources. Our growth depends on our ability to replace expired contracts.*
- *We may employ vessels on the spot market and thus expose ourselves to risk of losses based on short-term decreases in shipping rates.*
- *We depend upon significant customers for part of our revenues. The loss of one or more of these customers or a decline in the financial capability of our customers could materially adversely affect our financial performance.*
- *We are subject to certain credit risks with respect to our counterparties on contracts, and the failure of such counterparties to meet their obligations could cause us to suffer losses on such contracts and thereby decrease revenues.*
- *The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business, which could adversely affect our expenses, net income, cash flow and the price of our common stock.*

- *We are subject to various laws, regulations, and international conventions, particularly environmental and safety laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities, including any resulting from a spill or other environmental incident, which could affect our expenses, net income, cash flow and the price of our common stock.*
- *Climate change and government laws and regulations related to climate change could negatively impact our financial condition.*
- *We are subject to vessel security regulations and will incur costs to comply with recently adopted regulations and we may be subject to costs to comply with similar regulations that may be adopted in the future in response to terrorism.*
- *Acts of piracy on ocean-going vessels could adversely affect our business.*
- *Our financial and operating performance may be adversely affected by the ongoing COVID-19 pandemic outbreak.*
- *Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.*
- *The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.*
- *A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.*
- *Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.*
- *We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.*
- *We may be subject to litigation that, if not resolved in our favor or not sufficiently insured against, could have a material adverse effect on us.*
- *Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flow.*
- *The risks and costs associated with vessels increase as the vessels age or the aging of our vessels may result in increased operating costs in the future, which could adversely affect our earnings.*
- *Technological innovation could reduce our charter hire income and the value of our vessels.*
- *A number of owners have ordered so-called “eco-type” vessel designs or have retrofitted scrubbers to remove sulphur from exhaust gases, which may offer substantial bunker savings as compared to older designs or vessels without exhaust gas scrubbers. Increased demand for and supply of “eco-type” or scrubber retrofitted vessels could reduce demand for our vessels that are not classified as such and expose us to lower vessel utilization and/or decreased charter rates.*
- *Fuel price fluctuations may have an adverse effect on our profits.*
- *If we fail to manage our growth properly, we may not be able to expand our fleet successfully, which may adversely affect our overall financial position.*
- *We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.*
- *Delays in deliveries of secondhand vessels, our decision to cancel an order for purchase of a vessel or our inability to otherwise complete the acquisitions of additional vessels for our fleet, could harm our business, financial condition and results of operations.*
- *If we purchase any newbuilding vessels, delays, cancellations or non-completion of deliveries of newbuilding vessels could harm our operating results.*
- *If we expand the size of our fleet in the future, we generally will be required to make significant installment payments for acquisitions of vessels even prior to their delivery and generation of revenue. Depending on whether we finance our expenditures through cash from operations or by issuing debt or equity securities, our ability to make cash distributions, to the extent we are making distributions, may be diminished or our financial leverage could increase or our stockholders could be diluted.*
- *The market values of our vessels, may fluctuate significantly. If vessel value are low at a time when we are attempting to dispose of a vessel, we could incur a loss*
- *Although we have long-standing relationships with certain Japanese shipowners that provide us access to competitive contracts and financing, we cannot provide any assurance that we will always be able to maintain such relationships or that such contracts will continue to be available in the future.*

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- *Our vessels may be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.*
- *Vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition.*
- *We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution.*
- *Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions/authorities.*
- *Security breaches and disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could have a material adverse effect on our business, financial condition, cash flows and results of operations.*
- *Changing laws and evolving reporting requirements could have an adverse effect on our business.*
- *We could be materially adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and anti-corruption laws in other applicable jurisdictions.*
- *Because we generate substantially all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses, thereby increasing expenses and reducing income.*

Risks Relating to Our Organizational Structure and Other Legal Matters

- *We are dependent on the Manager, a wholly-owned subsidiary of NSM (defined elsewhere in the document) for the technical, commercial, administrative and technical management of our fleet.*
- *We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments.*
- *Our Chairwoman and Chief Executive Officer, Angeliki Frangou, beneficially owns approximately 40.8% of our common stock, which gives her voting power over matters on which our stockholders are entitled to vote, and accordingly, she can exert considerable influence over our actions. Ms. Frangou may acquire significant additional ownership interests in Navios Holdings, and may have interests that are different from the interests of our other stockholders.*
- *We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.*
- *Because we are incorporated under the laws of the Republic of the Marshall Islands and our business is operated primarily from our office in the Cayman Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.*
- *The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.*
- *Being a foreign private issuer exempts us from certain SEC and NYSE requirements.*
- *Anti-takeover provisions in our amended and restated articles of incorporation could make it difficult for our stockholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.*
- *The Manager may be unable to attract and retain qualified, skilled employees or crew necessary to operate our vessels and business or may have to pay increased costs for our employees and crew and other vessel operating costs.*
- *The loss of key members of our senior management team could disrupt the management of our business.*
- *Navios Partners and its affiliate companies may compete with us.*
- *Our officers, certain of our directors and stockholders are affiliated with entities engaged in business activities similar to those conducted by us, which may compete directly with us, causing such persons to have conflicts of interest and conflicts in the allocation of their time to our business.*
- *Fees and cost reimbursements, which the Manager determines for services provided to us, represent significant percentage of our revenues, are payable regardless of profitability and reduce our cash available for distributions.*

Risks Relating to Our Common Stock

- *Our stock price may be volatile, and investors in our common stock could lose all or part of their investment.*

- *You may experience future proportionate ownership dilution as a result of future equity offerings, or other issuances of our common shares, preferred shares or other securities, including shares issued for debt repayment purposes or otherwise.*
- *The NYSE may delist our securities from quotation on its exchange, which could limit the ability of our securityholders to trade our securities and subject us to additional trading restrictions.*

Risks Relating to Our Series G Shares, Series H Shares and the Depositary Shares and Convertible Debt

- *Our Series G shares (“Series G”) and Series H shares (“Series H” and, together with the Series G, the “Series G and H”) are represented by American Depositary Shares (the “Depositary Shares”). The Depositary Shares are subordinated to our debt obligations, and the interests of a holder of Series G, Series H or Depositary Shares could be diluted by the issuance of additional shares, including additional Series G or Series H or by other transactions.*
- *We may not have sufficient cash from our operations to enable us to pay dividends on or to redeem our Series G and H, and accordingly the Depositary Shares, as the case may be, following the payment of expenses and the establishment of any reserves.*
- *Our ability to pay dividends on and to redeem our Series G and H, and therefore holders’ ability to receive payments on the Depositary Shares, is limited by the requirements of Marshall Islands law.*
- *The Series G and H represent perpetual equity interests.*
- *Holders of Depositary Shares have extremely limited voting rights. The voting rights of holders of Depositary Shares are more limited than the voting rights of holders of the Series G and H. Holders of Depositary Shares may encounter difficulties in exercising some of such voting rights.*
- *The Depositary Shares lack a well-developed trading market. Various factors may adversely affect the price of the Depositary Shares.*
- *Depositary Shares became less liquid following the Exchange Offer.*
- *The Series G and H represented by the Depositary Shares have not been rated, and ratings of any other of our securities may affect the trading price of the Depositary Shares.*
- *The amount of the liquidation preference of our Series G and H is fixed and holders will have no right to receive any greater payment regardless of the circumstances.*
- *The Series G and H are redeemable only at our option and investors should not expect us to redeem either the Series G or the Series H on the dates they respectively become redeemable or at any time afterwards.*
- *Holders of Depositary Shares may be subject to additional risks related to holding Depositary Shares rather than holding shares directly.*

Risks Relating to Navios Logistics

- *The international transportation industry is generally cyclical and volatile, and this may lead to volatility in, and reductions of, Navios Logistics’ vessel contract rates and volatility in its results of operations.*
- *Navios Logistics’ grain port business has seasonal components linked to the grain harvests in the region. At times throughout the year, the capacity of its grain port terminal, including the loading and unloading operations, and potential unavailability of space in its silos, which could materially and adversely affect its operations and revenues.*
- *Navios Logistics is subject to certain operating risks in its port terminals that could affect the performance of its contractual commitments, and in its barge and cabotage businesses, including vessel breakdowns or accidents, which could result in a loss of revenue from the affected vessels, which could result in a loss of revenue and could have a material adverse effect on its results of operations or financial condition.*
- *Navios Logistics derives a significant part of its revenues from a small number of customers, and the loss of one or more of these customers could materially and adversely affect its revenues.*
- *Vale’s payments represent a significant portion of Navios Logistics’ revenue and if Vale were unable or unwilling to fulfill their obligations under the in-force agreements with Navios Logistics, it could significantly reduce Navios Logistics’ revenues and cash flow.*
- *When Navios Logistics’ contracts expire, Navios Logistics may not be able to replace them.*
- *Navios Logistics’ industry is highly competitive, and Navios Logistics may not be able to compete successfully for services with new companies with greater resources.*

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- *Navios Logistics' business can be affected by adverse weather conditions, effects of climate change, public health concerns, and other factors beyond its control, which can affect production of the goods it transports and stores as well as the navigability of the river system on which it operates.*
- *Delays, cancellations or non-completion of deliveries of purchased vessels, including second-hand and newbuilding vessels could have an adverse effect on Navios Logistics' operating results.*
- *Navios Logistics faces risks and costs associated with ports and vessels, which risks and costs increase as the operational port equipment and vessels age.*
- *Spare parts or other key equipment needed for the operation of its ports and fleet may not be available off the shelf and Navios Logistics may face substantial delays in securing necessary parts or equipment. Failure to obtain necessary spare parts or key equipment in a timely manner could result in a loss of revenue.*
- *Navios Logistics' failure to receive required approvals for or timely complete construction and commence full operation or secure satisfactory commercial contracts of its new planned port Murtinho terminal and Nueva Palmira Free Zone port terminal facilities could negatively affect Navios Logistics' business operations, and Navios Logistics may experience difficulty managing its growth as it expands its business.*
- *Rising crew costs, fuel prices and other cost increases may adversely affect Navios Logistics' profits.*
- *If Navios Logistics fails to fulfill the oil majors' vetting processes, such failure could materially and adversely affect the employment of its tanker vessels in the spot and period markets, and consequently have a negative impact on its results of operations.*
- *A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.*
- *Navios Logistics' vessels could be subject to seizure through maritime arrest or government requisition.*
- *The smuggling of drugs or other contraband onto Navios Logistics' vessels may lead to governmental claims against Navios Logistics.*
- *Navios Logistics may employ its fleet on the spot market and thus expose itself to risk of losses based on short-term decreases in shipping rates.*
- *Because the fair market values of vessels may fluctuate significantly, Navios Logistics may incur losses when they sell its vessels.*
- *Navios Logistics' industry has inherent operational risks that its insurance may not adequately cover.*
- *Because Navios Logistics obtains some of its insurance through protection and indemnity associations, they may also be subject to calls, or premiums, in amounts based not only on its own claim records, but also on the claim records of all other members of the protection and indemnity associations.*

Risks Relating to Environmental Matters

- *Navios Logistics is subject to various laws, regulations, and international conventions, particularly environmental and safety laws that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities including any resulting from a spill or other environmental incident, which could affect its cash flows and profit.*
- *Navios Logistics is subject to extensive environmental legislation, and if they or its subsidiaries do not comply with the applicable regulations, its business may be adversely affected.*
- *Navios Logistics may be liable for losses and damages to third parties, including environmental damages.*
- *Navios Logistics may fail to comply with the conditions required under its environmental licenses.*

Risks Relating to the Countries in which Navios Logistics Operates

Risks Relating to Argentina

- *The economic conditions of Argentina may affect the financial condition and results of operations of its Argentine subsidiary.*
- *The impact of political developments in Argentina remains uncertain and could adversely affect the Argentine economy*
- *Continuing inflation may have material adverse effects on the Argentine economy.*
- *The current and future foreign exchange policy of Argentina may affect the ability of Navios Logistics' Argentine subsidiary to make cash remittances outside of Argentina.*
- *The Argentine government has made certain changes to its tax rules that affected Navios Logistics' operations in Argentina in the past, and could further increase the fiscal burden on its operations in Argentina in the future.*
- *Fluctuations in the value of the Argentine peso could adversely affect the Argentine economy, and consequently Navios Logistics' results of operations in Argentina or the financial condition of Navios Logistics' Argentine subsidiary.*
- *The Argentine economy could be adversely affected by economic developments in other global markets.*
- *Future policies of the Argentine government may affect the economy as well as Navios Logistics' operations in Argentina.*

Risks Relating to Uruguayan Free Zone Regulation

- *Navios Logistics may be materially and adversely affected by any termination, non-renewal or non-extension of the tax incentives that benefit certain of its subsidiaries in Uruguay.*

Other Risks Relating to the Countries in which Navios Logistics' Operates

- *Navios Logistics is an international company, and as such is exposed to the risks of doing business in many different countries, including risks associated with operating in emerging market countries, whose economies, markets and legal systems may be less developed.*
- *Changes in rules and regulations with respect to cabotage or the interpretation of such rules and regulations in the markets in which Navios Logistics' operate could have a material adverse effect on its results of operations.*
- *Because Navios Logistics generates the majority of its revenues in U.S. dollars but incurs a significant portion of its expenses in other currencies, exchange rate fluctuations could cause it to suffer exchange rate losses, thereby increasing expenses and reducing income.*

Tax Risks

- *We may earn U.S. source income that is subject to tax, thereby adversely affecting our results of operations and cash flows.*
- *Navios Holdings may be taxed as a U.S. corporation.*
- *A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate our business could result in a high tax rate on our worldwide earnings, which could result in a significant negative impact on our earnings and cash flows from operations.*
- *U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. holders.*

Readers should carefully consider each of the following risks together with the other information contained in or incorporated by reference into this Annual Report when evaluating the Company's business and its prospects. The risks and uncertainties described below are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the Company's business operations. If any of the following risks relating to our business and operations actually occur, our business, financial condition and results of operations could be materially and adversely affected and in that case, the trading price of our common stock could decline.

Risks Relating to Our Indebtedness

We have substantial debt and may incur substantial additional debt, including secured debt, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and make payments under our debt obligations.

As of December 31, 2021, we had \$1,405.8 million in aggregate principal amount of debt outstanding.

Our substantial debt could have important consequences to holders of our common stock. Because of our substantial debt,

- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, vessel or other acquisitions or general corporate purposes and our ability to satisfy our obligations with respect to our debt may be impaired in the future;
- if new debt is added to our debt levels after the vessel acquisition, the related risks that we now face would increase and we may not be able to meet all of our debt obligations;
- a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes, and there can be no assurance that our operations will generate sufficient cash flow to service this indebtedness;
- we will be exposed to the risk of increased interest rates because our borrowings under our secured credit facilities will be at variable rates of interest;
- it may be difficult for us to satisfy our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness;
- we may be more vulnerable to general adverse economic and industry conditions;
- we may be at a competitive disadvantage compared to our competitors with less debt or comparable debt at more favorable interest rates and, as a result, we may not be better positioned to withstand economic downturns;
- our ability to refinance indebtedness may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, or we may be prevented from carrying out capital expenditures that are necessary or important to our growth strategy and efforts to improve operating margins or our business.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future as the terms of the indenture governing our 11.25% Senior Secured Notes due 2022 (the “2022 Senior Secured Notes”) and our credit facilities do not fully prohibit us or our subsidiaries from doing so. The terms of the indenture governing the 10.75% Senior Notes due 2025 (the “2025 Logistics Senior Notes”) of Navios Logistics and the agreements governing the terms of the other indebtedness of Navios Logistics also permit Navios Logistics to incur substantial additional indebtedness in accordance with the terms of such agreements. If new debt is added to our current debt levels, the related risks that we now face would increase and we may not be able to meet all of our debt obligations.

The agreements and instruments governing our debt, other than the 2024 Notes, contain restrictions and limitations that could significantly impact our ability to operate our business.

Our secured credit facilities and our indentures, other than the indenture governing the 2024 Notes, impose certain operating and financial restrictions on us. These restrictions limit our ability to:

- incur or guarantee additional indebtedness;
- create liens on our assets;
- make new investments;
- engage in mergers and acquisitions;
- pay dividends or redeem capital stock;
- make capital expenditures;
- change the flag, class or commercial and technical management of our vessels;

- enter into long-term charter arrangements without the consent of the lender; and
- sell any of our vessels.

Our ability to comply with the covenants and restrictions that are contained in our credit facilities and any other debt instruments we may enter into in the future may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we are in breach of any of the restrictions, covenants, ratios or tests in our credit facilities, especially if we trigger a cross default currently contained in certain of our loan agreements, a significant portion of our obligations may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We may not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under our credit facilities are secured by certain of our vessels, and if we are unable to repay borrowings under such credit facilities, lenders could seek to foreclose on those vessels. We anticipate that any subsequent refinancing of our current debt or any new debt will have similar restrictions.

The agreements governing the terms of Navios Logistics' indebtedness impose similar restrictions upon Navios Logistics.

Therefore, we and Navios Logistics will need to seek permission from our respective lenders in order to engage in some corporate and commercial actions that we believe would be in the best interest of our respective business, and a denial of permission may make it difficult for us or for Navios Logistics to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. The interests of our and Navios Logistics' lenders may be different from our respective interests or those of our holders of common stock, and we cannot guarantee that we, or Navios Logistics will be able to obtain the permission of lenders when needed. This may prevent us, or Navios Logistics from taking actions that are in our, our stockholders', or Navios Logistics' best interests. Any future debt agreements may include similar or more restrictive restrictions.

Our ability to generate the significant amount of cash needed to pay interest and principal and otherwise service our debt and our ability to refinance all or a portion of our indebtedness or obtain additional financing depend on multiple factors, many of which may be beyond our control.

Our ability and that of Navios Logistics to make scheduled payments on or to refinance our respective debt obligations will depend on our respective financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to the financial and business factors, many of which may be beyond our or Navios Logistics' control. Our ability and that of Navios Logistics to service debt under our credit facilities also will depend on market interest rates, since the interest rates applicable to our borrowings will fluctuate with the London Interbank Offered Rate ("LIBOR"), its replacement reference rate, or the prime rate.

The principal and interest on such debt will be paid in cash. The payments under our and Navios Logistics' debt will limit funds otherwise available for our respective working capital, capital expenditures, vessel acquisitions and other purposes. As a result of these obligations, our and Navios Logistics' current liabilities may exceed our respective current assets. We or Navios Logistics may need to take on additional debt as we expand our respective fleets and assets, which could increase our respective ratio of debt to equity. The need to service our respective debt may limit funds available for other purposes, and our or Navios Logistics' inability to service debt in the future could lead to acceleration of such debt, the foreclosure on assets such as owned vessels or otherwise negatively affect us.

We may not be able to refinance all or part of our maturing debt on favorable terms, or at all. If our operating income is not sufficient to service our current or future indebtedness, we will be forced to take actions such as delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

We may be unable to raise funds necessary to finance the change of control repurchase offer required by the indentures governing our outstanding notes, other than the 2024 Notes, and our secured credit facilities.

The indentures governing the 2022 Senior Secured Notes and the 2025 Logistics Senior Notes as well as Navios Logistics' secured credit facilities contain change of control provisions. If we or Navios Logistics experience specified changes of control under our respective indentures, we or Navios Logistics, as the case may be, will be required to make an offer to repurchase all of our respective outstanding notes (unless otherwise redeemed), other than the 2024 Notes, at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the repurchase date. The occurrence of specified events that would constitute a change of control may constitute a default under our and Navios Logistics' secured credit facilities. In the event of a change of control under these debt agreements, we cannot provide any assurance that we would have sufficient assets to satisfy all of our obligations under these debt agreements, including but not limited to, repaying all indebtedness outstanding under the applicable secured credit facilities or repurchasing the applicable notes.

The market value of our vessels may fluctuate significantly, which could cause us to be in breach of certain debt covenants in our credit facilities that we currently have or debt covenants that we may incur in the future and result in foreclosure on our mortgaged vessels.

If the market values of our owned vessels decrease, we may breach covenants contained in our secured credit facilities. If we breach such covenants and are unable to remedy any relevant breach, our lenders could accelerate our debt and foreclose on the collateral, including our vessels. Any loss of vessels would significantly decrease our ability to generate positive cash flow from operations and, therefore, service our debt. In addition, if the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would incur a loss. Navios Logistics may be subject to similar financial consequences under its credit facilities if the market values of its owned vessels decrease.

As LIBOR is replaced as the reference rate under our debt obligations, it could affect our profitability, earnings and cash flow.

Uncertainty surrounding a phase-out of LIBOR may adversely affect the trading market for LIBOR-based agreements, which could negatively affect our operating results and financial condition as well as on our cash flows, including cash available for distributions to our unitholders. We are continuing to evaluate the risks resulting from a termination of LIBOR and our credit facilities generally have fallback provisions in the event of the unavailability of LIBOR, but those fallback provisions and related successor benchmarks may create additional risks and uncertainties.

The publication of LIBOR is expected to be discontinued in mid-2023. The U.S. banking agencies issued guidance instructing banks to cease entering into new contracts referencing LIBOR no later than December 31, 2021, with certain exceptions. The Federal Reserve Bank of New York now publishes the Secured Overnight Financing Rate based on overnight U.S. Treasury repurchase agreement transactions, which has been recommended as the alternative to U.S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve and the Federal Reserve Bank of New York. Accordingly, the method and rate used to calculate our interest rates and/or payments on our floating-rate debt in the future may result in interest rates and/or payments that are higher than, or that do not otherwise correlate over time with, the interest rates and/or payments that would have been applicable to our obligations if LIBOR was available in its current form, which could have a material adverse effect on our financial position, results of operations and liquidity.

We may require additional financing to acquire vessels or businesses or to exercise vessel purchase options, and such financing may not be available.

In the future, we may be required to make substantial cash outlays to exercise options or to acquire vessels or businesses and will need additional financing to cover all or a portion of the purchase prices. We intend to cover the cost of such items with new debt collateralized by the vessels to be acquired, if applicable, but there can be no assurance that we will generate sufficient cash or that debt financing will be available. Moreover, the covenants in our credit facilities, whether it be the indentures or other debt, may make it more difficult to obtain such financing by imposing restrictions on what we can offer as collateral.

Furthermore, our ability to borrow against the ships in our existing fleet and against any ships we may acquire in the future largely depends on the existence of time charter employment of the ship and on the value of the ships, which in turn depends on various external factors. The actual or perceived credit quality of our charterers, any defaults by them, any decline in the market value of our fleet and a lack of long-term employment of our ships may materially affect our ability to obtain the additional capital resources that we will require to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing or committing to financing on unattractive terms could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows.

Our Chairwoman and Chief Executive Officer beneficially owns approximately 40.8% of our common stock. Her failure to own a significant amount of our common stock or to be our Chief Executive Officer would constitute a default under our secured credit facilities.

Should Ms. Frangou or her affiliated entities cease to hold a minimum of 10% of our common stock, or cease to be our Chief Executive Officer we will be in default under certain of our secured credit facilities.

Risks Associated with the Shipping Industry and Our Operations

We currently have equity investments in two companies, one of which is not consolidated in our financial results, and our investment in such companies is subject to the risks related to their respective businesses.

As of December 31, 2021, we had a 63.8% ownership interest in Navios Logistics, and, as a result, Navios Logistics is a consolidated subsidiary. As such, the income and losses relating to Navios Logistics and the indebtedness and other liabilities of Navios Logistics are shown in our consolidated financial statements.

As of December 31, 2021, we had a 10.3% ownership interest in Navios Maritime Partners L.P. (“Navios Partners”). On March 31, 2021, Navios Partners completed the acquisition (“NMCI Merger”) of Navios Maritime Containers L.P. (“Navios Containers”) (Refer to Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included elsewhere in this Annual Report). On October 15, 2021 Navios Partners completed the merger (“NNA Merger” and together with the NMCI Merger, the “Mergers”) with Navios Maritime Acquisition Corporation (“Navios Acquisition”) (Refer to Note 9 “Investments in Affiliate Companies and Investments in Available-for-Sale Securities” to the consolidated financial statements included elsewhere in this Annual Report). Following the NNA Merger and the NMCI Merger, we have an equity investment in one public company (Navios Partners) that is accounted for under the equity method. As of December 31, 2021, the carrying value of our investment in Navios Partners amounted to \$125.7 million. Following the completion of the Mergers, as of the date of this report, we had a 10.3% ownership interest in Navios Partners.

In addition to the value of our investment, we receive dividend payments relating to our investments. As a result of our investment, in fiscal year 2021, we received \$0.2 million in dividends from Navios Acquisition and \$0.5 million in dividends from Navios Partners.

Our ownership interest in Navios Logistics and Navios Partners, and previously also in Navios Containers and Navios Acquisition (now both merged with Navios Partners), and the reflection of such companies (or the investment relating thereto) on our balance sheets and any income generated from or related to such companies are subject to a variety of risks, including risks relating to their respective businesses as disclosed in their respective public filings with the SEC or management reports. Please see the latest Report on Form 20-F filed by Navios Partners. The occurrence of any such risks may negatively affect our financial condition.

We evaluate our investment in Navios Partners and evaluated our investments in Navios Containers and Navios Acquisition (through their NMCI Merger and NNA Merger in March 2021 and September 2021, respectively) for “other-than-temporary impairment” (“OTTI”) on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than the carrying value, (ii) their financial condition and near term prospects, and (iii) our intent and ability to retain our investment in these companies, for a period of time sufficient to allow for any anticipated recovery in fair value. Refer to Notes 9 and 16 included elsewhere in this Annual Report.

The cyclical nature of the shipping industry may lead to decreases in charter rates and lower vessel values, which could adversely affect our and our affiliate companies’ results of operations and financial condition. In particular, charter rates in the dry cargo market were at/ or near historical lows in the first half of 2020 and certain of our vessels may operate below operating cost.

The shipping business, including the dry cargo market, is cyclical in varying degrees, experiencing severe fluctuations in charter rates, profitability and, consequently, vessel values. For example, during the period from January 1, 2020 to March 30, 2022, the Baltic Exchange’s Panamax time charter average (BPI-82) daily rates experienced a low of \$4,681 and a high of \$38,952. Additionally, during the period from January 1, 2020 to March 30, 2022, the Baltic Exchange’s Capesize time charter average (BCI-5TC) daily rates experienced a low of \$1,992 and a high of \$86,953 and the Baltic Dry Index (BDI) experienced a low of 393 points and a high of 5,650 points. Those ranges are above the recent all-time lows set in February and March 2016 of \$2,260 for the Baltic Exchange’s Panamax time charter average, \$1,985 for the Baltic Exchange’s Capesize time charter average and 290 for the BDI. There can be no assurance that the dry bulk charter market will not fluctuate or hit new lows or highs. We anticipate that the future demand for our dry bulk carriers and dry bulk charter rates will be dependent upon demand for imported commodities, economic growth in the emerging market countries, including the Asia Pacific region, India, Brazil and Russia. Seasonal and regional changes in demand and changes to the capacity of the world fleet will also affect dry bulk rates. Adverse economic, political, social or other developments can decrease demand and prospects for growth in the shipping industry and thereby could reduce our revenue significantly. A decline in demand for commodities transported in dry bulk carriers including disruptions due to wars (such as the current Ukraine / Russia one), pandemics (such as COVID-19), trade, regulatory or tariff actions, or an increase in supply of dry bulk vessels could cause a further decline in charter rates, which could materially adversely affect our results of operations and financial condition.

Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities carried by water internationally. Because the factors affecting the supply and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in charter rates are also unpredictable.

The demand for dry cargo vessels has generally been influenced by, among other factors:

- global and regional economic and political conditions;
- global or local health related issues including disease outbreaks or pandemics, such as the COVID-19 pandemic;
- disruptions and developments in international trade, including the effects of currency exchange rate changes and any differences in supply and demand between regions;
- changes in seaborne and other transportation patterns, including changes in distances over which cargo is transported due to geographic changes in where commodities are produced;
- changes in seaborne and other transportation patterns;
- supply and demand for drybulk products and commodities;
- changes in the production of commodities and raw materials;
- the distance dry bulk cargo products is to be moved by sea;
- developments in international trade;
- supply and demand for products shipped in dry cargo vessels;
- fuel prices for the bunker fuel used aboard ships;
- whether the vessel is equipped with scrubbers or not;
- weather and crop yields;
- armed conflicts, wars and terrorist activities, including piracy;
- natural or man-made disasters (including global pandemics);
- political, environmental and other regulatory developments, including but not limited to governmental macroeconomic policy changes (including the application of stimulus programs or withdrawal of same), import and export restrictions, trade wars, central bank policies and pollution conventions or protocols, including any limits on CO2 emissions or the consumption of carbon based fuels due to climate change agreements or protocols;
- embargoes and strikes;
- technical advances in ship design and construction;
- waiting days in ports, and port or canal congestions generally due to any cause;
- international sanctions or policy changes banning or encouraging the imports or exports from particular countries, embargoes, and nationalizations; and

The supply of vessel capacity has generally been influenced by, among other factors:

- the number of vessels that are in or out of service (including any held in quarantine or waiting for crew changes due to health related or any other restrictions), namely those that are laid-up, drydocked, awaiting or undergoing repairs or otherwise not available for hire;
- the scrapping rate of older vessels;
- port and canal traffic and congestion, including canal improvements that can affect employment of ships designed for older canals or closure or blockage due to accidents, war or any other reason;
- the number of newbuilding deliveries;
- vessel casualties;
- weather;
- the number of shipyards and the availability of shipyard capacity;
- the economics of slow steaming;
- the conversion of dry bulk cargo vessels into tankers;
- availability of financing or lack thereof for new vessels or for facilitating ship sale and purchase transactions;
- the price of steel, fuel and other raw materials;
- changes in national or international environmental or other regulations and standards (including IMO rules requiring a reduction in the use of high sulphur fuels, the fitting of additional ballast water treatment systems and upcoming rules intended to reduce CO2 emissions) that may effectively cause reductions in the carrying capacity of vessels, early obsolescence of tonnage, or other measures that limit the profitability, operations or useful lives of vessels.

In addition to the prevailing and anticipated charter rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to newbuilding and scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage costs, the efficiency and age profile of the existing fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations.

These and other factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions which may affect our business, results of operations and financial condition.

An oversupply of vessel capacity may depress charter rates, which may affect our ability to operate our vessels profitably .

The market supply of drybulk carriers has been increasing as a result of the delivery of numerous newbuilding orders over the last few years. Newbuildings have been delivered in significant numbers over the last few years and, as of March 1, 2022, newbuilding orders had been placed for an aggregate of about 7% of the existing global drybulk fleet, with deliveries expected during the next three years. That 7% is an all-time low since records began in January 1996, but there is no guarantee that the orderbook will continue at these low levels in the future. While vessel supply will continue to be affected by the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or accidental losses, an over-supply of drybulk carrier capacity could exacerbate decreases in charter rates or prolong the period during which low charter rates prevail which may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our growth depends on continued growth in demand for dry bulk commodities and the shipping of dry bulk cargoes.

Our growth strategy focuses on expansion in the dry bulk shipping sector. Accordingly, our growth depends on continued growth in worldwide and regional demand for dry bulk commodities and the shipping of dry bulk cargoes, which could be negatively affected by a number of factors, such as declines in prices for dry bulk commodities, or general political, regulatory and economic conditions.

Reduced demand for dry bulk commodities and the shipping of dry bulk cargoes would have a material adverse effect on our future growth and could harm our business, results of operations and financial condition. In past years, China and India have had two of the world's fastest growing economies in terms of gross domestic product and have been the main driving force behind increases in marine drybulk trade and the demand for drybulk vessels. If economic growth declines in China, Japan, India and other countries in the Asia Pacific region, we may face decreases in the drybulk shipping trade and demand. For example, prior slowdowns of the Chinese economy have adversely affected demand for Capesize bulk carriers and, as a result, spot and period rates, as well as asset values, have been at low levels. A slowdown in the economies of the United States or the European Union, or certain other Asian countries may also adversely affect economic growth in the Asia Pacific region and India. A negative change in the economic conditions (including any negative changes resulting from any pandemic or war or regional conflict) of any of these countries, may have a material adverse effect on our business, financial condition and results of operations, as well as our future prospects, by reducing demand and resultant charter rates.

Disruptions in global financial markets from terrorist attacks, regional armed conflicts, wars, trade wars, general political unrest, economic crises, the emergence of a new pandemic and the resulting governmental action to limit its effect could have a material adverse impact our results of operations, financial condition and cash flows, and our ability to obtain financing required to acquire vessels or refinance our indebtedness. Furthermore, such a disruption could cause the market price of our shares to decline.

The global economy is subject to downside economic risks stemming from factors like global pandemics, fiscal fragility in advanced economies, high sovereign and private debt levels, highly accommodative macroeconomic policies, the significant fall in the price of crude oil and other commodities and persistent difficulties in access to credit and equity financing as well as political risks such as the continuing war in the Ukraine, including the effect of current and future sanctions on Russia, renewed terrorist attacks around the world and the emergence of populist and protectionist political movements in advanced economies.

Terrorist attacks in certain parts of the world and the continuing response of the United States and other countries to these attacks and the threat of future terrorist attacks, the possibility of the introduction of impediments to trade within the EU member countries in response to increasing terrorist activities and/or the Russian/Ukrainian war, and the sanctions imposed as a consequence thereof continue to cause uncertainty and volatility in the world financial markets and may affect our business, results of operations and financial condition.

In addition, global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the deterioration of fiscal balances and the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. Credit markets as well as the debt and equity capital markets were exceedingly distressed during 2008 and 2009 and have been volatile since that time. The resulting uncertainty and volatility in the global financial markets may accordingly affect our business, results of operations and financial condition. These uncertainties, as well as future hostilities or other political instability in regions where our vessels trade, could also affect trade volumes and patterns and adversely affect our operations, and otherwise have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows.

Political events such as a global trade war between the U.S. and China, or any moves by either China, the U.S. or the EU to levy additional tariffs on imported goods as part of protectionist measures or otherwise could decrease shipping demand. Such weak economic conditions or protectionist measures could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows.

Concerns regarding epidemics and pandemics, including the ongoing effects of COVID-19 pandemic, and other viral outbreaks or conflicts in the Asia Pacific Region such as in the South China Sea and North Korea, and their spread throughout the world have led to increased volatility in global credit and equity markets. We also face the risk that strikes, work stoppages, civil unrest and violence within Greece, as well as any work, travel or other restrictions implemented due to the impact of the ongoing COVID-19 pandemic may disrupt the shoreside operations of our Managers located in Greece.

Specifically, these issues, along with the re-pricing of credit risk and the difficulties currently experienced by financial institutions and governmental interest rate increases aimed at taming inflation, have made, and will likely continue to make, it difficult to obtain financing. As a result of the disruptions in the credit markets and higher capital requirements, many lenders have increased margins on lending rates, enacted tighter lending standards, required more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts), or have refused to refinance existing debt at all. Furthermore, certain banks that have historically been significant lenders to the shipping industry have reduced or ceased lending activities in the shipping industry. Additional tightening of capital requirements and the resulting policies adopted by lenders, could further reduce lending activities. We may experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under our committed term loans in the future, if our lenders are unwilling to extend financing to us or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. We cannot be certain that financing will be available on acceptable terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our future obligations as they come due. Our failure to obtain such funds could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows. In the absence of available financing, we also may be unable to take advantage of business opportunities or respond to competitive pressures.

Furthermore, our operations may be adversely affected by changing or adverse political and governmental conditions in the countries where our vessels are flagged or registered and in the regions where we otherwise engage in business. Any disruption caused by these factors may interfere with the operation of our vessels, which could harm our business, financial condition and results of operations. Our operations may also be adversely affected by expropriation of vessels, taxes, regulation, tariffs, trade embargoes, economic sanctions or a disruption of or limit to trading activities, or other adverse events or circumstances in or affecting the countries and regions where we operate or where we may operate in the future. Adverse economic, political, social or other developments can decrease demand and prospects for growth in the shipping industry and thereby could reduce revenue significantly.

An increase in trade protectionism and the unraveling of multilateral trade agreements could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

Our operations expose us to the risk that increased trade protectionism will adversely affect our business. Recently, government leaders have declared that their countries may turn to trade barriers to protect or revive their domestic industries in the face of foreign imports, thereby depressing the demand for shipping. Concerns regarding terrorist threats from groups in Europe, the refugee crisis, may advance protectionist policies and may negatively impact globalization and global economic growth, which could disrupt financial markets, and may lead to weaker consumer demand in the EU, the U.S., and other parts of the world which could have a material adverse effect on our business. The deterioration in the global economy has caused, and may continue to cause, a decrease in worldwide demand for dry cargoes. In addition uncertainty has been created about the future relationship between the United States, China, Russia and other exporting countries, including with respect to trade policies, treaties, government regulations, sanctions and tariffs. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Restrictions on imports, including in the form of tariffs, could have a major impact on global trade and demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause an increase in (i) the cost of goods exported from exporting countries, (ii) the length of time required to deliver goods from exporting countries, (iii) the costs of such delivery and (iv) the risks associated with exporting goods. The commercial, economic and financial short and long term effects of Brexit are still unknown. These factors may result in a decrease in the quantity of goods to be shipped and the distances those goods travel. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade, including trade between the United States and China. These developments would have an adverse impact on our charterers' business, operating results and financial condition. This could, in turn, affect our charterers' ability to make timely charter hire payments to us and impair our ability to renew charters and grow our business. This could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows.

A decrease in the level of China's imports of raw materials or a decrease in trade globally could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

China imports significant quantities of raw materials, and exports significant amounts of finished or semi-finished goods. For example, in 2021, China imported 1.107 billion tons of iron out of a total of 1.517 billion tons shipped globally accounting for about 73% of the global seaborne iron ore trade. It accounted for about 23% of seaborne coal movements of coal in 2021 according to current estimates (281 million tons imported compared to 1.231 billion tons of seaborne coal traded globally). Our dry bulk vessels are deployed by our charterers on routes involving dry bulk trade in and out of emerging market countries, and our charterers' dry bulk shipping and business revenue may be derived from the shipment of goods within and to the Asia Pacific region from various overseas export markets. Any reduction in or hindrance to China-based importers could have a material adverse effect on the growth rate of China's imports and on our charterers' business. For instance, the government of China has implemented economic policies aimed at reducing pollution, increasing consumption of domestically produced Chinese coal, promoting the export of such coal or increasing consumption of natural gas or banning imports of coal or other commodities from certain countries to China or increasing the production of electricity from renewable resources, and raising tariffs on imported bulk cargoes from certain countries including the United States and Australia. This may have the effect of reducing the demand for imported raw materials and may, in turn, result in a decrease in demand for dry bulk shipping. Additionally, though in China there is an increasing level of autonomy and a gradual shift in emphasis to a "market economy" and enterprise reform, many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented or experimental and may be subject to revision, change, reversal or abolition. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government. The conflict between the Ukraine and Russia and any sanctions resulting therefrom, the pandemic, the ongoing global trade war between the U.S. and China, a change in the U.S. administration or the removal of stimulus programs including those enacted to reduce the economic effect of the COVID-19 pandemic may contribute to an economic slowdown in China.

Our operations expose us to the risk that increased trade protectionism from China or other nations will adversely affect our business. If the global recovery is undermined by downside risks and the recent economic downturn returns, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing the demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause (i) a decrease in cargoes available to our charterers in favor of Chinese charterers and Chinese owned ships and (ii) an increase in the risks associated with importing goods to China. Any increased trade barriers or restrictions on trade, especially trade with China, would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and/or increase the number of their time charters with us. This could have a material adverse effect on our business, results of operations, financial condition and our ability to pay cash distributions to our stockholders.

In recent years, China has been one of the world's fastest growing economies in terms of gross domestic product, which has had a significant impact on shipping demand. However, if China's growth in gross domestic product declines and other countries in the Asia Pacific region experience slower or negative economic growth in the future, this may negatively affect the fragile recovery of the economies of the U.S. and the EU, and thus, may negatively impact the shipping industry. The possibility of market reforms to float the Chinese renminbi, either of which development could weaken the Euro against the Chinese renminbi, could adversely affect consumer demand in the EU. Moreover, the revaluation of the renminbi may negatively impact the U.S.' demand for imported goods, many of which are shipped from China.

China has enacted a tax for non-resident international transportation enterprises engaged in the provision of services of passengers or cargo, among other items, in and out of China using their own, chartered or leased vessels, including any stevedore, warehousing and other services connected with the transportation. The regulation broadens the range of international transportation companies who may find themselves liable for Chinese enterprise income tax on profits generated from international transportation services passing through Chinese ports. This tax or similar regulations by China may reduce our operating results and may also result in an increase in the cost of goods exported from China and the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped from or through China, which would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

Similarly, an extension or expansion of the current worldwide pandemic, or withdrawals or changes to economic stimulus packages by China or other nations to combat the pandemic may reduce our operating results and may also result in an increase in the cost of goods exported from China and the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped from or through China or imports of commodities to China, which would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

We conduct a substantial amount of business in China. The legal system in China has inherent uncertainties that could limit the legal protections available to us and could have a material adverse impact on our business, results of operations, financial condition and cash flows.

Many of our vessels regularly call on ports in China and we may enter into sale and leaseback transactions with Chinese financial institutions. Although our charters and sale and leaseback agreements are and would be governed by English law, we may have difficulties enforcing a judgment rendered by an English court (or other non-Chinese court) in China. Such charters and any additional agreements that we enter into with Chinese counterparties, may be subject to new regulations in China that may require us to incur new or additional compliance or other administrative costs and pay new taxes or other fees to the Chinese government. Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels chartered to Chinese customers as well as our vessels calling on Chinese ports and could have a material adverse effect on our business, results of operations and financial condition.

When our contracts expire, we may not be able to replace them successfully. Our capacity to replace them depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition from new entrants and established companies with significant resources. Our growth depends on our ability to replace expired contracts.

Time-charter contracts provide income at pre-determined rates over short or more extended periods of time. However, the process for obtaining new time charters especially longer term time charters is highly competitive and generally involves a lengthy, intensive and continuous screening and vetting process and the submission of competitive bids. In addition to the quality, age and suitability of the vessel, longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator, including:

- the operator's environmental, health and safety record;
- compliance with the IMO standards and regulatory industry standards;
- shipping industry relationships, reputation for customer service, technical and operating expertise;
- shipping experience and quality of ship operations, including cost-effectiveness;
- quality, experience and technical capability of crews;
- the ability to finance vessels at competitive rates and overall financial stability;
- relationships with shipyards and the ability to obtain suitable berths;
- construction management experience, including the ability to procure on-time delivery of new vessels according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

It is likely that we will face substantial competition for long-term charter business from a number of experienced companies. We may not be able to compete profitably as we expand our business into new geographic regions or provide new services. New markets may require different skills, knowledge or strategies than we use in our current markets. Many of these competitors have significantly greater financial resources than we do. It is also likely that we will face increased numbers of competitors entering into our transportation sectors. Many of these competitors have strong reputations and extensive resources and experience. Increased competition may cause greater price competition, especially for long-term charters, as well as for the acquisition of high-quality secondhand vessels and newbuilding vessels. Further, since the charter rate is generally considered to be one of the principal factors in a charterer's decision to charter a vessel, the rates offered by our competitors can place downward pressure on rates throughout the charter market.

As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers for our charters on a profitable basis, if at all, therefore, when our contracts including our long-term charters expire, we cannot provide any assurance that we will be able to replace them promptly or at all or at rates sufficient to allow us to operate our business profitably, to meet our obligations, including payment of debt service to our lenders, or to pay dividends. Our ability to renew the charter contracts on our vessels on the expiration or termination of our current charters, or, on vessels that we may acquire in the future, the charter rates payable under any replacement charter contracts, will depend upon, among other things, economic conditions in the sectors in which our vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the transportation of commodities. During periods of market distress when long-term charters may be renewed at rates at or below operating costs, we may not choose to charter our vessels for longer terms particularly if doing so would create an ongoing negative cash flow during the period of the charter. We may instead choose or be forced to idle our vessels or lay them up or scrap them depending on market conditions and outlook at the time those vessels become available for charter.

However, if we are successful in employing our vessels under longer-term time charters, our vessels will not be available for trading in the spot market during an upturn in the market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable charter contracts, our results of operations and operating cash flow could be materially adversely affected.

We may employ vessels on the spot market and thus expose ourselves to risk of losses based on short-term decreases in shipping rates.

We periodically employ some of our vessels on a spot basis. The spot charter market is highly competitive and freight rates within this market are highly volatile, while longer-term charter contracts provide income at pre-determined rates over more extended periods of time. We cannot provide any assurance that we will be successful in keeping our vessels fully employed in these short-term markets, or that future spot rates will be sufficient to enable such vessels to be operated profitably. A significant decrease in spot market rates or our inability to fully employ our vessels by taking advantage of the spot market would result in a reduction of the incremental revenue received from spot chartering and adversely affect our results of operations, including our profitability and cash flows, with the result that our ability to pay debt service and dividends could be impaired.

Additionally, if spot market rates or short-term time charter rates become significantly lower than the time charter equivalent rates that some of our charterers are obligated to pay us under our existing charters, the charterers may have incentive to default under that charter or attempt to renegotiate the charter. If our charterers fail to pay their obligations, we would have to attempt to re-charter our vessels at lower charter rates, which would affect our ability to comply with our loan covenants and operate our vessels profitably. If we are not able to comply with our loan covenants and our lenders choose to accelerate our indebtedness and foreclose their liens, we could be required to sell vessels in our fleet and our ability to continue to conduct our business would be impaired.

We depend upon significant customers for part of our revenues. The loss of one or more of these customers or a decline in the financial capability of our customers could materially adversely affect our financial performance.

We derive a significant part of our revenue from a small number of charterers. During the years ended December 31, 2021, 2020, and 2019, we derived approximately 37.4%, 38.0% and 44.8% respectively, of our gross revenues from continuing operations from four customers. For the year ended December 31, 2021, two customers accounted for 10.7% each, of our revenue. For the year ended December 31, 2020, two customers accounted for 16.4% and 11.2%, respectively, of our revenue. For the year ended December 31, 2019, two customers accounted for 17.1% and 14.4%, respectively, of our revenue from continuing operations.

We could lose a customer or the benefits of a time charter for many different reasons, including if the customer is unable or unwilling to make charter hire or other payments to us because of a deterioration in its financial condition, disagreements with us or if the charterer exercises certain termination rights or otherwise. Our customers may terminate a charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, or we default under the charter.

The customer may terminate the charter because the vessel has been subject to seizure for more than a specified number of days. Charterers may also go bankrupt or fail to perform their obligations under the contracts, they may delay payments or suspend payments altogether, they may terminate the contracts prior to the agreed-upon expiration date or they may attempt to renegotiate the terms of the contracts.

From time to time, we may have charters at above-market rates, such that any loss of such charter may require us to recharter the vessel at lower rates. Additionally, our charterers from time to time have sought to renegotiate their charter rates with us. We do not maintain insurance against the risk of default by our customers.

The combination of any surplus of vessel capacity, the expected entry into service of new technologically advanced vessels, and the expected increase in the size of the world fleet over the next few years may make it difficult to secure substitute employment for any of our vessels if our counterparties fail to perform their obligations under the currently arranged time charters, and any new charter arrangements we are able to secure may be at lower rates. Furthermore, the surplus of capacity available at lower charter rates and lack of demand for our customers' could negatively affect our charterers' willingness to perform their obligations under our time charters, which in many cases provide for charter rates significantly above current market rates.

If one or more of our customers does not perform under one or more contracts with us and we are not able to find a replacement contract, or if a customer exercises certain rights to terminate the contract, we could suffer a loss of revenues that could materially adversely affect our business, financial condition and results of operations, as we will not receive any revenues from such a vessel while it is un-chartered, but we will be required to pay expenses necessary to maintain and insure the vessel and service any indebtedness on it. Accordingly, we may have to grant concessions to our customers in the form of lower charter rates for the remaining duration of the relevant contract or part thereof, or to agree to re-charter vessels coming off contract at reduced rates compared to the contract then ended.

The failure of a customer to perform its obligations under a contract may increase our exposure to the spot market, which is subject to greater fluctuation than the time charter market. The loss of any of our charterers, time charters or vessels, or a decline in payments under our time charters, could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows.

We are subject to certain credit risks with respect to our counterparties on contracts, and the failure of such counterparties to meet their obligations could cause us to suffer losses on such contracts and thereby decrease revenues.

We charter-out our vessels to other parties who pay us a daily rate of hire for a pre-agreed period of time. We also enter into spot market voyage contracts, where we are paid a rate per ton to carry a specified cargo on a specified route. These contracts and arrangements subject us to counterparty credit risks at various levels. If the counterparties fail to meet their obligations, we could suffer losses on such contracts, which could materially adversely affect our financial condition and results of operations. In addition, if a charterer defaults on a time charter, we may only be able to enter into new contracts at lower rates. It is also possible that we would be unable to secure a charter at all. If we re-charter the vessel at lower rates or not at all, our financial condition and results of operations could be materially adversely affected.

The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business, which could adversely affect our expenses, net income, cash flow and the price of our common stock.

The operation of ocean-going vessels in international trade is inherently risky. The operation of drybulk carriers has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, certain drybulk cargoes are often heavy, dense, easily shifted, and may react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to harsh treatment during unloading procedures may be more susceptible to breach at sea. Hull breaches in drybulk carriers may lead to the flooding of the vessels' holds. For example, if a drybulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads leading to the loss of a vessel. We have procedures and policies in place to ameliorate these risks, including a robust inspection system.

The ownership and operation of ocean-going vessels in international trade is affected by a number of inherent risks, including mechanical failure, human error, personal injury, vessel and cargo loss or damage, business interruption due to political conditions in foreign countries, unexpected port closures, hostilities, disease and quarantine, piracy, war, terrorism, labor strikes and/or boycotts, adverse weather conditions and catastrophic marine disaster, including environmental accidents and collisions.

All of these risks could result in, death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, litigation with our employees, customers third parties, or other liabilities, higher insurance rates, increased costs and damage to our reputation and customer relationships generally. Although we maintain hull and machinery and war risks insurance, as well as protection and indemnity insurance, which may cover certain risks of loss resulting from such occurrences, our insurance coverage may be subject to caps or not cover such losses and any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator. Any of these results could have a material adverse effect on business, results of operations and financial condition, as well as our cash flows.

The total loss or damage of any of our vessels or cargoes could harm our reputation as a safe and reliable vessel owner and operator. Any extended vessel off-hire, due to an accident or otherwise, or strikes, could have a materially adverse effect on our business. If we are unable to adequately maintain or safeguard our vessels, we may be unable to prevent any such damage, costs, or loss that could negatively impact our business, financial condition, results of operations, cash flows and ability to pay distributions.

We are subject to various laws, regulations, and international conventions, particularly environmental and safety laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities, including any resulting from a spill or other environmental incident, which could affect our expenses, net income, cash flow and the price of our common stock.

Vessel owners and operators are subject to government regulation in the form of international conventions, and national, state, and local laws and regulations in the jurisdictions in which their vessels operate, in international waters, as well as in the country or countries where their vessels are registered. Such laws and regulations include those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, discharges of operational and other wastes into the water, and ballast water management. In particular, ballast water management requirements will likely result in compliance costs relating to the installation of equipment on our vessels to treat ballast water before it is discharged and other additional ballast water management and reporting requirements. Investments in ballast water treatment may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Port State regulation significantly affects the operation of vessels, as it commonly is more stringent than international rules and standards. This is the case particularly in the United States and, increasingly, in Europe. Non-compliance with such laws and regulations can give rise to civil or criminal liability, and/or vessel delays and detentions in the jurisdictions in which we operate.

Our vessels are subject to scheduled and unscheduled inspections by regulatory and enforcement authorities, as well as private maritime industry entities. This includes inspections by Port State Control authorities, including the U.S. Coast Guard, harbor masters or equivalent entities, classification societies, flag Administrations (country in which the vessel is registered), charterers, and terminal operators. Certain of these entities require vessel owners to obtain permits, licenses, and certificates for the operation of their vessels. Failure to maintain necessary permits or approvals could result in the imposition of substantial penalties or require a vessel owner to incur substantial costs or temporarily suspend operation of one or more of its vessels.

Heightened levels of environmental and quality concerns among insurance underwriters, regulators, and charterers continue to lead to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. Vessel owners are required to maintain operating standards for all vessels that will emphasize operational safety, quality maintenance, continuous training of officers and crews, and compliance with U.S. and international regulations.

The legal requirements and maritime industry standards to which we and our vessels are subject are set forth below, along with the risks associated therewith. We may be required to make substantial capital and other expenditures to ensure that we remain in compliance with these requirements and standards, as well as with standards imposed by our customers, including costs for ship modifications and changes in operating procedures. We also maintain insurance coverage against pollution liability risks for all of our vessels in the amount of \$1.0 billion in the aggregate for any one event. The insured risks include penalties and fines, as well as civil liabilities and expenses resulting from accidental pollution. However, this insurance coverage is subject to exclusions, deductibles, and other terms and conditions. In addition, claims relating to pollution incidents for intentional or knowing violations of U.S. environmental laws or the International Convention for the Prevention of Pollution from Ships may be considered by our protection and indemnity associations on a discretionary basis only. If any liabilities or expenses fall within an exclusion from coverage, or if damages from a catastrophic incident exceed the aggregate liability of \$1.0 billion for any one event, our cash flow, profitability and financial position could be adversely impacted.

Because international conventions, laws, regulations, and other requirements are often revised, we cannot predict the ultimate cost of compliance or the impact on the fair market price or useful life of our vessels. Nor can we assure that our vessels will be able to attain and maintain certifications of compliance with various regulatory requirements.

Similarly, governmental regulation of the shipping industry, particularly in the areas of safety and environmental requirements, are expected to become stricter in the future. We believe that the heightened environmental, quality, and security concerns of insurance underwriters, regulators, and charterers will lead to additional requirements, including enhanced risk assessment and security requirements, greater inspection and safety requirements, and heightened due diligence obligations. We also may be required to take certain of our vessels out of service for extended periods of time to address changing legal requirements, which would result in lost revenue. In the future, market conditions may not justify these expenditures or enable us to operate our vessels, particularly older vessels, profitably during the remainder of their economic lives. This could lead to significant asset write-downs.

Specific examples of expected changes that could have a significant, and potentially material, impact on our business include:

- Limitations on sulfur oxide and nitrogen oxide emissions from ships could cause increased demand and higher prices for low sulfur fuel due to supply constraints, as well as significant cost increases due to the implementation of measures, including fuel switching, vessel modifications such as adding distillate fuel storage capacity, or installation of exhaust gas cleaning systems or scrubbers;
- Environmental requirements can affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, vessel modifications or operational changes or restrictions, lead to decreased availability of, or more costly insurance coverage for, environmental matters or result in the denial of access to certain jurisdictional waters or ports;
- Under local and national laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and claims for natural resource damages, personal injury and/or property damages in the event that there is a release of oil or other hazardous materials from our vessels or otherwise in connection with our operations.

Climate change and government laws and regulations related to climate change could negatively impact our financial condition.

We are and will be, directly and indirectly, subject to the effects of climate change and may, directly or indirectly, be affected by local and national laws, as well as international treaties and conventions, and implementing regulations related to climate change. Any passage of climate control treaties, legislation, or other regulatory initiatives by the IMO, the European Union, the United States or other countries where we operate that restrict emissions of greenhouse gases (“GHGs”) could require us to make significant financial expenditures that we cannot predict with certainty at this time. This could include, for example, the adoption of regulatory frameworks to reduce GHG emissions, such as carbon dioxide, methane and nitrogen oxides. The climate change efforts undertaken to date are detailed below.

We cannot predict with any degree of certainty what effect, if any, possible climate change and legal requirements relating to climate change will have on our operations. However, we believe that climate change, including the possible increases in severe weather events, and legal requirements relating to climate change may affect, directly or indirectly, (i) the cost of the vessels we may acquire in the future, (ii) our ability to continue to operate as we have in the past, (iii) the cost of operating our vessels, and (iv) insurance premiums and deductibles, and the availability of insurance coverage. As a result, our financial condition could be materially impacted by climate change and related legal requirements.

We are subject to vessel security regulations and will incur costs to comply with recently adopted regulations and we may be subject to costs to comply with similar regulations that may be adopted in the future in response to terrorism.

We are subject to local and national laws, including in the United States, as well as international treaties and conventions, intended to enhance and ensure vessel security. These laws are detailed below. The Manager has and will continue to implement the various security measures addressed by all applicable laws and will take measures for our vessels or vessels that we charter to attain compliance with all applicable security requirements within the prescribed time period. Although we do not believe that these additional requirements will have a material financial impact on our operations, there can be no assurance that there will not be an interruption in operations to bring vessels into compliance with the applicable requirements and any such interruption could cause a decrease in charter revenues. Furthermore, additional security measures could be required in the future that could have significant financial impact on us.

The cost of vessel security measures has also been affected by the escalation in recent years in the frequency and seriousness of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Attacks of this kind have commonly resulted in vessels and their crews being detained for several months, and being released only on payment of large ransoms. Substantial loss of revenue and other costs may be incurred as a result of such detention. Although we insure against these losses to the extent practicable, the risk of uninsured losses which could significantly affect our business remains. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP3 industry standard. A number of flag States have signed the 2009 New York Declaration, which expresses commitment to Best Management Practices in relation to piracy and calls for compliance therewith them as an essential part of compliance with the International Ship and Port Facility Security Code (“ISPS Code”).

Acts of piracy on ocean-going vessels could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in certain regions of the world, such as the South China Sea and the Gulf of Aden off the coast of Somalia. Piracy continues to occur in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea. Other areas where piracy has affected shipping include the Indian Ocean, the Strait of Malacca, the Arabian Sea, and the Mozambique Channel. Acts of piracy are a material risk to the shipping industry. Our vessels regularly travel through regions where pirates are active. Piracy not only increases our risk of loss of property and the cost of delay or detention, but it may also increase our risk of liability for death or personal injury. We may incur increased insurance premiums for “war risk” coverage or, if such insurance is unavailable, we may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on our results of operations, financial condition and ability to make distributions. While we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. Crew and security costs, could also increase in such circumstances. A charterer may also claim that a vessel seized by pirates was not “on-hire” for a certain number of days and it is therefore entitled to cancel the charter party, a claim that we would dispute. We may not be adequately insured to cover losses from acts of terrorism, piracy, regional conflicts and other armed actions, which could have a material adverse effect on our results of operations, financial condition and ability to make distributions.

Our financial and operating performance may be adversely affected by the ongoing COVID-19 pandemic outbreak.

Our business could be materially and adversely affected by the ongoing COVID-19 pandemic. The COVID-19 pandemic or other epidemics or pandemics could potentially result in delayed deliveries of our vessels under construction, disrupt our operations and significantly affect global markets, affecting the demand for our services, global demand for dry bulk vessels as well as the price of international freights and hires. If the effect of the COVID-19 pandemic is ongoing, we may be unable to charter our vessels at the rates or for the length of time we currently expect. The effects of the COVID-19 pandemic remain uncertain, and should customers be under financial pressure this could negatively affect our charterers' willingness to perform their obligations under our time charters. The loss or termination of any of our time charters or a decline in payments under our time charters, could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions.

In addition, certain countries have introduced travel restrictions and adopted certain hygiene measures, including quarantining. European countries and the United States have adopted stringent measures to contain the spread of the virus. Any prolonged measure, or the reimplementing of previously lifted measures, may affect our normal operations and those of our Manager. All these measures have further affected the process of construction and repair of vessels, as well as the presence of workers in shipyards and, of administrative personnel in their offices, which could exceed previously calculated repair periods, causing our vessels to remain off-hire for longer periods than planned. We may face increased costs operating our vessels due to travel restrictions and quarantine requirements. Possible delays due to quarantine of our vessels caused by COVID-19 infection of our crew or other COVID-19 related disruptions may lead to the termination of charters leaving our vessels without employment. Any prolonged restrictive measures in order to control the COVID-19 pandemic or other adverse global public health developments may have a material and adverse effect on our business operations and demand for our vessels generally.

The extent of the COVID-19 pandemic outbreak's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, any resurgence or mutation of the virus, the availability of vaccines and their global deployment, the development of effective treatments, the imposition of effective public safety and other protective measures and the public's response to such measures. There continues to be a high level of uncertainty relating to how the pandemic will evolve, how governments and consumers will react and progress on the approval and distribution of vaccines, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, the ultimate severity of the COVID-19 pandemic outbreak is uncertain at this time and therefore we cannot predict the impact it may have on our future operations, which impact could be material and adverse, particularly if the pandemic continues to evolve into a severe worldwide health crisis.

At present, it is not possible to ascertain the overall impact of COVID-19 pandemic on our business. However, the occurrence of any of the foregoing events or other epidemics or an increase in the severity or duration of the COVID-19 pandemic or other epidemics could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, and ability to make distributions.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

A government of the jurisdiction where one or more of our vessels are registered could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we may be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may cause us to breach covenants in certain of our credit facilities, and could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face reputational damage and governmental or other regulatory claims or penalties which could have an adverse effect on our business, results of operations, cash flows and financial condition, as well as our ability to maintain cash flows, including cash available for distributions to pay dividends to our stakeholders. Under some jurisdictions, vessels used for the conveyance of illegal drugs could subject result in forfeiture of the vessel to forfeiture to the government of such jurisdiction.

A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.

The hull and machinery of every commercial vessel must be inspected and approved by a classification society authorized by its country of registry. The classification society certifies that a vessel has been built and maintained, is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and with SOLAS (as defined below). Our owned fleet is currently classed by Nippon Kaiji Kiokai, Bureau Veritas, Lloyd's Register, DNVGL and the American Bureau of Shipping.

A vessel must undergo an annual survey, an intermediate survey and a special survey. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of the underwater parts of such vessel.

If a vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a negative impact on our revenues due to the loss of revenues from such vessel until she is able to trade again. Further, if any vessel fails a classification survey and the condition giving rise to the failure is not cured within a reasonable time, the vessel may lose coverage under various insurance programs, including hull and machinery insurance and/or protection and indemnity insurance, which would result in a breach of relevant covenants under our financing arrangements. Failure to maintain the class of one or more of our vessels could have a material adverse effect on our financial condition and results of operations, as well as our cash flows.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures may result in the seizure of contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and future customers, and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, results of operations, cash flows and financial condition.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, fire, human error, war, terrorism, piracy, loss of life, contact with floating objects, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. Any of these events may result in loss of revenues, increased costs and decreased cash flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps.

There are also liabilities arising from owning and operating vessels in international trade. We procure insurance for our fleet in relation to risks commonly insured against by vessel owners and operators. Our current insurance includes (i) hull and machinery and war risk insurance covering damage to our vessels' hulls and machinery from, among other things, collisions and contact with fixed and floating objects, (ii) war risks insurance covering losses associated with the outbreak or escalation of hostilities and (iii) protection and indemnity insurance (which includes environmental damage) covering, among other things, third-party and crew liabilities such as expenses resulting from the injury or death of crew members, passengers and other third parties, the loss or damage to cargo, third-party claims arising from collisions with other vessels, damage to other third-party property and pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal.

We do not currently maintain strike or off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents except in cases of loss of hire up to a limited number of days due to war or a piracy event. Other events that may lead to off-hire periods include natural or man-made disasters that result in the closure of certain waterways and prevent vessels from entering or leaving certain ports. Accordingly, any extended vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business and our results of operations and operating cash flow.

We can give no assurance that we are adequately insured against all risks or that our insurers will pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a timely replacement vessel in the event of a vessel loss. Under the terms of our credit facilities, we are subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies.

Because we obtain some of our insurance through protection and indemnity associations, we may also be subject to calls, or premiums, in amounts based not only on our own claim records, but also the claim records of all other members of the protection and indemnity associations. There is no cap on our liability exposure for such calls or premiums payable to our protection and indemnity association. Our payment of these calls could result in significant expenses to us, which could have a material adverse effect on our business, results of operations and financial condition. In addition, we cannot provide any assurance that we will be able to renew our insurance policies on the same or commercially reasonable terms, or at all, in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, protection and indemnity insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm our business, financial condition, cash flows and results of operations. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our vessels failing to maintain certification with applicable maritime self-regulatory organizations. Further, we cannot provide any assurance that our insurance policies will cover all losses that we incur, or that disputes over insurance claims will not arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenues, and could have a material adverse effect on our business, financial condition, cash flows and results of operations. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could have a material adverse effect on our business, results of operations and financial condition. Any uninsured or underinsured loss could harm our business and financial condition. In addition, the insurance may be voidable by the insurers as a result of certain actions, such as vessels failing to maintain required certification.

Our charterers may in the future engage in legally permitted trading in locations or with persons which may still be subject to restrictions due to sanctions or boycott. However, no vessels in our fleet have called on ports in sanctioned countries or countries designated as state sponsors of terrorism by the U.S. State Department, including Iran, Syria, or Sudan. Our insurers may be contractually or by operation of law prohibited from honoring our insurance contract for such trading on such locations or countries or trading with such persons, which could result in reduced insurance coverage for losses incurred by the related vessels. Changes in the insurance markets attributable to the risk of terrorism in certain locations around the world could make it difficult for us to obtain certain types of coverage. In addition, the insurance that may be available to us may be significantly more expensive than our existing coverage. Furthermore, our insurers and we may be prohibited from posting or otherwise be unable to post security in respect of any incident in such locations or countries or as a result of trading with such persons, resulting in the loss of use of the relevant vessel and negative publicity for our Company which could negatively impact our business, results of operations, cash flows and stock price.

We may be subject to litigation that, if not resolved in our favor or not sufficiently insured against, could have a material adverse effect on us.

We have been and may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, potential costs due to environmental damage and vessel collisions, and other tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. We cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on our financial condition.

In the past, class action litigation has often been brought against companies following periods of volatility in the market price of those companies' common stock. We may become involved in this type of litigation in the future. Litigation is often expensive and diverts management's attention and company resources and could have a material effect on our business, financial condition and operating results.

Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers or receivers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages, including, in some jurisdictions, for debts incurred by previous owners. In many jurisdictions, a maritime lien-holder may enforce its lien by arresting a vessel. The arrest or attachment of one or more of our vessels, if such arrest or attachment is not timely discharged, could cause us to default on a charter or breach covenants in certain of our credit facilities, could interrupt our cash flows and could require us to pay large sums of money to have the arrest or attachment lifted.

Any of these occurrences could have a material adverse effect on our business, results of operations and financial condition as well as our cash flows.

In addition, in some jurisdictions, such as South Africa, under the “sister ship” theory of liability, a claimant may arrest both the vessel which is subject to the claimant’s maritime lien and any “associated” vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert “sister ship” liability against one vessel in our fleet for claims relating to another ship in the fleet.

The risks and costs associated with vessels increase as the vessels age or the aging of our vessels may result in increased operating costs in the future, which could adversely affect our earnings.

The costs to operate and maintain a vessel in operation increase with the age of the vessel. As our fleet ages, we will incur increased costs. The average age of the vessels in our fleet is 9.3 years, basis fully delivered fleet, and most dry bulk vessels have an expected life of approximately 25 years. We may acquire older vessels in the future. In some instances, charterers prefer newer vessels that are more fuel efficient than older vessels. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers as well. Therefore, as vessels age it can be more difficult to employ them on profitable time charters, particularly during periods of decreased demand in the charter market. Accordingly, we may find it difficult to continue to find profitable employment for our vessels as they age. Governmental regulations, safety or other equipment standards related to the age of the vessels may require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which these vessels may engage. Older vessels may require longer and more expensive drydockings, resulting in more off-hire days and reduced revenue. We cannot provide any assurance that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we sell vessels, we may have to sell them at a loss, and if charterers no longer charter-out vessels due to their age, our earnings could be materially adversely affected.

Technological innovation could reduce our charter hire income and the value of our vessels.

The charter hire rates and the value and operational life of a vessel are determined by a number of factors including the vessel’s efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy, loading and discharging speed and personnel required to operate. The potential introduction of remote controlled or autonomous vessels, which would significantly reduce or eliminate the costs of crew and victuals, could put our vessels at an efficiency disadvantage. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel’s physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. If new vessels are built that are more efficient or more flexible or have longer physical lives than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels upon expiration of their current charters and the resale value of our vessels could significantly decrease. This could adversely affect our revenues and cash flows, our results of operations and financial condition and our ability to service our debt.

A number of owners have ordered so-called “eco-type” vessel designs or have retrofitted scrubbers to remove sulphur from exhaust gases, which may offer substantial bunker savings as compared to older designs or vessels without exhaust gas scrubbers. Increased demand for and supply of “eco-type” or scrubber retrofitted vessels could reduce demand for our vessels that are not classified as such and expose us to lower vessel utilization and/or decreased charter rates.

New eco-type vessel designs or scrubber retrofits purport to offer material bunker savings compared to older designs, including certain of our vessels. Fitting scrubbers will allow a ship to consume high sulphur fuel oil (“HSFO”) which is expected to be cheaper than the low sulphur fuel oil (“LSFO”) that ships without scrubbers must consume to comply with the IMO 2020 low sulphur emission requirements. Such savings could result in a substantial reduction of bunker cost for charterers compared to such vessels of our fleet which may not have scrubbers. As the supply of such “eco-type” or scrubber retrofitted vessels increases, if the differential between the cost of HSFO and LSFO remains high, or if charterers prefer such vessels over our vessels that are not classified as such, this may reduce demand for our non-“eco-type”, non-scrubber retrofitted vessels, impair our ability to re-charter such vessels at competitive rates and have a material adverse effect on our business, financial condition, cash flows and results of operations.

Fuel price fluctuations may have an adverse effect on our profits.

The cost of fuel is a significant factor in negotiating charter rates and can affect us in both direct and indirect ways. This cost will be borne by us when our vessels are not employed or are employed on voyage charters or contracts of affreightment so an increase in the price of fuel beyond our expectations may adversely affect our profitability.

Even where the cost of fuel is borne by the charterer, which is the case with all of our existing time charters that cost may affect the level of charter rates that charterers are prepared to pay. Rising costs of fuel, as the international gas prices have hit new record highs in 2022 following the Russian invasion of Ukraine on February 24, 2022, will make our older and less fuel efficient vessels less competitive compared to the more fuel efficient newer vessels or compared with vessels which can utilize less expensive fuel and may reduce their charter hire, limit their employment opportunities and force us to employ them at a discount compared to the charter rates commanded by more fuel efficient vessels or not at all.

Falling costs of fuel may lead our charterers to abandon slow steaming, thereby releasing additional capacity into the market and exerting downward pressure on charter rates or may lead our charterers to employ older, less fuel efficient vessels which may drive down charter rates and make it more difficult for us to secure employment for our newer vessels.

The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geo-political developments, supply and demand for oil, actions by members of the OPEC and other oil and gas producers, economic or other sanctions levied against oil and gas producing countries, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

If we fail to manage our growth properly, we may not be able to expand our fleet successfully, which may adversely affect our overall financial position.

We may intend to grow our fleet, either through purchases, ordering newbuilt vessels, increasing the number of charter-in vessels or through the acquisitions of businesses. The addition of vessels to our fleet or the acquisition of new businesses will impose significant additional responsibilities on our management. We will also have to increase our customer base to provide continued employment for the new vessels. Our growth will depend on:

- ongoing and anticipated economic conditions and charter rates;
- locating and acquiring suitable vessels;
- identifying reputable shipyards with available capacity and contracting with them for the construction of new vessels at reasonable prices;
- consummating acquisitions or joint ventures;
- integrating any acquired vessels successfully with our existing operations;
- enhancing our customer base;
- managing our expansion; and
- obtaining required financing, which could include debt, equity or combinations thereof.

During periods in which charter rates are high, vessel values are generally high as well, and it may be difficult to consummate ship acquisitions or potentially enter into shipbuilding contracts in the future at favorable prices. During periods in which charter rates are low and employment is scarce, vessel values are low and any vessel acquired without time charter attached will automatically incur additional expenses to operate, insure, maintain and finance the vessel thereby significantly increasing the acquisition cost. In addition, any vessel acquisition may not be profitable at or after the time of acquisition and may not generate cash flows sufficient to justify the investment. We may not be successful in executing any future growth plans and we cannot give any assurance that we will not incur significant expenses and losses in connection with such growth efforts.

Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel, continuing to meet technical and safety performance standards, managing relationships with customers and suppliers, dealing with potential delays in deliveries of newbuilding vessels and integrating newly acquired operations into existing infrastructures. We may not be successful in executing our growth plans. We may incur significant expenses and losses in connection therewith or our acquisitions may not perform as expected, which could materially adversely affect our results of operations and financial condition.

We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.

Our growth strategy focuses on a gradual expansion of our fleet. Any acquisition of a vessel or a company may not be profitable to us at or after the time we acquire it and may not generate cash flow sufficient to justify our investment. We may also fail to realize anticipated benefits of our growth, such as new customer relationships, cost-savings or cash flow enhancements, or we may be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet.

Our growth strategy could decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions. To the extent that we incur additional debt to finance acquisitions, it could significantly increase our interest expense or financial leverage. We may also incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Additionally, the marine transportation and logistics industries are capital intensive, traditionally using substantial amounts of indebtedness to finance vessel acquisitions, capital expenditures and working capital needs. If we finance the purchase of our vessels through the issuance of debt securities, it could result in:

- default and foreclosure on our assets if our operating cash flow after a business combination or asset acquisition were insufficient to pay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we have made all principal and interest payments when due if the debt security contained covenants that required the maintenance of certain financial ratios or reserves and any such covenant was breached without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security was payable on demand; and
- our inability to obtain additional financing, if necessary, if the debt security contained covenants restricting our ability to obtain additional financing while such security was outstanding.

In addition, our business plan and strategy is predicated on buying vessels at what we believe is near the low end of the cycle in what has typically been a cyclical industry. However, there is no assurance that shipping rates and vessels asset values will not sink lower, or that there will be an upswing in shipping costs or vessel asset values in the near-term or at all, in which case our business plan and strategy may not succeed in the near-term or at all. Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty experienced in obtaining additional qualified personnel and managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. We may not be successful in growing and may incur significant expenses and losses.

Delays in deliveries of secondhand vessels, our decision to cancel an order for purchase of a vessel or our inability to otherwise complete the acquisitions of additional vessels for our fleet, could harm our business, financial condition and results of operations.

We expect to purchase secondhand vessels from time to time. The delivery of these vessels could be delayed, not completed or cancelled, which would delay or eliminate our expected receipt of revenues from the employment of these vessels. The seller could fail to deliver these vessels to us as agreed, or we could cancel a purchase contract because the seller has not met its obligations. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend upon a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the dry market and charter hire rates.

If the delivery of any vessel is materially delayed or cancelled, especially if we have committed the vessel to a charter for which we become responsible for substantial liquidated damages to the customer as a result of the delay or cancellation, we could sustain significant losses and our business, financial condition and results of operations could be adversely affected.

If we purchase any newbuilding vessels, delays, cancellations or non-completion of deliveries of newbuilding vessels could harm our operating results.

If we purchase any newbuilding vessels, the shipbuilder could fail to deliver the newbuilding vessel as agreed or their counterparty could cancel the purchase contract if the shipbuilder fails to meet its obligations. In addition, under charters we may enter into that are related to a newbuilding, if our delivery of the newbuilding to our customer is delayed, we may be required to pay liquidated damages during such delay. For prolonged delays, the customer may terminate the charter and, in addition to the resulting loss of revenues, we may be responsible for additional, substantial liquidated damages. We do not derive any revenue from a vessel until after its delivery and are required to pay substantial sums as progress payments during construction of a newbuilding.

While we expect to have refund guarantees from financial institutions with respect to such progress payments in the event the vessel is not delivered by the shipyard or is otherwise not accepted by us, there is the potential that we may not be able to collect all portions of such refund guarantees, in which case we would lose the amounts we have advanced to the shipyards for such progress payments.

The completion and delivery of newbuildings could be delayed, cancelled or otherwise not completed because of:

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipbuilder;
- a backlog of orders at the shipyard;
- epidemics, pandemics, natural or man-made disasters;
- political or economic disturbances;
- weather interference or catastrophic event, such as a major earthquake or fire;
- requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- shortages of or delays in the receipt of necessary component machinery or equipment;
- inability to finance the construction or conversion of the vessels; or
- inability to obtain requisite permits or approvals.

If delivery of a vessel is materially delayed, it could materially adversely affect our results of operations and financial condition and our ability to make cash distributions.

If we expand the size of our fleet in the future, we generally will be required to make significant installment payments for acquisitions of vessels even prior to their delivery and generation of revenue. Depending on whether we finance our expenditures through cash from operations or by issuing debt or equity securities, our ability to make cash distributions, to the extent we are making distributions, may be diminished or our financial leverage could increase or our stockholders could be diluted.

The actual cost of a vessel varies significantly depending on the market price, the size and specifications of the vessel, governmental regulations and maritime self-regulatory organization standards. If we purchase additional vessels in the future, we generally will be required to make installment payments prior to their delivery. If we finance these acquisition costs by issuing debt or equity securities, we will increase the aggregate amount of interest payments or distributions, to the extent we are making distributions, prior to generating cash from the operation of the vessel.

To fund the remaining portion of these and other capital expenditures, we will be required to use cash from operations or raise capital through the sale of debt or additional equity securities. Use of cash from operations may reduce or eliminate cash available for distributions to stockholders. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business, results of operations and financial condition and on our ability to make cash distributions. Even if we successfully obtain necessary funds, the terms of such financings could limit our ability to pay cash distributions to stockholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional preferred and common equity securities may result in significant stockholder dilution and would increase the aggregate amount of cash required to make distributions to our stockholders, to the extent we are making distributions, which could have a material adverse effect on our ability to make cash distributions.

The market values of our vessels may fluctuate significantly. If vessel value are low at a time when we are attempting to dispose of a vessel, we could incur a loss.

Factors that influence vessel values include:

- the number of newbuilding deliveries;
- prevailing economic conditions in the markets in which drybulk vessels operate;
- reduced demand for drybulk , including as a result of a substantial or extended decline in world trade;
- the number of vessels scrapped or otherwise removed from the total fleet;
- changes in environmental and other regulations that may limit the useful life of vessels;
- changes in global dry cargo commodity supply or demand;
- types, sizes and age of vessels;
- advances in efficiency, such as the introduction of remote or autonomous vessels;
- the development of an increase in use of other modes of transportation;
- where the ship was built and as-built specification;
- lifetime maintenance record;
- the cost of vessel acquisitions;
- governmental or other regulations (including the application of any IMO rules);
- prevailing level of charter rates;
- the availability of financing, or lack thereof, for ordering newbuildings or for facilitating ship sale and purchase transactions;
- general economic and market conditions affecting the shipping industry; and
- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

As vessels grow older, they generally decline in value. We will review our vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. We review certain indicators of potential impairment, such as undiscounted projected operating cash flows expected from the future operation of the vessels, which can be volatile for vessels employed on short-term charters or in the spot market. Our inability to dispose of a vessel at the book value would result in a loss on its sale. If the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would incur a loss, which would negatively affect our financial condition and results of operations.

Although we have long-standing relationships with certain Japanese shipowners that provide us access to competitive contracts and financing, we cannot provide any assurance that we will always be able to maintain such relationships or that such contracts will continue to be available in the future.

We have long-standing relationships with certain Japanese shipowners that give us access to financing, time and bareboat charters at favorable rates and that, in some cases, include options to purchase the vessels at favorable prices relative to the current market. We cannot provide any assurance that we will have such relationships indefinitely. In addition, there is no assurance that Japanese shipowners will generally make contracts available on the same or substantially similar terms in the future.

Our vessels may be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.

Under the terms of the charter agreements under which our vessels operate, or are expected to operate in the case of a newbuilding, when a vessel is “off-hire,” or not available for service or otherwise deficient in its condition or performance, the charterer generally is not required to pay the hire rate, and we will be responsible for all costs (including the cost of bunker fuel) unless the charterer is responsible for the circumstances giving rise to the lack of availability.

As we do not maintain off-hire insurance except in cases of loss of hire up to a limited number of days due to war or piracy events any extended off-hire period could have a material adverse effect on our results of operations, cash flows and financial condition.

For more information on “off-hire” see Item 4. Information on the Company B. Business Overview Off-hire.

Vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition.

If our vessels suffer damages they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that insurance does not cover. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, could decrease our revenues and earnings substantially, particularly if a number of vessels are damaged or drydocked at the same time. Under the terms of the management agreement with the Manager, dated August 29, 2019 (the “Management Agreement”), the costs of drydocking repairs are not included in the daily management fee, but are to be reimbursed at cost upon occurrence. Most of the operating risks relating to vessels that we charter-in remain with their owners. If we charter-in a vessel or barge at a lower rate than the rate of hire from a sub-charterer of such vessel, a breakdown or loss of the vessel due to an operating risk suffered by the owner will, in all likelihood, result in our loss of the positive spread between the two rates of hire. Breakdowns, accidents or drydocking costs involving our vessels and losses relating to chartered vessels that are not covered by insurance, would result in a loss of revenue from the affected vessels, which may materially adversely affect our financial condition and results of operations.

In addition, secondhand vessels, unlike newbuilt vessels, typically do not carry warranties as to their condition, and our vessel inspections would not normally provide us with as much knowledge of a vessel’s condition as we would possess if it had been built for us and operated by us during its life. Repairs and maintenance costs for secondhand vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built. These costs could decrease our cash flows, liquidity and our ability to pay dividends to our stakeholders.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution.

We must make substantial capital expenditures to maintain and replace, over the long term, the operating capacity of our fleet. We generally expect to finance these maintenance capital expenditures with cash balances or credit facilities. These maintenance and replacement capital expenditures include capital expenditures associated with drydocking a vessel, modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain the operating capacity of our fleet. These expenditures could increase as a result of changes in the cost of our labor and materials, the cost of suitable replacement vessels, customer/market requirements, increases in the size of our fleet, the length of charters, governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment, competitive standards, and the age of our ships. In addition, we will need to make substantial capital expenditures to acquire vessels in accordance with our growth strategy. The inability to replace the vessels in our fleet upon the expiration of their useful lives could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our stakeholders.

Our significant maintenance and replacement capital expenditures, including without limitation the management fees for vessel operating expenses paid to the Manager pursuant to the Management Agreement, to maintain and replace, over the long-term, the operating capacity of our fleet, as well as to comply with environmental and safety regulations, may reduce or eliminate the amount of cash we have available for distribution to our stakeholders.

Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions/authorities.

Our international operations and activities could expose us to risks associated with trade and economic sanctions, prohibitions or other restrictions imposed by the U.S. or other governments or organizations, including the United Nations, the EU and its member countries, as described in this report. Under economic and trade sanctions laws, governments may seek to impose modifications to, or prohibitions/restrictions on business practices and activities, and modifications to compliance programs, which may increase compliance costs, and, in the event of a violation, may subject us to fines and other penalties and result in our being excluded or restricted in our access to international banking and finance markets. To reduce the risk of violating economic sanctions, we have a policy of compliance with applicable economic sanctions laws and have implemented and continue to implement and diligently follow compliance procedures to avoid economic sanctions violations.

Considering U.S., as well as, United Kingdom (the “UK”) - whose law frequently governs relations with our contractual relationships - EU sanctions and the nature of our business, there is a constant sanctions-related risk for us due to the worldwide trade of our vessels, which we seek to minimize by the implementation of our corporate Economic Sanctions Compliance Policy and Procedures and our compliance with all applicable sanctions and embargo laws and regulations. Although we intend to maintain such Economic Sanctions Compliance Policy and Procedures, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations, and the law may change. Moreover, despite, for example, relevant provisions in charter parties forbidding the use of our vessels in trade that would violate economic sanctions, our charterers may nevertheless violate applicable sanctions and embargo laws and regulations and those violations could in turn negatively affect our reputation and be imputed to us.

We continually monitor developments in the U.S., the E.U., the U.K. and other jurisdictions that maintain economic sanctions against Iran, Russia, Crimea, Venezuela, other countries/areas, and other sanctions targets, including developments in implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries and persons subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling in ports in sanctioned countries being chartered to certain parties or for certain trade, or could restrict cargoes.

In addition, given our relationship with Navios Partners, we cannot give any assurance that an adverse finding against them by a governmental, legal, or other authority, with respect to sanction matters or any future matter related to regulatory compliance by Navios Partners would not have a material adverse impact on our business, reputation or the market price or trading of our common stock.

If any of the risks described herein materializes, it could have a material adverse impact on our business and results of operations.

For a description of the economic and trade sanctions and other compliance requirements under which we operate please see “Item 4. Information on the Company. B. Business Overview—Sanction and Compliance”

Security breaches and disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In the ordinary course of business, we rely on information technology networks and systems to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities. Additionally, we collect and store certain data, including proprietary business information and customer and employee data, and may have access to other confidential information in the ordinary course of our business. Despite the cybersecurity measures we have designed to protect and secure our data, our information technology networks and infrastructure may be vulnerable to damage, disruptions, or shutdowns due to attack by hackers or breaches, employee error or malfeasance, data leakage, power outages, computer viruses and malware, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Any such events could result in legal claims or proceedings, liability or penalties under privacy or other laws, disruption in operations, and damage to our reputation, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. As of December 31, 2021, the Company was not aware of any material cybersecurity incident.

In addition, some of our technology networks and systems are managed by third-party service providers (including cloud-service providers) for a variety of reasons, and such providers also may have access to proprietary business information and customer and employee data, and may have access to confidential information on the conduct of our business. Like us, these third-party providers are subject to risks imposed by data breaches and disruptions to their technology infrastructure. A cyber-attack could defeat one or more of our third-party service providers’ security measures, allowing an attacker access to proprietary information from our company including our employees’, customers’ and suppliers’ data. Most recently, the Russia/Ukraine conflict has been accompanied by cyber-attacks, included to other countries in the region, which could adversely affect our operations. Any such security breach or disruption to our third-party service providers could result in a disruption in operations and damage to our reputation and liability claims, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation (“GDPR”), may create additional compliance requirements for us. To maintain high standards of corporate governance and public disclosure, we have invested in, and intend to continue to invest in, reasonably necessary resources to comply with evolving standards.

GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. GDPR has become enforceable on May 25, 2018 and non-compliance may expose entities to significant fines or other regulatory claims, which could have an adverse effect on our business, financial conditions, results of operations and cash flows.

We could be materially and adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and anti-corruption laws in other applicable jurisdictions.

As an international shipping company, we may operate in countries known to have a reputation for corruption. The U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”) and other anti-corruption laws and regulations in applicable jurisdictions generally prohibit companies registered with the SEC and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Under the FCPA, U.S. companies may be held liable for some actions taken by strategic or local partners or representatives. Legislation in other countries includes the U.K. Bribery Act 2010 (the “U.K. Bribery Act”) which is broader in scope than the FCPA because it does not contain an exception for facilitation payments. We and our customers may be subject to these and similar anti-corruption laws in other applicable jurisdictions. Failure to comply with legal requirements could expose us to civil and/or criminal penalties, including fines, prosecution and significant reputational damage, all of which could materially and adversely affect our business and the results of operations, including our relationships with our customers, and our financial results. Compliance with the FCPA, the U.K. Bribery Act and other applicable anti-corruption laws and related regulations and policies imposes potentially significant costs and operational burdens on us. Moreover, the compliance and monitoring mechanisms that we have in place including our Code of Ethics and our anti-bribery and anti-corruption policies, may not adequately prevent or detect all possible violations under applicable anti-bribery and anti-corruption legislation.

Because we generate substantially all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses, thereby increasing expenses and reducing income.

We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar-denominated at the present. Additionally, our South American subsidiaries transact a nominal amount of their operations in Uruguayan pesos, Paraguayan Guaranies, Argentinean pesos and Brazilian Reales; however, all of the subsidiaries’ primary cash flows are U.S. dollar-denominated. In 2021, approximately 25.4% of our expenses from continuing operations were incurred in currencies other than U.S. dollars. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase, thereby decreasing our income. A change in exchange rates between the U.S. dollar and each of the foreign currencies listed above of 1.00% would change our net loss from continuing operations for the year ended December 31, 2021 by \$0.7 million.

For example, as of December 31, 2021, the value of the U.S. dollar as compared to the Euro increased by approximately 8.1% compared with the respective value as of December 31, 2020. A greater percentage of our transactions and expenses in the future may be denominated in currencies other than U.S. dollar. As part of our overall risk management policy, we may attempt to hedge these risks in exchange rate fluctuations from time to time. We may not always be successful in such hedging activities and, as a result, our operating results could suffer as a result of non-hedged losses incurred as a result of exchange rate fluctuations.

Risks Relating to Our Organizational Structure and Other Legal Matters

We are dependent on the Manager for the technical, commercial, administrative and technical management of our fleet.

Pursuant to the Management Agreement entered into with the Manager, the Manager provides to us significant commercial and technical management services (including the commercial and technical management of our vessels, vessel maintenance and crewing, purchasing and insurance and shipyard supervision). In addition, pursuant to the Administrative Services Agreement between us and the Manager, the Manager provides us significant administrative, financial and other support services. Our operational success and ability to execute our growth strategy will depend significantly upon the Manager’s satisfactory performance of these services. Our business will be harmed if the Manager fails to perform these services satisfactorily, if the Manager cancels either of these agreements, or if the Manager stops providing these services to us. Although we may have rights against the Manager if it defaults on its obligations to us, holders of our securities will have no recourse directly against it. Further, we expect that we will need to seek approval from our respective lenders to change our Manager. The Manager may have responsibilities and relationships to owners other than Navios Holdings that could create conflicts of interest between us and the Manager.

Our ability to enter into new charters and expand our customer relationships will depend largely on the Manager and its reputation and relationships in the shipping industry. If the Manager suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;

- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with suppliers and other third parties.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, results of operations and financial condition.

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make distributions.

We are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets, including our ships. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to pay our obligations and to make distributions depends entirely on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, or by the law of their respective jurisdiction of incorporation that regulates the payment of dividends. If we are unable to obtain funds from our subsidiaries, our Board of Directors may not exercise its discretion not to declare or pay dividends.

Our Chairwoman and Chief Executive Officer, Angeliki Frangou, beneficially owns approximately 40.8% of our common stock, which gives her voting power over matters on which our stockholders are entitled to vote, and accordingly, she can exert considerable influence over our actions. Ms. Frangou may acquire significant additional ownership interests in Navios Holdings, and may have interests that are different from the interests of our other stockholders.

As of the date of this report, our Chairwoman and Chief Executive Officer, Ms. Angeliki Frangou, beneficially owns approximately 40.8% of the outstanding shares of our common stock directly or through her affiliate companies, including NSM. Ms Frangou recently filed an amended Schedule 13D indicating that she intends, subject to market conditions, to purchase up to \$20.0 million of our common stock (as of April 04, 2022, she had purchased approximately \$10.0 million in aggregate purchase price of our common stock).

Pursuant to the NSM Loans, NSM has the option to convert any portion of the outstanding principal balance under the Convertible Debenture into shares of our common stock in accordance with a contractually determined formula. The agreements governing the NSM Loans provide for prepayment premiums ranging from 5-10% during the first 36 months of their respective terms, payable by increasing the principal balance of the Convertible Debenture, which entitles the holder to acquire additional shares of our common stock resulting from such increase in outstanding principal balance. In addition, we make interest payments on the Convertible Debenture with payments-in-kind (“PIK”), payable at maturity, to the extent of principal amounts outstanding not earlier converted by NSM.

As the Chairwoman, Chief Executive Officer and our largest stockholder, she has the power to exert considerable influence over our actions and the outcome of matters on which our stockholders are entitled to vote, including the election of directors and other significant corporate actions. This concentration of ownership may delay, deter or prevent acts that would be favored by our other stockholders or deprive stockholders of an opportunity to receive a premium for their shares as part of a sale of our business. It is possible that the interests of the controlling stockholder may in some cases conflict with the interests of our other stockholders. The interests of our principal stockholder may be different from the interests of our other stockholders. In addition, concentration of share ownership may adversely affect the trading price of our common stock to the extent investors perceive disadvantages in owning shares in a company with concentrated ownership.

The maximum number of shares of our common stock issuable to NSM in connection with the Convertible Debenture is 51.5 million shares. If we issue the maximum number of shares, Ms. Frangou will beneficially own approximately 74.4% of our common stock. For information on the NSM Loans and the Convertible Debenture, see Note 11 “Borrowings” and Note 16 “Transactions with Related Parties” in our consolidated financial statements included in this Annual Report.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.

Our corporate affairs are governed by our amended and restated articles of incorporation and by-laws and by the Marshall Islands Business Corporations Act (“BCA”). The provisions of the BCA are intended to resemble provisions of the corporation laws of a number of states in the U.S. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Stockholder rights may differ as well. The BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, and the BCA is interpreted and construed by Delaware laws and the laws of other States with substantially similar legislative provisions. Accordingly, an individual investor may have more difficulty protecting his or her interests in the face of actions by management, directors or controlling stockholders than the same investor would have in the case of a corporation incorporated in the State of Delaware or other U.S. jurisdictions.

Because we are incorporated under the laws of the Republic of the Marshall Islands and our business is operated primarily from our office in the Cayman Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are a corporation organized under the laws of the Republic of the Marshall Islands, and all of our assets are located outside of the U.S. Our business is operated primarily from our office in the Cayman Islands. In addition, the majority of our directors and officers are residents of non-U.S. jurisdictions, substantial portions of the assets of these persons are located outside of the United States. Thus, it may be difficult or not be possible for investors to affect service of process upon us, or our non-U.S. directors or officers, or to enforce any judgment obtained against these persons in U.S. courts. In addition, it may not be possible to enforce U.S. securities laws or judgments obtained in U.S. courts against these persons in a non-U.S. jurisdiction. Even if an individual investor is successful in bringing an action of this kind, the laws of the Republic of the Marshall Islands, the Cayman Islands and other jurisdictions may prevent or restrict that investor from enforcing a judgment against our assets or the assets of our directors or officers.

The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.

We are incorporated under the laws of the Republic of the Marshall Islands and our subsidiaries are also incorporated under the laws of the Republic of the Marshall Islands, and certain other countries other than the United States, and we conduct operations in countries around the world. Our business will be operated primarily from our offices in the Cayman Islands. Consequently, in the event of any bankruptcy, insolvency or similar proceedings involving us or one of our subsidiaries, bankruptcy laws other than those of the United States could apply. We have limited operations in the United States. If we become a debtor under the United States bankruptcy laws, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States or that a United States bankruptcy court would be entitled to, or accept, jurisdiction over such bankruptcy case or that courts in other countries that have jurisdiction over us and our operations would recognize a United States bankruptcy court’s jurisdiction if any other bankruptcy court would determine it had jurisdiction.

Being a foreign private issuer exempts us from certain SEC and NYSE requirements.

We are a foreign private issuer within the meaning of rules promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). As such, we are exempt from certain provisions applicable to U.S. public companies including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the provisions of Regulation FD aimed at preventing issuers from making selective disclosures of material information;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and establishing insider liability for profits realized from any “short-swing” trading transaction (i.e., a purchase and sale, or sale and purchase, of the issuer’s equity securities within less than six months); and
- the obligation to obtain shareholder approval in connection with the approval of, and material revisions to, equity compensation plans.

Because of these exemptions, investors are not afforded the same protections or information generally available to investors holding shares in public companies organized in the U.S.

Anti-takeover provisions in our amended and restated articles of incorporation could make it difficult for our stockholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Several provisions of our amended and restated articles of incorporation and bylaws could make it difficult for our stockholders to change the composition of our board of directors in any one year, preventing them from changing the composition of our management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable. These provisions include those that:

- authorize our board of directors to issue “blank check” preferred stock without stockholder approval;
- provide for a classified board of directors with staggered, three-year terms;
- require a super-majority vote in order to amend the provisions regarding our classified board of directors with staggered, three-year terms; and
- prohibit cumulative voting in the election of directors.

These anti-takeover provisions could substantially impede the ability of stockholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

The Manager may be unable to attract and retain qualified, skilled employees or crew necessary to operate our vessels and business or may have to pay increased costs for our employees and crew and other vessel operating costs.

Our success will depend in part on our Manager’s ability to attract, hire, train and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract, hire, train and retain qualified crew members is intense. In addition, recently, the limited supply of, and increased demand for, well-qualified crew members, due to the increase in the size of global shipping fleet, has created upward pressure on crewing costs. If we are not able to increase our hire rates to compensate for any crew cost increases, our business, financial condition and results of operations may be adversely affected. Any inability we experience in the future to attract, hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business.

The loss of key members of our senior management team could disrupt the management of our business.

We believe that our success depends on the continued contributions of the members of our senior management team, including our Chairwoman, Chief Executive Officer and principal stockholder. The loss of the services of our Chairwoman and Chief Executive Officer or one of our other executive officers or senior management members could impair our ability to identify and secure new charter contracts, to maintain good customer relations and to otherwise manage our business, which could have a material adverse effect on our financial performance and our ability to compete.

Navios Partners and its affiliates may compete with us.

We entered into an omnibus agreement with Navios Partners (the “Omnibus Agreement”) in connection with the closing of Navios Partners’ initial public offering governing, among other things, that us and our then-controlled affiliates (other than Navios Partners, its General Partner and subsidiaries) generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Holdings. The Omnibus Agreement, however, contain significant exceptions that allow Navios Holdings or any of our controlled affiliates to compete with Navios Partners under specified circumstances. In addition, concurrently with the successful consummation of the initial business combination by Navios Acquisition, on May 28, 2010, because of the overlap between Navios Acquisition, Navios Partners and us, with respect to possible acquisitions under the terms of the Omnibus Agreement, we had entered into a business opportunity right of first refusal agreement which provided the types of business opportunities in the marine transportation and logistics industries, we, Navios Partners and Navios Acquisition must share with the each other.

In connection with Navios Maritime Midstream Partners L.P. (“Navios Midstream”) initial public offering and effective November 18, 2014, Navios Holdings had entered into the omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners (the “Navios Midstream Omnibus Agreement”) pursuant to which Navios Acquisition, Navios Holdings and Navios Partners had agreed not to acquire or own any very large crude carriers (“VLCCs”), crude oil tankers, refined petroleum product tankers, liquefied petroleum gas (“LPG”) tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

In connection with the Navios Containers private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Holdings had entered into an omnibus agreement with Navios Containers, Navios Partners, Navios Acquisition and Navios Midstream (the “Navios Containers Omnibus Agreement”), pursuant to which Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream had granted to Navios Containers a right of first refusal over any container vessels to be sold or acquired in the future. The omnibus agreement contained significant exceptions that would allow Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream to compete with Navios Containers under specified circumstances.

Our officers, certain of our directors and stockholders are affiliated with entities engaged in business activities similar to those conducted by us, which may compete directly with us, causing such persons to have conflicts of interest and conflicts in the allocation of their time to our business.

Our executive officers, certain of our directors and principal stockholders also serve as executive officers and/or directors in Navios Partners. Certain of our directors are also directors of other shipping companies and they may enter similar businesses in the future. These other affiliations and business activities may give rise to certain conflicts of interest in the course of such individuals’ affiliation with us. Although we do not prevent our directors, officers and principal stockholders from having such affiliations, we use our best efforts to cause such individuals to comply with all applicable laws and regulations in addressing such conflicts of interest. If the separate activities are significantly greater than our activities, there will be material competition for the time and effort of our officers who also provide services to Navios Partners and its respective affiliate companies. Our officers are not required to work full-time on our affairs and, in the future, we may have additional officers that also provide services to these entities. As such, these individuals have fiduciary duties to Navios Partners, which may cause them to pursue business strategies that disproportionately benefit Navios Partners or which otherwise are not in our best interests or those of our stockholders. Conflicts of interest may arise between Navios Partners, on the one hand, and us and our stockholders on the other hand. Based solely on the anticipated relative sizes of our fleet and the fleet owned by the Navios Partners, over the next twelve months, we estimate that certain our officers may spend a substantial portion of their monthly business time dedicated to the business activities of the Navios Partners and its affiliate companies. However, the actual allocation of time could vary significantly from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses.

Fees and cost reimbursements, which the Manager determines for services provided to us, represent significant percentage of our revenues, are payable regardless of profitability and reduce our cash available for distributions.

A large portion of the management, staffing and administrative services that we require to operate our business are provided to us by the Manager. We pay the Manager, a commercial and technical management fee under the Management Agreement, and we reimburse the Manager at cost for the administrative services under the Administrative Agreement.

Pursuant to the Management Agreement, the Manager provides commercial and technical management services to our vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination is received by either party. The ship management services fees provided by the Manager was \$3,700 per day until August 2021 and was further fixed at \$3,811 per day until August 2022 per owned/bareboat-in vessel, increasing thereafter by 3% annually, unless otherwise agreed. The term of the Management Agreement expires on August 29, 2024.

In addition, the Manager provides us with administrative services, pursuant to the Administrative Agreement dated August 29, 2019, expiring on August 29, 2024, and we reimburse the Manager for all costs and expenses reasonably incurred by it in connection with the provision of those services. The exact amount of these future costs and expenses are unquantifiable at this time and they are payable regardless of our profitability.

If we desire to terminate either of these agreements before its scheduled expiration, we must pay a termination fee to the Manager as set forth in the agreements. As a result, our ability to make short-term adjustments to manage our costs by terminating one or both these agreements may be limited which could cause our results of operations and ability to pay dividends to be materially and adversely affected.

For detailed information on the amount of management fees for vessel operating expenses owed under the Management Agreement, please see the section entitled, "Item 7. Major Shareholders and Related Party Transactions – B. Related Party Transactions– Vessel Operating Expenses (management fees)".

Risks Relating to Our Common Stock

Our stock price may be volatile, and investors in our common stock could lose all or part of their investment.

The following factors could cause the price of our common stock in the public market to fluctuate significantly:

- variations in our quarterly and annual operating results, and shortfalls from levels forecasted by securities analysts;
- changes in market valuations of companies in our industry;
- fluctuations in the seaborne transportation industry;
- dividend distributions or lack thereof;
- fluctuations in stock market prices and volumes;
- changes in governmental regulations or maritime self-regulatory organization standards;
- general economic conditions;
- terrorist acts;
- investors' perceptions of us;
- the general state of the securities markets;
- issuance of common stock or other securities in the future;
- the addition or departure of key personnel;
- announcements by us or our competitors of new business or trade routes, acquisitions or mergers and strategic alliances in the shipping industry; and
- the other factors discussed elsewhere in this Annual Report.

Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our securities may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our securities in spite of our operating performance. Consequently, this may prevent investors from being able to sell their common stock at or above the price an investor pays for our common stock in an offering.

You may experience future proportionate ownership dilution as a result of future equity offerings, and other issuances of our common stock, preferred stock or other securities, including stock issued for debt repayment purposes or otherwise.

In order to raise additional capital, including to support our growth plans, to repay indebtedness, or otherwise, we may issue additional equity securities, including preferred stock, or other securities convertible into or exchangeable for our common stock, including convertible debt. We cannot predict the size of future issuances or sales of our common or preferred stock, including those made in connection with debt repayment purposes, or the effect, if any, that such issuances or sales may have on the market price of our common stock. The issuance and sale of substantial amounts of common stock, could adversely affect the market price of our common stock, and will dilute the proportionate ownership interests of our existing stockholders, and decrease the relative voting strength of each previously outstanding common share held by our existing stockholders.

Holders of our common stock have no preemptive rights that entitle such holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings will result in increased dilution to our stockholders.

The NYSE may delist our securities from quotation on its exchange, which could limit the ability of our securityholders to trade our securities and subject us to additional trading restrictions.

Our securities are listed on the NYSE, a national securities exchange. The NYSE minimum listing standards require that we meet certain requirements relating to stockholders' equity, number of round-lot holders, market capitalization, aggregate market value of publicly held shares and distribution requirements. For example, on April 18, 2018, we were notified by the NYSE that we were no longer in compliance with the NYSE's continued listing standards because the average closing price of our common stock over a consecutive 30 trading-day period was less than \$1.00 per common share. Although we regained compliance on January 3, 2019, following a reverse split of our stock, we cannot provide any assurance that our securities will continue to be listed on NYSE in the future. If NYSE delists our securities from trading on its exchange, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- a limited amount of news and analyst coverage for us;
- a decreased ability for us to issue additional securities or obtain additional financing in the future;
- limited liquidity for our stockholders due to thin trading; and
- loss of our tax exemption under Section 883 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), loss of preferential capital gain tax rates for certain dividends received by certain non-corporate U.S. holders and loss of "mark-to-market" election by U.S. holders in the event we are treated as a passive foreign investment company ("PFIC").

Risks Relating to Our Series G and Series H and the Depositary Shares

Our Series G and Series H are represented by the Depositary Shares. The Depositary Shares are subordinated to our debt obligations, and the interests of a holder of Series G, Series H or Depositary Shares could be diluted by the issuance of additional shares, including additional Series G or Series H or by other transactions.

Our Series G, with a liquidation preference of \$2,500.00 per share and our Series H, with a liquidation preference of \$2,500.00 per share (the Series G and the Series H together referred to as the "Series G and H"), both represented by American Depositary Shares (the "Depositary Shares"), are subordinated to all of our existing and future indebtedness. As of December 31, 2021, our total debt was \$1,405.8 million. We may incur substantial additional debt from time to time in the future, and the terms of the Series G and H do not limit the amount of indebtedness we may incur. In February 2016, we announced the suspension of payment of quarterly dividends on our common stock and on the Series G and Series H. The payment of principal and interest on our debt reduces cash available for distribution to us and on our shares, including the Series G and H and the Depositary Shares, should such dividends be reinstated. We currently have no plans or intention to pay dividends on the Series G or Series H.

The issuance of additional preferred stock on a parity with or senior to our Series G and H would dilute the interests of the holders of our Series G and H, and any issuance of any preferred stock senior to or on parity with our Series G and H or additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series G and H. No provisions relating to our Series G and H protect the holders of our Series G and H in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series G and H.

Our Series G and H will rank pari passu with any other class or series of our capital stock established after the original issue date of the Series G and H that is not expressly subordinated or senior to the Series G and H ("Parity Securities") as to the payment of dividends and amounts payable upon liquidation or reorganization. If less than all dividends payable with respect to the Series G and H and any Parity Securities are paid, any partial payment shall be made pro rata with respect to shares of Series G and H and any Parity Securities entitled to a dividend payment at such time in proportion to the aggregate amounts remaining due in respect of such shares at such time.

We may not have sufficient cash from our operations to enable us to pay dividends on or to redeem our Series G and H, and accordingly the Depositary Shares, as the case may be, following the payment of expenses and the establishment of any reserves.

In February 2016, we announced the suspension of payment of quarterly dividends on the Series G and Series H, and have not paid a quarterly dividend payments on the Series G or Series H since then, and as a result the respective dividend rates increased by 0.25%. We will reinstate and pay quarterly dividends on the Series G and H, and accordingly the Depositary Shares, only from funds legally available for such purpose when, as and if declared by our board of directors. We may not have sufficient cash available to reinstate such dividend or to pay dividends each quarter if and when reinstated. We currently have no plans or intention to pay dividends on the Series G or Series H. In addition, we may have insufficient cash available to redeem the Series G and H, and accordingly the Depositary Shares. The amount of cash we can use to pay dividends or redeem our Series G and H and the Depositary Shares depends upon the amount of cash we generate from our operations, which may fluctuate significantly, and other factors, including the following:

- changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;
- the amount of any cash reserves established by our board of directors;
- restrictions under our credit facilities and other instruments and agreements governing our existing and future debt, including restrictions under our existing credit facilities and indentures governing our debt securities (other than the indenture governing the newly issued 9.75% Senior Notes due 2024 (the “2024 Notes”) on our ability to pay dividends if an event of default has occurred and is continuing, or if the payment of the dividend would result in an event of default, and on our ability to redeem equity securities;
- restrictions under Marshall Islands law as described below; and
- our overall financial and operating performance, which, in turn, is subject to prevailing economic and competitive conditions and to the risks associated with the shipping industry, our dry bulk operations and the other factors described herein, many of which are beyond our control.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by noncash items, and our board of directors in its discretion may elect not to declare any dividends. We may incur other expenses or liabilities that could reduce or eliminate the cash available for distribution as dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

Our ability to pay dividends on and to redeem our Series G and H, and therefore holders’ ability to receive payments on the Depositary Shares, is limited by the requirements of Marshall Islands law.

If we reinstate the payment of dividends, Marshall Islands law provides that we may pay dividends on and redeem the Series G and H only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings, if any, and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends on or redeem Series G and H if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

The Series G and H represent perpetual equity interests.

The Series G and H represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series G and H (and accordingly the Depositary Shares) may be required to bear the financial risks of an investment in the Series G and H (and accordingly the Depositary Shares) for an indefinite period of time. In addition, the Series G and H will rank junior to all our indebtedness and other liabilities, and any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

Holder of Depositary Shares have extremely limited voting rights. The voting rights of holders of Depositary Shares are more limited than the voting rights of holders of the Series G and H. Holders of Depositary Shares may encounter difficulties in exercising some of such voting rights.

Voting rights of holders of Depositary Shares will be extremely limited. Our common stock is the only class of stock carrying full voting rights. Holders of the Series G and H, and accordingly holders of the Depositary Shares, generally have no voting rights. In February 2016, we announced the suspension of payment of quarterly dividends on the Series G and Series H. As such, (i) we have used commercially reasonable efforts to obtain an amendment to our articles of incorporation to effectuate any and all such changes thereto as may be necessary to permit either the Series G Preferred Shareholders or the Series H Preferred Shareholders, as the case may be, to exercise the voting rights described in the following clause (ii)(x), and (ii) if and when dividends payable on either the Series G or the Series H, as the case may be, are in arrears for six or more quarterly periods, whether or not consecutive (and whether or not such dividends shall have been declared and whether or not there are profits, surplus, or other funds legally available for the payment of dividends), then (x) if our articles of incorporation have been amended as described in the preceding clause (i), the holders of Series G or the holders of Series H, as the case may be, will have the right (voting together as a class with all other classes or series of parity securities upon which like voting rights have been conferred and are exercisable), to elect one additional director to serve on our board of directors, and the size of our board of directors will be increased as needed to accommodate such change (unless the size of our board of directors already has been increased by reason of the election of a director by holders of securities on parity with either the Series G or Series H, as the case may be, upon which like voting rights have been conferred and with which the Series G and H voted as a class for the election of such director), and (y) if our articles of incorporation have not been amended as described in the preceding clause (i), then, until such amendment is fully approved and effective, the dividend rate on the Series G or the Series H, as the case may be, shall increase by 25 basis points. At our respective Annual Meeting of stockholders held on December 15, 2016, December 15, 2017 and December 21, 2018, the Company proposed an amendment to our articles of incorporation to effectuate any and all such changes as were necessary to permit the Series G and/or Series H holders the ability to exercise the certain voting rights described above. These proposals failed to receive the affirmative vote of holders of two-thirds of the Company's issued and outstanding common stock entitled to vote at the respective Annual Meeting, which was required to approve the proposal. Therefore, since the proposals failed and the dividends for the Series G and Series H are in arrears for six or more quarterly periods the dividend rate on the Series G and Series H have increased by 25 basis points respectively. There can be no assurance that any such further proposal to our stockholders to amend our articles of incorporation will be approved by our common stockholders.

Furthermore, holders of the Depositary Shares may encounter difficulties in exercising any voting rights acquired by the Series G or the Series H for as long as they hold the Depositary Shares rather than the Series G or the Series H. For example, holders of the Depositary Shares will not be entitled to vote at meetings of holders of Series G or of the Series H, and they will only be able to exercise their limited voting rights by giving timely instructions to CITIBANK, N.A. (the "Depositary") in advance of any meeting of holders of Series G or the Series H, as the case may be. On March 29, 2021, we entered into an amended and restated deposit agreement with the Depositary, whereby the Depositary succeeded The Bank of New York Mellon as depositary of the Depositary Shares. The Depositary will be the holder of the Series G or the Series H underlying the Depositary Shares and holders may exercise voting rights with respect to the Series G or the Series H represented by the Depositary Shares only in accordance with the deposit agreement (the "Deposit Agreement") relating to the Depositary Shares. To the limited extent permitted by the Deposit Agreement, the holders of the Depositary Shares should be able to direct the Depositary to vote the underlying Series G or the Series H, as the case may be, in accordance with their individual instructions. Nevertheless, holders of Depositary Shares may not receive voting materials in time to instruct the Depositary to vote the Series G or the Series H, as the case may be, underlying their Depositary Shares. In addition, the Depositary and its agents are not responsible for failing to carry out voting instructions of the holders of Depositary Shares or for the manner of carrying out such instructions. Accordingly, holders of Depositary Shares may not be able to exercise voting rights, and they will have little, if any, recourse if the underlying Series G or the Series H, as the case may be, is not voted as requested.

The Depositary Shares lack a well-developed trading market. Various factors may adversely affect the price of the Depositary Shares.

Even though the Depositary Shares are listed on the NYSE, there may be little or no secondary market for the Depositary Shares, in which case the trading price of the Depositary Shares could be adversely affected and a holder's ability to transfer its securities will be limited. The Depositary Shares may trade at prices lower than the offering price and the secondary market may not provide sufficient liquidity. In addition, since the Series G and Series H do not have a stated maturity date, investors seeking liquidity in the Depositary Shares will be limited to selling their Depositary Shares in the secondary market absent redemption by us. We do not expect that there will be any other trading market for the Series G and Series H except as represented by the Depositary Shares.

Other factors, some of which are beyond our control, will also influence the market prices of the Depositary Shares. Factors that might influence the market prices of the Depositary Shares include:

- whether we are able to reinstate dividends on the Series G and Series H;
- the market for similar securities;
- our issuance of debt or preferred equity securities;
- our creditworthiness;
- our financial condition, results of operations and prospects; and
- economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Accordingly, the Depositary Shares that an investor purchases may trade at a discount to their purchase price.

Depositary Shares became less liquid following the Exchange Offer.

During March and April 2019, Navios Holdings exchanged cash and/or 2024 Notes for 10,930 Series H and 8,841 Series G, respectively. Following consummation of the Exchange Offer, the number of Depositary Shares that are publicly traded has been reduced and the trading market for the remaining outstanding Depositary Shares may be less liquid and market prices may fluctuate significantly depending on the volume of trading in the Depositary Shares. Therefore, holders whose Depositary Shares were not repurchased will own a greater percentage interest in the remaining outstanding Depositary Shares following consummation of the Exchange Offer. This reduced the volume of trading and make it more difficult to buy or sell significant amounts of Depositary Shares without affecting the market price. Decreased liquidity may make it more difficult for holders of Depositary Shares to sell their Depositary Shares.

The Series G and H represented by the Depositary Shares have not been rated, and ratings of any other of our securities may affect the trading price of the Depositary Shares.

We have not sought to obtain a rating for the Series G and H, and both stocks may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to either the Series G or the Series H or that we may elect to obtain a rating of either our Series G or the Series H in the future. In addition, we have issued securities that are rated and may elect to issue other securities for which we may seek to obtain a rating. Any ratings that are assigned to the Series G or the Series H in the future, that have been issued on our outstanding securities or that may be issued on our other securities, if they are lower than market expectations or are subsequently lowered or withdrawn, could imply a lower relative value for the Series G or the Series H and could adversely affect the market for or the market value of the Depositary Shares of the Series G and H Preferred Shares respectively. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series G and H and the Depositary Shares. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series G and H and the Depositary Shares may not reflect all risks related to us and our business, or the structure or market value of the Series G and H and the Depositary Shares.

The amount of the liquidation preference of our Series G and H is fixed and holders will have no right to receive any greater payment regardless of the circumstances.

The payment due upon liquidation for both our Series G and H is fixed at the liquidation preference of \$2,500.00 per share (equivalent to \$25.00 per Depositary Share) plus accumulated and unpaid dividends to the date of liquidation (whether or not declared). If in the case of our liquidation, there are remaining assets to be distributed after payment of this amount, holders will have no right to receive or to participate in these amounts. Furthermore, if the market price for the Series G or the Series H, as the case may be, is greater than the liquidation preference, holders will have no right to receive the market price from us upon our liquidation.

The Series G and H are redeemable only at our option and investors should not expect us to redeem either the Series G or the Series H on the dates they respectively become redeemable or at any time afterwards.

We may redeem, at our option, all or from time to time part of the Series G or the Series H. If we redeem the Series G, holders of the Series G will be entitled to receive a redemption price equal to \$2,500.00 per share (equivalent to \$25.00 per Depositary Share) plus accumulated and unpaid dividends to the date of redemption (whether or not declared). If we redeem the Series H, holders of the Series H will be entitled to receive a redemption price equal to \$2,500.00 per share (equivalent to \$25.00 per Depositary Share) plus accumulated and unpaid dividends to the date of redemption (whether or not declared). Any decision we may make at any time to propose redemption of either the Series G or the Series H will depend upon, among other things, our evaluation of our capital position, the composition of our shareholders' equity and general market conditions at that time. In addition, investors might not be able to reinvest the money they receive upon redemption of the Series G or the Series H, as the case may be, in a similar security or at similar rates. We may elect to exercise our partial redemption right on multiple occasions.

Holders of Depositary Shares may be subject to additional risks related to holding Depositary Shares rather than holding shares directly.

Because holders of Depositary Shares do not hold their shares directly, they are subject to the following additional risks, among others:

- a holder of Depositary Shares will not be treated as one of our direct shareholders and may not be able to exercise shareholder rights;
- distributions on the Series G and H represented by the Depositary Shares will be paid to the Depositary, and before the Depositary makes a distribution to holder on behalf of the Depositary Shares, withholding taxes or other governmental charges, if any, that must be paid will be deducted;
- we and the Depositary may amend or terminate the Deposit Agreement without the consent of holders of the Depositary Shares in a manner that could prejudice holders of Depositary Shares or that could affect their ability to transfer Depositary Shares, among others; and
- the Depositary may take other actions inconsistent with the best interests of holders of Depositary Shares.

Risks Relating to Navios Logistics

The international transportation industry is generally cyclical and volatile, and this may lead to volatility in, and reductions of, Navios Logistics' vessel contract rates and volatility in its results of operations.

The international transportation industry is generally both cyclical and volatile, with frequent fluctuations in contract rates. The markets in which Navios Logistics operates are still developing and the nature of the industry's cycle with respect to rates is difficult to determine, including the timing and amount of fluctuations in contract rates and spot market rates. Navios Logistics expects that its industry will exhibit significant cyclicity and volatility as it matures. The contract rates earned by the tankers in its cabotage business and barges and pushboats in its barge business will depend in part upon the state of the coastal and river markets at the time Navios Logistics seeks to charter them. Navios Logistics cannot control the forces affecting the supply and demand for these vessels or for the goods that they carry or predict the state of the respective markets on any future date.

Some of the factors that influence the demand for vessels include, but are not limited to:

- global and regional production of, and demand for, dry bulk commodities, in particular, soybean and iron ore, and petroleum and refined petroleum products;
- the price of refined petroleum products, including the effects of existing or contemplated local government subsidies;
- regulations in the regions where we operate, including IMO regulations;
- embargoes and strikes; and
- changes in river, sea and other transportation patterns and the supply of and rates for alternative means of transportation.

Some of the factors that influence the supply of vessels include, but are not limited to:

- the number of newly constructed vessel deliveries in the area in which Navios Logistics operates;
- the scrapping rate of older vessels;
- the price of steel and other inputs;
- the number of vessels that are out of service at a given time;
- changes in licensing regulations and environmental and other regulations that may limit licenses, the useful life, carrying capacity or the operations of Navios Logistics' fleet; and
- port or canal traffic and congestion.

Further, public health or safety concerns and governmental restrictions - including those caused by outbreaks of pandemic diseases such as the COVID-19 global pandemic, that cause Navios Logistics or its customers to suspend operations in affected areas, may impact both demand for, and supply of, Navios Logistics' vessels in some of the countries in which they operate, or cause an economic downturn adversely affecting demand for its services.

Navios Logistics' grain port business has seasonal components linked to the grain harvests in the region. At times throughout the year, the capacity of its grain port terminal, including the loading and unloading operations, and potential unavailability of space in its silos, which could materially and adversely affect its operations and revenues.

Navios Logistics conducts much of its grain port business in a region of navigable waters in South America on the Parana, Paraguay and Uruguay Rivers and part of the River Plate, which flow through Brazil, Bolivia, Uruguay, Paraguay and Argentina covering the entire length of the Parana River south of the Itaipu Dam, the entire length of the Paraguay River south of Corumba, the Uruguay River and the River Plate west of Buenos Aires (the "Hidrovia Region"). The revenue from its grain port business is derived from the handling and storage of soybeans and other agricultural products produced in the Hidrovia Region, which occurs mainly during April and September. The seasonality of its grain port business operations could, in turn, increase the inflow and outflow of barges and vessels in its grain port terminal, causing decreased space in its silos, which in turn would affect its timely operations or its ability to satisfy the increased demand. Inability to provide services in a timely manner may have a negative impact on its clients' satisfaction and result in loss of existing contracts or inability to obtain new contracts.

Navios Logistics is subject to certain operating risks in its port terminals that could affect the performance of its contractual commitments, and in its barge and cabotage businesses including vessel breakdowns or accidents, which could result in a loss of revenue from the affected vessels, which could result in a loss of revenue and could have a material adverse effect on its results of operations or financial condition.

Navios Logistics operations are subject to a number of risks affecting its port terminals and the port facilities under development. These risks include, but are not limited to, mechanical and electrical failure, accidents, personal injury, loss or theft of cargo, or damage, fires, explosions, business interruption, political conditions and hostilities, labor strikes, adverse weather conditions such as floods, natural disasters, accidents on waterways or in coastal routes or accidents in its loading or unloading terminals, including environmental accidents and collisions, each of which could result in damages, penalties, fines, indemnities or costs payable to third parties and other claims against Navios Logistics. Further, public health or safety concerns and governmental restrictions, including those caused by outbreaks of pandemic disease such as the ongoing COVID-19 pandemic, may cause Navios Logistics to suspend operations in affected areas. Navios Logistics' exposure to these operating risks in its existing port facilities may adversely affect its capacity to duly perform its contractual obligations under its take-or-pay contracts. In addition, these operating risks may result in additional repair costs for equipment, including cranes, conveyor belts, stacker-reclaimer, shiploaders, or piers, which are unpredictable and can be substantial. The loss of earnings while these damages are being repaired, as well as the actual cost of these repairs, could decrease Navios Logistics' revenues and earnings substantially, particularly if this leads to a default under its contracts, which would materially affect its financial condition and results of operations.

Navios Logistics' exposure to operating risks of vessel breakdown and accidents mainly arises in the context of its owned or bareboat chartered and operated vessels, including barges, tankers and pushboats. If any of the vessels in its fleet suffers damage, it may need to be repaired at a dry-docking facility. The costs of dry-docking are unpredictable and can be substantial. The loss of earnings while these vessels, barges and pushboats are being repaired and repositioned, as well as the actual cost of these repairs, could decrease Navios Logistics' revenues and earnings substantially, particularly if a number of vessels, barges and pushboats are damaged or dry-docked at the same time. Most of the operating risks relating to vessels that Navios Logistics charters-in remain with their owners. If Navios Logistics charters-in a vessel or barge at a lower rate than the rate of hire Navios Logistics receives from a sub-charterer of such vessel, a breakdown or loss of the vessel due to an operating risk suffered by the owner will, in all likelihood, result in its loss of the positive spread between the two rates of hire. Breakdowns, accidents or dry-docking costs of its vessels and losses relating to chartered vessels that are not covered by insurance would result in a loss of revenue which may materially and adversely affect Navios Logistics' financial condition and results of operations.

Navios Logistics derives a significant part of its revenues from a small number of customers, and the loss of one or more of these customers could materially and adversely affect its revenues.

In each of Navios Logistics' businesses, a significant part of its revenues derives from a small number of customers. Navios Logistics expects that a small number of customers will continue to generate a substantial portion of its revenues in the future. For the year ended December 31, 2021, its largest customers, Vale and Y.P.F. S.A. ("YPF") accounted for 23.4% and 10.1% of its revenues and its five largest customers accounted for approximately 53.6% of its revenues, with no such customer (other than Vale and YPF) accounting for greater than 10% of its revenues. For the year ended December 31, 2020, its largest customer, Vale, accounted for 31.8% of its revenues and its five largest customers accounted for approximately 58.7% of its revenues, with no such customer (other than Vale) accounting for greater than 10% of its revenues. For the year ended December 31, 2019, its largest customer, Vale, accounted for 36.4% of its revenues, and its five largest customers accounted for approximately 64.0% of its revenues, with no such customer (other than Vale) accounting for greater than 10% of its revenues. In addition, some of Navios Logistics' customers, including many of its most significant customers, operate their own vessels and/or barges as well as port terminals and these customers may decide to cease or reduce the use of its services for various reasons, including utilizing their own vessels and/or port terminals.

The loss of any of its significant customers, including its large take-or-pay customers, the change of the contractual terms of any one of its most significant take-or-pay contracts or any significant dispute with one of these customers could materially and adversely affect its financial condition and our results of operations.

If one or more of Navios Logistics' customers does not perform under one or more contracts with it and Navios Logistics is not able to find a replacement contract, or if a customer exercises certain rights to terminate the contract, Navios Logistics could suffer a loss of revenues that could materially and adversely affect its business, financial condition and results of operations.

Navios Logistics could lose a customer or the benefits of a contract if, among other things:

- the customer fails to make payments because of its financial inability, the curtailment or cessation of its operations, its disagreements with Navios Logistics or otherwise;
- the customer terminates the contract because Navios Logistics fails to meet its contracted storage needs and/or the contracted operational performance;
- the customer terminates the contract because Navios Logistics fails to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged off-hire, or a default under the contract; or
- the customer terminates the contract because the vessel has been subject to seizure for more than a specified number of days.

The loss of any of its customers or a decline in payments under its contracts, could have a material adverse effect on its business, results of operations and financial condition, as well as its cash flows, or its ability to continue to service its indebtedness.

Navios Logistics could also become involved in legal disputes with customers relating to its contracts, including but not limited to Navios Logistics' long-term take-or-pay customers, be it through litigation, arbitration or otherwise, which could lead to delays in, or suspension or termination of its contracts and result in time-consuming, disruptive and expensive litigation or arbitration. If such contracts are suspended for an extended period of time, or if a number of Navios Logistics' material contracts are terminated or renegotiated, its financial condition and results of operations could be materially and adversely affected. Even if Navios Logistics prevail in legal disputes relating to its customer contracts, which could entitle it to compensation, Navios Logistics cannot provide any assurance that it would receive such compensation on a timely basis or in an amount that would fully compensate Navios Logistics for its losses.

Vale's payments represent a significant portion of Navios Logistics' revenue and if Vale were unable or unwilling to fulfill their obligations under the in-force agreements with Navios Logistics, it could significantly reduce Navios Logistics' revenues and cash flow.

Vale's payments, including in connection with the Vale port contract, to Navios Logistics represented approximately 23.4%, 31.8% and 36.4% of its revenue for the years ended December 31, 2021, 2020 and 2019, respectively. Reductions in the demand for or the oversupply of iron ore would place Vale under financial pressure and may increase the likelihood of Vale being unable or unwilling to pay Navios Logistics contracted rates or renew contracts upon termination.

If Vale were to terminate or not renew the Vale port contract, Navios Logistics may be unable to enter into new contracts under similarly favorable terms or at all.

In addition, the ability and willingness of Vale to perform its obligations under its port contract with Navios Logistics will depend upon a number of factors that are beyond Navios Logistics' control and may include, among other things, general conditions of the Brazilian economy, general international economic conditions, the state of the capital markets, the condition of the commodities industry and charter hire rates. Should Vale fail to honor its obligations under the agreement with Navios Logistics, Navios Logistics could sustain significant losses, which in turn could have a material adverse effect on Navios Logistics' business, results of operations and financial condition, as well as its cash flows. Notwithstanding the foregoing, Navios Logistics' contract has dispute resolution clauses and protections that it may seek to enforce in such events. For example, on June 10, 2016, Navios Logistics initiated arbitration proceedings against Vale pursuant to the dispute resolution provisions of the Vale port contract. On December 20, 2016, the arbitration tribunal ruled that the Vale port contract remains in full force and effect, and if Vale were to further repudiate or renounce the contract, Navios Logistics may elect to terminate the contract and be entitled to damages calculated by reference to guaranteed volumes and agreed tariffs for the remaining period of the contract. As of the date hereof, no further claim has been made or received from Vale. Any litigation or arbitration proceeding would be costly and time consuming and may result in the deterioration of Navios Logistics' commercial relationships with Vale.

When Navios Logistics' contracts expire, Navios Logistics may not be able to replace them.

The process for concluding contracts for Navios Logistics' services, including port logistics services, vessel contracts and longer-term time charters generally involves a lengthy and intensive screening and vetting process and the submission of competitive bids. In addition to the quality and suitability of its ports and fleet, medium- and longer-term contracts tend to be awarded based upon a variety of other factors relating to the operator, including but not limited to:

- environmental, health and safety record;
- compliance with regulatory industry standards;
- reputation for customer service, technical and operating expertise;
- shipping and port operating experience and quality of operations, including cost-effectiveness;
- construction management experience, including the ability to procure on-time delivery of vessels according to customer specifications;
- ability to negotiate contract terms, including those allocating operational risks;
- competitiveness of the bid in terms of overall price; and
- general reputation in the industry.

As a result of these factors, when Navios Logistics' contracts, including its long-term port contracts and charters, expire, Navios Logistics cannot provide any assurance that they will be able to successfully replace them promptly or at all or at rates sufficient to allow Navios Logistics to operate its business profitably or to meet its obligations, including payment of debt service to its noteholders or lenders. Navios Logistics' ability to renew the contracts on its current or future vessels by the time of their expiration or termination, and the rates payable under any replacement contracts, will depend upon, among other things, economic conditions in the sectors in which its vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the transportation and storage of commodities as described above.

However, if Navios Logistics is successful in employing its vessels under longer-term contracts, its vessels will not be available for trading in the spot market during an upturn in the market cycle, when spot trading may be more profitable. If Navios Logistics cannot successfully employ its vessels with profitable contracts, its results of operations and operating cash flow could be materially and adversely affected.

Navios Logistics' industry is highly competitive, and they may not be able to compete successfully for services with new companies with greater resources.

Navios Logistics provides services through its ports and employ its fleet in highly competitive markets. The river and sea coastal logistics market is international in scope and Navios Logistics competes with many different companies, including other port or vessel owners and major oil companies.

With respect to loading, storage and ancillary services, the market is divided between transits and exports, depending on the cargo origin. In the case of transits there are other companies operating in the river system that are able to offer services similar to those of Navios Logistics. With respect to exports, its competitors are Montevideo Port in Montevideo, Ontur and TGU in Nueva Palmira. The main competitor of its liquid port terminal in Paraguay is Petropar S.A., a Paraguayan state-owned entity ("Petropar"). Other competitors include Copetrol S.A. ("Copetrol"), TLP Chartering ("TLP"), Petroleo Brasileiro S.A. ("Petrobras"), Trafigura Pte. Ltd. ("Trafigura") and Monte Alegre S.A. ("Monte Alegre").

Navios Logistics faces competition in its barge and cabotage businesses from other shipowners and from vessel operators. The charter markets in which its vessels compete are highly competitive. Key competitors include Atria Logistica S.A., Hidrovias do Brasil, Interbarge, P&O and Fluviomar. In addition, some of its customers, including Archer Daniels Midland Company ("ADM"), Cargill International S.A. ("Cargill"), Louis Dreyfus Holding B.V. ("Louis Dreyfus") and Vale, have some of their own dedicated barge capacity, which they can use to transport cargo in lieu of hiring a third party. Navios Logistics also competes indirectly with other forms of land-based transportation such as truck and rail. These companies and other smaller entities are regular competitors of Navios Logistics in its primary trading areas. Competition is primarily based on prevailing market contract rates, vessel location and vessel manager know-how, reputation and credibility.

Our competitors may be able to offer their customers lower prices, higher quality service and greater name recognition than we do. Accordingly, we may be unable to retain our current customers or to attract new customers.

Navios Logistics' business can be affected by adverse weather conditions, effects of climate change, public health concerns, and other factors beyond its control, which can affect production of the goods it transports and stores as well as the navigability of the river system on which it operates.

A significant portion of Navios Logistics' revenue from its grain port business is derived from the handling and storage of soybeans and other agricultural products produced in the Hidrovia Region. Any drought or other adverse weather conditions, such as floods, could result in a decline in production of these products, which would likely result in a reduction in demand for the Navios Logistics' services. A reduction in demand could have a negative impact on its results of operations and financial condition. Furthermore, Navios Logistics' fleet operates in the Parana and Paraguay Rivers, and any changes adversely affecting navigability of either of these rivers, such as changes in the depth of the water or the width of the navigable channel, could, in the short-term, reduce or limit its ability to transport cargo effectively on the rivers. The possible effects of climate change, such as floods, low river water levels, droughts or increased storm activity, could similarly affect the demand for its services or its operations. Further, the impact of COVID-19 on global markets is expected to be severe and could affect Navios Logistics' operations, which could have a material adverse impact on its business, financial condition, results of operations or prospects.

A prolonged drought, the possible effects of climate change, widespread or prolonged public health concerns including those relating to the pandemic outbreak COVID-19 or other turns of events that are perceived by the market to have an impact on the region, the navigability of the Parana or Paraguay Rivers may, in the short-term, result in a reduction in the market value of its ports, barges and pushboats. For example, in 2021 and 2020, throughput of Navios Logistics' grain port terminal decreased by 24.6% and 27.3%, respectively, compared to 2019 as a result of lower Uruguayan exports due to reduced Uruguayan soybean production and lower transshipment of grains from Paraguay and Bolivia due to difficult navigation conditions because of a prolonged period of unusually warm weather and a drought in southern Brazil, Paraguay and northern Argentina which resulted in water levels in the Paraná River dropping to their lowest levels in decades. Such difficult conditions adversely affected Navios Logistics' barge business through 2021, as barges have limited capacity in reduced drafts and trips take longer to be completed, which increases voyage expenses. These barges and pushboats are designed to operate in wide and relatively calm rivers, of which there are only a few in the world. If it becomes difficult or impossible to operate profitably Navios Logistics' barges and pushboats in the Hidrovia Region and Navios Logistics is forced to sell them to a third party located outside of the region, there is a limited market in which it would be able to sell these vessels, and accordingly it may be forced to sell them at a substantial loss, if at all. See "Item 5A. Operating Results—Overview—Factors Affecting Our Results of Operations—Weather Conditions", as presented in Navios Logistics' 20-F filed with SEC.

Delays, cancellations or non-completion of deliveries of purchased vessels, including second-hand and newbuilding vessels could have an adverse effect on Navios Logistics' operating results.

Navios Logistics does not derive any revenue from a vessel until after its delivery and is required to pay substantial sums as progress payments during construction of a newbuilding or for the purchase of a secondhand vessel. In the event the vessel is not delivered by the shipyard or the seller is otherwise not accepted by Navios Logistics, Navios Logistics will not derive the revenues from such ship as they had planned and they may not be fully compensated under the construction agreement (and the related guarantees) with respect to such progress payments, or deposits paid to sellers, in which case Navios Logistics would lose the amounts they have advanced the seller or to the shipyards for such progress payments. In addition, if Navios Logistics enters into charterparties or contracts with its clients related to purchased vessels, if a shipbuilder or a seller fails to deliver the vessel as agreed, Navios Logistics may breach its obligations under such agreements with its customers. If Navios Logistics is in breach of those contracts, its customers may terminate them and, in addition to the resulting loss of revenues, Navios Logistics may be responsible for additional, substantial liquidated damages.

The completion and delivery of newbuildings could be delayed, cancelled or otherwise not completed because of:

- quality, design or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipbuilder;
- a backlog of orders at the shipyard;
- political or economic disturbances;
- the impact of extraordinary external events, such as the current pandemic health event resulting from COVID-19, and their collateral consequences, including labor shortages and government restrictions such as factory closures and restrictions on travel, resulting in the extended disruption of economic activity in the markets in which Navios Logistics operates;

- weather interference or catastrophic event, such as a major earthquake or fire;
- requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- inability to finance the construction or conversion of the vessels; or
- inability to obtain requisite permits or approvals.

If delivery of a vessel is materially delayed, cancelled or otherwise not completed, Navios Logistics' future earnings could be materially and adversely affected.

Navios Logistics faces risks and costs associated with operation of ports and vessels, which risks and costs increase as the operational port equipment and vessels age.

The costs to operate and maintain a port or a vessel increase with the age of the port equipment or the vessel. Governmental regulations, safety or other equipment standards related to the age of the operational port equipment or vessels may require expenditures for alterations or the addition of new equipment to Navios Logistics' port equipment or vessels and may restrict the type of activities in which these ports or vessels may engage. The failure to make capital expenditures to alter or add new equipment to Navios Logistics' barges, pushboats, vessels and/or ports may restrict the type of activities in which these barges, pushboats, vessels and/or ports may engage and may decrease their operational efficiency and increase its costs.

As charterers prefer newer vessels that are more fuel efficient than older vessels, the age of some of its vessels, barges and pushboats may make them less attractive to charterers. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers as well. The ages and rates at which risks and costs associated with vessels increase are dependent on numerous, complex factors and may vary substantially from vessel to vessel. Such factors include the condition of the vessel, the nature of the use of the vessel (including whether the vessel is used in fresh water, in which vessels typically have a longer a useful life, or salt water), whether various additional life-extending investments have been made in the vessel, any prior owner maintenance and operating practices, the nature of cargoes that could be carried, and the possibility that such vessels could be used in ports and docks, which could increase the wear on the vessel.

Navios Logistics cannot provide any assurance that as its operational port equipment and vessels barges and pushboats age, market conditions will justify those expenditures or enable Navios Logistics to operate them profitably during the remainder of their useful lives. If Navios Logistics sell such assets, they may have to sell them at a loss, or opt to scrap its assets, and if clients no longer use its ports or charter-out its vessels due to their age, its results of operations could be materially and adversely affected.

Spare parts or other key equipment needed for the operation of Navios Logistics' ports and fleet may not be available off the shelf and Navios Logistics may face substantial delays in securing necessary parts or equipment. Failure to obtain necessary spare parts or key equipment in a timely manner could result in a loss of revenue.

Navios Logistics' ports and its fleet may need spare parts in order to replace old or damaged parts in the normal course of their operations. Given the increased activity in the maritime industry and the manufacturing industry that supplies it, the manufacturers of key equipment for its vessels and its ports (such as engine makers, propulsion systems makers, control system makers and others) may not have the spare parts Navios Logistics require immediately available. In such circumstances, Navios Logistics may require a manufacturer to custom-produce equipment for them. In this case, its vessels and its ports may be unable to operate while waiting for such spare parts to be produced, delivered, installed and tested, resulting in a substantial loss of revenues for Navios Logistics.

Navios Logistics' failure to receive required approvals for or timely complete construction and commence full operation or secure satisfactory commercial contracts of its new planned port Murtinho terminal and Nueva Palmira Free Zone port terminal facilities could negatively affect Navios Logistics' business operations, and Navios Logistics may experience difficulty managing its growth as it expands its business.

Navios Logistics is currently developing a multipurpose upriver port terminal in Port Murtinho in the State of Mato Grosso do Sul, in the center-west region of Brazil, for exports of agricultural commodities and imports of fertilizers and fuel products. Since 2018, Navios Logistics has purchased a total of approximately 9.0 hectares of undeveloped land including river-front located in Port Murtinho, on which Navios Logistics expects to construct the new terminal. Navios Logistics has developed a master plan for the new terminal and concluded the licensing process for construction. As of the date of this report, Navios Logistics expects to complete construction of the new terminal in 2023. The new terminal is still in the early stages of development, and there can be no assurance that it will be constructed.

Navios Logistics also has 144 acres available to be developed inside or near the Nueva Palmira Free Zone in Uruguay. In part of this available land, Navios Logistics plans to develop a new terminal for liquid products. The new liquid terminal will service the market for the storage and transshipment of fuel products for export from the Paraguay and Parana Rivers from Puerto Caceres (Brazil) to Nueva Palmira (Uruguay) (the "Hidrovia Waterway") and the sale of fuel products within Nueva Palmira Free Zone for bunkering operations of vessels and push boats. Before commencement of operations of the new liquid terminal, Navios Logistics intends to start liquid operations in the area by selling liquid products within the Nueva Palmira Free Zone for bunkering operations of vessels and pushboats, which does not require any change in local regulation. There can be no assurance that Navios Logistics will obtain all necessary authorizations and permits, or that the new liquid terminal in Nueva Palmira will be constructed.

The available land in Brazil and Uruguay where Navios Logistics plans to develop the new terminals, requires authorizations and permits from several governmental authorities in order to do so. If these authorities deny Navios Logistics' request for authorization, or if existing authorizations are revoked, Navios Logistics will not be able to proceed with construction.

If Navios Logistics' fails to secure commercial agreements with prospective clients to its satisfaction, Navios Logistics may decide to delay or not proceed with these investments. Further, there can be no assurance that Navios Logistics will complete the expected development of the new terminals or complete construction of the new terminals as scheduled or without cost overrun. Even if construction is completed on a timely basis, there can be no assurance that full operation of the new terminals will commence as expected. In addition, Navios Logistics may not be able to attract a sufficient number of skilled workers to meet the needs of the new terminals. If Navios Logistics experiences delays in construction or commencement of the full operations, increased costs or lack of skilled labor or other unforeseen events, its business, financial condition and results of operations could be materially and adversely affected.

Rising crew costs, fuel prices and other cost increases may adversely affect Navios Logistics' profits.

At December 31, 2021, Navios Logistics employed 409 land-based employees and 626 seafarers as crew on its vessels. Crew costs are a significant expense for Navios Logistics. Recently, the limited supply of and increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs, which Navios Logistics generally bears under its time and spot contracts. Additionally, labor union activity in the Hidrovia Region may create pressure for Navios Logistics to pay higher crew salaries and wages. In addition, fuel is one of the largest voyage expenses in Navios Logistics' barge and cabotage businesses, when the revenue is contracted mainly by ton per cargo shipped. The prices for and availability of fuel may be subject to rapid change or curtailment, respectively, due to, among other things, new laws or regulations, interruptions in production by suppliers, imposition of restrictions on energy supply by governments, worldwide price levels and market conditions. Currently, most of Navios Logistics' long-term contracts provide for the adjustment of freight rates based on changes in the fuel prices and crew costs. Navios Logistics may be unable to include similar provisions in these contracts when they are renewed or in future contracts with new customers. To the extent Navios Logistics' contracts do not pass-through changes in fuel prices to its clients, Navios Logistics will be forced to bear the cost of fuel price increases. Navios Logistics may hedge in the futures market all or part of its exposure to fuel price variations. Navios Logistics cannot provide you any assurance that it will be successful in hedging its exposure. In the event of a default by Navios Logistics' contractual counterparties or other circumstance affecting their performance under a contract, Navios Logistics may be subject to exposure under, and may incur losses in connection with, its hedging instruments, if any. In certain jurisdictions, the price of fuel is affected by high local taxes and may become more expensive than prevailing international prices. Navios Logistics may not be able to pass onto its customers the additional cost of such taxes and may suffer losses as a consequence of such inability.

Such increases in crew and fuel costs may materially and adversely affect Navios Logistics' results of operations.

If Navios Logistics fails to fulfill the oil majors' vetting processes, such failure could materially and adversely affect the employment of its tanker vessels in the spot and period markets, and consequently its results of operations.

The oil majors consider numerous factors in evaluating commercial decisions, and, through their association, OCIMF, have developed and are implementing two tools: (a) the Ship Inspection Report Program ("SIRE") and (b) the Tanker Management and Self Assessment ("TMSA") program. The former is a ship inspection based upon a thorough Vessel Inspection Questionnaire and performed by OCIMF-accredited inspectors, resulting in a report being logged on SIRE. The report is an important element of the ship evaluation undertaken by any oil major when a commercial need exists.

Based upon commercial needs, there are three levels of assessment used by the oil majors: (a) terminal use, which will clear a vessel to call at one of the oil major's terminals, (b) voyage charter, which will clear the vessel for a single voyage and (c) term charter, which will clear the vessel for use for an extended period of time. While for terminal use and voyage charter relationships, a ship inspection and the operator's TMSA will be sufficient for the evaluation to be undertaken, a term charter relationship also requires a thorough office audit. An operator's request for such an audit is by no means a guarantee one will be performed; it will take a long record of proven excellent safety and environmental protection on the operator's part as well as high commercial interest on the part of the oil major to have an office audit performed. If Navios Logistics fails to clear the vetting processes of the oil majors, it could have a material adverse effect on the employment of our vessels, and, consequently, on its results of operations.

A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating Navios Logistics' cash flows.

The hull and machinery of every commercial vessel with certain characteristics must be classed by a classification society that is authorized and is customarily a member of the International Association of Classification Societies Ltd. ("IACS"). The classification society must certify that a vessel has been built and maintained in accordance with the rules of such organization and complies with the applicable rules and regulations of the country whose flag such vessel flies and the international conventions of which that country is a member. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and with international conventions such as the United Nations Safety of Life at Sea Convention ("SOLAS"). Most of Navios Logistics' owned fleet is currently enrolled with Lloyd's Register of Shipping and RINA (Italian Naval Register).

Vessels, pushboats and barges must undergo an annual survey, an intermediate survey and a special survey. For certain vessels, in lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery and/or its hull would be surveyed periodically over a five-year period. Certain of its vessels are on continuous survey cycles for machinery inspection. Certain vessels are also required to be drydocked every two to three years on intermediate survey and every five years on special survey, while pushboats are required to be drydocked every six years on special survey for inspection of the underwater parts of such vessel and every three years for a floating intermediate survey and barges are required to be drydocked up to every eight years on special survey for inspection of the underwater parts of such vessel and every two years for a floating intermediate survey.

If any vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a material adverse effect on our revenues due to the loss of revenues from such vessel until it was able to trade again.

Navios Logistics' vessels could be subject to seizure through maritime arrest or government requisition.

Crew members, suppliers of goods and services to a vessel, barge or pushboat, shippers of cargo, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting the vessel or, under the "sister ship" theory of liability followed in some jurisdictions, arrest the vessel that is subject to the claimant's maritime lien or any other vessel owned or controlled by the same owner. In addition, a government could seize ownership of one of Navios Logistics' vessels or take control of a vessel and effectively become her charterer at charter rates dictated by the government. Generally, such requisitions occur during a period of war or emergency. The maritime arrest, government requisition or any other seizure of one or more of its vessels could interrupt our operations, reducing related revenue and earnings, and may require Navios Logistics to pay very large sums of money to have the arrest lifted.

The smuggling of drugs or other contraband onto Navios Logistics' vessels may lead to governmental claims against us.

Navios Logistics' vessels operate in South America where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. Under some jurisdictions, the conveyance of illegal drugs in vessels could subject these vessels to forfeiture to the government of such jurisdiction. To the extent its vessels are found with contraband, whether inside or attached to the hull of its vessel and whether with or without the knowledge of any of its crew, Navios Logistics may face governmental or other regulatory claims, which could have a material adverse effect on its business, results of operations, cash flows and financial condition.

Navios Logistics may employ its fleet on the spot market and thus expose itself to risk of losses based on short-term decreases in shipping rates.

Navios Logistics periodically employs some of its fleet on a spot basis. The spot charter market can be competitive and freight rates within this market may be volatile with the timing and amount of fluctuations in spot rates being difficult to determine. Longer-term contracts provide income at pre-determined rates over more extended periods of time. The cycles in its target markets have not yet been clearly determined but Navios Logistics expects them to exhibit significant volatility as the South American markets mature. Navios Logistics cannot provide any assurance that it will be successful in keeping its fleet fully employed in these short-term markets, or that future spot rates will be sufficient to enable such fleet to be operated profitably, as spot rates may decline below the operating cost of vessels. A significant decrease in spot market rates or its inability to fully employ its fleet by taking advantage of the spot market would result in a reduction of the incremental revenue received from spot chartering and could materially and adversely affect its results of operations, and operating cash flow.

Because the fair market values of vessels may fluctuate significantly, Navios Logistics may incur losses when they sell its vessels.

Vessel values have historically been highly volatile. The market value of Navios Logistics' vessels may fluctuate significantly in the future, and they may incur losses when they sell vessels, which would adversely affect Navios Logistics' financial condition and results of operations. Some of the factors that affect the fair market value of vessels, all of which are beyond its control, are:

- prevailing level of vessel contract rates;
- number of newly constructed vessel deliveries;
- number of vessels scrapped or otherwise removed from the total fleet;
- changes in environmental and other regulations that may limit the useful life of vessels;
- changes in global and local commodity supply and demand;
- types and sizes of vessels;
- development and viability of other modes of transportation and increase in use of other modes of transportation;
- number of vessels of similar type and size currently on the market for sale;
- cost of newly constructed vessels;
- where the vessels were built and as-built specifications;
- the availability of financing or lack thereof for ordering newbuildings or for facilitating ship sale and purchase transactions;
- the cost of retrofitting or modifying existing vessels to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise;
- governmental or other regulations; and
- general economic and market conditions affecting the shipping industry.

Navios Logistics' industry has inherent operational risks that its insurance may not adequately cover.

The operation of vessels in international and regional trade is inherently risky. Not all risks may be adequately insured against and any particular claim may not be paid and any indemnification paid due to the occurrence of a casualty covered by Navios Logistics' policies may not be sufficient to entirely compensate Navios Logistics for the damages suffered. Navios Logistics does not currently maintain loss of hire, credit risk or defense insurance, which would cover the loss of revenue if any of its contracts were terminated prior to their expiration, and its legal costs to recover related damages. Navios Logistics also does not maintain off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Furthermore, Navios Logistics does not maintain strike insurance, which would protect them from loss of revenue due to labor disruptions, except at its dry and wet port terminals. Accordingly, any extended vessel off-hire, due to an accident, labor disruption or other reason, could have a material adverse effect on its business. Any claims covered by insurance would be subject to deductibles. As a result, if Navios Logistics files a large number of insurance claims, the aggregate amount of these deductibles could be material.

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Navios Logistics may be unable to procure adequate insurance coverage for its fleet or port terminals at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A catastrophic oil spill or marine disaster could exceed its insurance coverage, which could harm its business, financial condition and operating results. Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for Navios Logistics to obtain. In addition, the insurance that may be available to Navios Logistics in the future may be significantly more expensive than its existing coverage.

Navios Logistics may not be able to timely obtain replacement vessels or other assets in the event of a loss. Furthermore, in the future, Navios Logistics may not be able to obtain adequate insurance coverage at reasonable rates for its fleet and port terminals. Navios Logistics' insurance policies also contain deductibles, limitations and exclusions, which can result in significant increased overall costs to Navios Logistics.

Because Navios Logistics obtains some of its insurance through protection and indemnity associations, they may also be subject to calls, or premiums, in amounts based not only on its own claim records, but also on the claim records of all other members of the protection and indemnity associations.

Navios Logistics may be subject to calls, or premiums, in amounts based not only on its claim records but also on the claim records of all other members of the protection and indemnity associations through which Navios Logistics receives insurance coverage for tort liability, including pollution-related liability. Navios Logistics' payment of these calls could result in significant expenses to them, which could have a material adverse effect on its business, results of operations and financial condition and its indebtedness.

Risks Relating to Navios Logistics' Environmental Matters

Navios Logistics is subject to various laws, regulations, and international conventions, particularly environmental and safety laws that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities including any resulting from a spill or other environmental incident, which could affect its cash flows and profit.

Vessel owners and operators are subject to government regulation in the form of international conventions, and national, state, and local laws and regulations in the jurisdictions in which their vessels operate, in international waters, as well as in the country or countries where their vessels are registered. Such laws and regulations include those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, discharges of operational and other wastes into the water, and ballast water management. In particular, ballast water management requirements will likely result in compliance costs relating to the installation of equipment on our vessels to treat ballast water before it is discharged and other additional ballast water management and reporting requirements. Investments in ballast water treatment may have a material adverse effect on Navios Logistics' future performance, results of operations, cash flows and financial position.

Port State regulation significantly affects the operation of vessels, as it commonly is more stringent than international rules and standards. This is the case particularly in the United States and, increasingly, in Europe. Non-compliance with such laws and regulations can give rise to civil or criminal liability, and/or vessel delays and detentions in the jurisdictions in which Navios Logistics operates.

Navios Logistics' vessels are subject to scheduled and unscheduled inspections by regulatory and enforcement authorities, as well as private maritime industry entities. This includes inspections by Port State control authorities, harbor masters or equivalent entities, classification societies, flag Administrations (country in which the vessel is registered), charterers, and terminal operators. Navios Logistics' port terminals are subject to inspections by the National Board of Hidrografia and the Free Zone Authority in Uruguay and the Environmental Secretary in Paraguay. Certain of these entities require Navios Logistics to obtain permits, licenses and certificates for the operation of its vessels and port facilities. Failure to maintain necessary permits or approvals could result in the imposition of substantial penalties or require Navios Logistics to incur substantial costs or temporarily suspend operation of one or more of its vessels or port terminals.

Heightened levels of environmental and quality concerns among insurance underwriters, regulators, and charterers continue to lead to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. Vessel owners are required to maintain operating standards for all vessels that will emphasize operational safety, quality, maintenance, continuous training of officers and crews, and compliance with local and international regulations.

The legal requirements and maritime industry standards to which Navios Logistics and its vessels are subject are set forth below, along with the risks associated therewith. Navios Logistics may be required to make substantial capital and other expenditures to ensure that Navios Logistics remains in compliance with these requirements and standards, as well as with standards imposed by its customers, including costs for ship modifications and changes in operating procedures. Navios Logistics also maintains insurance coverage against pollution liability risks for all of its vessels in the amount of \$1.0 billion in the aggregate for any one event. The insured risks include penalties and fines, as well as civil liabilities and expenses resulting from accidental pollution. However, this insurance coverage is subject to exclusions, deductibles, and other terms and conditions. In addition, claims relating to pollution incidents for intentional or knowing violations of local environmental laws or the International Convention for the Prevention of Pollution from Ships may be considered by Navios Logistics' protection and indemnity associations on a discretionary basis only. If any liabilities or expenses fall within an exclusion from coverage, or if damages from a catastrophic incident exceed the aggregate liability of \$1.0 billion for any one event, our cash flow, profitability and financial position could be adversely impacted.

Because international conventions, laws, regulations, and other requirements are often revised, Navios Logistics cannot predict the ultimate cost of compliance or the impact on the fair market price or useful life of its vessels, nor can Navios Logistics assure that its vessels will be able to attain and maintain certifications of compliance with various regulatory requirements.

Similarly, governmental regulation of the shipping industry, particularly in the areas of safety and environmental requirements, are expected to become stricter in the future. Navios Logistics believes that the heightened environmental, quality, and security concerns of insurance underwriters, regulators, and charterers will lead to additional requirements, including enhanced risk assessment and security requirements, greater inspection and safety requirements, and heightened due diligence obligations. Navios Logistics also may be required to take certain of its vessels out of service for extended periods of time to address changing legal requirements, which would result in lost revenue. In the future, market conditions may not justify these expenditures or enable Navios Logistics to operate its vessels, particularly older vessels, profitably during the remainder of their economic lives. This could lead to significant asset write-downs.

Specific examples of expected changes that could have a significant, and potentially material, impact on Navios Logistics' business include:

- Limitations on sulfur oxide and nitrogen oxide emissions from ships could cause increased demand and higher prices for low sulfur fuel due to supply constraints, as well as significant cost increases due to the implementation of measures such as fuel switching, vessel modifications such as adding distillate fuel storage capacity, or installation of exhaust gas cleaning systems or scrubbers;
- Environmental requirements can affect the resale value or useful lives of its vessels, require a reduction in cargo capacity, vessel modifications or operational changes or restrictions, lead to decreased availability of, or more costly insurance coverage for, environmental matters or result in the denial of access to certain jurisdictional waters or ports;
- Under local and national laws, as well as international treaties and conventions, Navios Logistics could incur material liabilities, including cleanup obligations and claims for natural resource damages, personal injury and/or property damages in the event that there is a release of petroleum or other hazardous materials from its vessels or otherwise in connection with its operations.

For a more detailed discussion regarding the details of these international and domestic laws, see “Item 4.B. Information on the Company—Business Overview—REGULATION”, as presented in Navios Logistics’ 20-F filed with SEC.

Navios Logistics is subject to extensive environmental legislation, and if Navios Logistics or its subsidiaries do not comply with the applicable regulations, Navios Logistics’ business may be adversely affected.

If, during the course of its operations, any spillage of polluting products into the marine environment occurs, and the activities of one or more vessels are stopped, its business, results of operations, and reputation may be damaged.

In addition, new or more stringent environmental standards (including measures to address climate change) imposed on Navios Logistics could require additional investments that may vary widely from those currently planned, and, as a result, Navios Logistics may be adversely affected.

Navios Logistics may be liable for losses and damages to third parties, including environmental damages.

Environmental legislation in certain jurisdictions where Navios Logistics operates imposes strict civil liability on anyone who causes, directly or indirectly, environmental degradation. Therefore, the duty to repair or indemnify the damages caused to the environment and to affected third parties does not depend on intent or guilt, but rather on the existence of any damage as a result of the activity carried out. The payment of substantial environmental fines or charges may have a material adverse effect on Navios Logistics. Further, a single action can result in environmental liability in civil, criminal or administrative proceedings, or any combination thereof. The absence of responsibility in one of these spheres does not necessarily exempt the accused from responsibility in the others. Should Navios Logistics causes or otherwise be held responsible for any environmental damage, Navios Logistics may experience an adverse effect on its business and results of operation.

Navios Logistics may fail to comply with the conditions provided for under its environmental licenses.

Navios Logistics’ operations depend on environmental licensing granted by governmental authorities. Such licensing is usually subject to technical conditions that may involve limitations on its operations. Navios Logistics may fail to comply with the aforementioned conditions and become subject to fines or the revocation or suspension of its licenses, which have a material adverse effect on its results of operations.

Risks Relating to the Countries in which Navios Logistics' Operates

Risks Relating to Argentina

Argentine government actions concerning the economy, including decisions with respect to inflation, interest rates, price controls, foreign exchange controls, devaluation, wages and taxes, restrictions on production, imports and exports, and governmental measures in response to the COVID-19 pandemic have had and could continue to have a material adverse effect on Navios Logistics. Navios Logistics cannot provide any assurance that future economic, social and political developments in Argentina, over which it has no control, will not impair its business, financial condition or results of operations, the guarantees or the market price of the 2025 Logistics Senior Notes.

The economic conditions of Argentina may affect the financial condition and results of operations of its Argentine subsidiary.

The financial condition and the results of operations of Navios Logistics' Argentine subsidiary depend to a large extent on political, macroeconomic and regulatory circumstances in Argentina. The Argentine economy has experienced significant volatility in recent years, including several periods of low or negative growth and high and variable levels of inflation and devaluation. The Argentine economy is currently in recession, exacerbated by the global COVID-19 pandemic, which may result in increased inflation or further economic deterioration in Argentina. There can be no assurance that the condition of the Argentine economy will improve in the future. As a result, both the policies that could be adopted by the Argentine government as well as future economic, macroeconomic, regulatory, social and political circumstances or developments in Argentina could have a material adverse effect on the business, financial condition or results of operations of its local subsidiaries as well as the value of certain of its assets.

As a result, both the policies that could be adopted by the Argentine government and future economic, macroeconomic, regulatory, social and political circumstances in Argentina could have a material adverse effect on the business, financial condition or results of operations of its local subsidiaries.

The impact of political developments in Argentina remains uncertain and could adversely affect the Argentine economy.

Since taking office in 2019, the Fernandez administration has announced and introduced significant economic and policy reforms. On December 21, 2019, the Argentine Congress approved the "Social Solidarity and Productive Reactivation Law," which entered into force on December 23, 2019. This law declared a public emergency in economic, financial, fiscal, administrative, pension, tariff, energy, health and social matters, and introduced several tax changes in Argentina, such as income tax, personal assets tax, taxation on the purchase of foreign currency and export duties on certain services.

The Fernandez administration established the right of affected workers to receive -twice the legally mandated severance pay in case of dismissal without just cause. A progressive reduction of the doubled severance pay in case of dismissal without just cause was implemented on December 2021. In 2020, the Argentinean government issued Decree No. 329/2020, restricting the ability to terminate employment with or without cause which has been extended thus far June 30, 2022.

The Argentinean government was under negotiations with the International Monetary Fund (the "IMF") to restructure Argentina's debts with the IMF. In 2022, the board of the IMF approved a new program with Argentina for about \$44.0 billion. Any failure from Argentina to comply with this new agreement or to eventually restructure its debt can lead to a default scenario which could adversely affect Navios Logistics' result of its operations and its business.

Navios Logistics cannot provide any assurance that the policies of the Fernandez administration, or future economic, regulatory, social and political developments in Argentina will not adversely affect the Argentine economy and impair Navios Logistics' business, financial condition or results of operations.

Continuing inflation may have material adverse effects on the Argentine economy.

Argentina has faced and continues to face high inflationary pressures. Over the last few years, the Argentine government has implemented certain programs aimed at controlling inflation and monitoring the prices of many goods and services, including price agreements between the Argentine government and private sector companies. According to official information published by the Argentine Statistics and Census Institute (Instituto Nacional de Estadística y Censos), the inter-annual inflation recorded for the years 2018, 2019, 2020 and 2021 reached 47.6%, 53.8%, 36.1% and 50.9%, respectively. The increase in salaries and public expenditure under the new Fernandez administration could have a direct influence on inflation.

A high inflation economy could undermine Argentina's cost competitiveness abroad if not offset by a devaluation of the Argentine peso, which could also negatively affect economic activity and employment levels. Freight under those contracts with clients from Navios Logistics' Argentine subsidiary is denominated in U.S. dollars and is collected in Argentine pesos at the prevailing exchange rate. These contracts also include crew cost adjustment terms. Uncertainty about future inflation may contribute to slowdown or contraction in economic growth. Argentine inflation rate volatility makes it impossible to estimate with reasonable certainty the extent to which activity levels and results of operations of Navios Logistics' Argentine subsidiary could be affected by inflation and exchange rate volatility in the future. There can be no assurance that inflation rates will not continue to escalate in the future or that the measures adopted or that may be adopted by the Fernandez administration to control inflation will be effective or successful.

Notwithstanding the economic environment in Argentina, including Argentina's increase of its monetary base to finance public expenditures, and the resulting high inflation as of December 31, 2021, we do not consider inflation to be a significant risk factor to our cost of doing business in the future as the functional currency of our Argentine subsidiary is the U.S. dollar. In addition, the day-to-day operations of our Argentine subsidiary are dependent on the relative value of the Argentine peso to the U.S. dollar.

The current and future foreign exchange policy of Argentina may affect the ability of Navios Logistics' Argentine subsidiary to make cash remittances outside of Argentina.

In Argentina, since the amendment of the convertibility law in December 2001, the Argentine government has imposed several restrictions on the purchase of foreign currency in the exchange market and the transfer of funds outside of Argentina, substantially limiting the ability of companies to retain foreign currency or make payments abroad, including the distribution of dividends. Beginning in December 2015, the Argentine government gradually eased such restrictions, until their complete lifting in 2017. However, on September 1, 2019, the Argentine government reinstated exchange controls and restrictions on transfers abroad. These new controls and restrictions currently apply with respect to access to the Argentine foreign exchange market for purchase of foreign currencies, the payment of external financial debts, the payment of dividends and corporate profits, payments of imports of goods and services, among other things, and impose the obligation to repatriate and settle the proceeds from exports of goods and services in Argentine pesos. In addition, the Argentine Central Bank established certain regulations to avoid practices and transactions aimed to circumvent, through the use of securities and other instruments, the restrictions set forth by the current foreign exchange control regulations.

As of the date hereof, the restrictions outlined above remain in place. As a consequence of the deepening of exchange controls, the difference between the official exchange rate, which is currently utilized for both commercial and financial operations, and other informal exchange rates that arose implicitly as a result of certain operations commonly carried out in the capital markets ("dollar MEP" or Blue Chip Swaps (contado con liquidación)), increased during 2021, creating a gap of approximately 100% with the official exchange rate as of December 31, 2021.

The Argentine government could maintain a single official exchange rate or create multiple exchange rates for different types of transactions. Further, the imposition by the Argentine government of further regulations, exchange controls and restrictions or other measures in response to capital outflows or the devaluation of the Argentine peso could weaken public finances. Such measures may negatively affect Argentina's international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflow which could have an adverse effect on economic activity in Argentina, and which in turn could adversely affect our business in Argentina and results of operations of our Argentine subsidiary.

As a result of the foreign exchange control regulations in Argentina, our local subsidiaries may not be able to freely access the Argentine foreign exchange market to acquire U.S. dollars and from transferring funds outside of Argentina. Further, as part of the foreign exchange restrictions, an Argentine financial institution may at its absolute discretion refuse to carry out a transfer of funds out of Argentina or may request a formal approval from the Argentine Central Bank before proceeding with the transfer of funds out of Argentina.

Any operation that does not comply with the provisions of the foreign exchange regulations is subject to Law No. 19,359 of the Foreign Exchange Criminal Regime in Argentina.

The Argentine government could maintain these exchange controls, impose new controls, strengthen transfer restrictions or impose other requirements that may impair the ability of our local subsidiaries to access the foreign exchange market, acquire U.S. dollars, or transfer funds abroad of Argentina. Any or all of these actions could materially affect the ability of the local subsidiaries to transfer funds abroad, and therefore affecting our ability to service our debt and satisfy our obligations.

The Argentine government has made certain changes to its tax rules that affected Navios Logistics' operations in Argentina in the past, and could further increase the fiscal burden on its operations in Argentina in the future.

The Argentine government has made certain changes to its tax rules that affected Navios Logistics' operations in Argentina in the past, and could further increase the fiscal burden on its operations in Argentina in the future. If the Argentine government decides to alter the tax regime in Argentina, its results of operations and financial condition of its Argentine subsidiary could be materially and adversely affected.

Fluctuations in the value of the Argentine peso could adversely affect the Argentine economy, and consequently Navios Logistics' results of operations in Argentina or the financial condition of its Argentine subsidiary.

The Argentine peso has suffered significant devaluations against the U.S. dollar in the past and has continued to devalue against the U.S. dollar in recent months. According to Argentina's Central Bank, the Argentine peso depreciated approximately 17.5% in 2017, 100% in 2018, 56% in 2019, 41% in 2020 and 22% in 2021.

The devaluation of the Argentine peso has had a negative impact on the ability of certain Argentine businesses to honor their foreign currency-denominated debt and has also led to very high inflation and significantly reduced real wages. If the Argentine peso is further significantly devalued, the Argentine economy and Navios Logistics' business in Argentina could be adversely affected. As of September 2019, foreign currency controls have been reinstated in Argentina.

The success of any measures taken by the Argentine government to restore market confidence and stabilize the value of the Argentine peso is uncertain. Significant variations in the comparative value of the Argentine peso to the U.S. dollar could adversely affect Navios Logistics' business in Argentina and the financial condition and results of operations of its Argentine subsidiary.

The Argentine economy could be adversely affected by economic developments in other global markets.

Argentina's economy is vulnerable to external shocks that could be caused by adverse developments affecting its principal trading partners. A significant decline in the economic growth of any of Argentina's major trading partners (including Brazil, the EU, China and the United States), including as a result of the COVID-19 pandemic, could have a material adverse impact on Argentina's balance of trade and could adversely affect Argentina's economic growth. Argentina may also be affected by other countries that have influence over world economic cycles. If interest rates rise significantly in developed economies, including the United States, emerging market countries, whose economies, including Argentina, could find it increasingly challenging and expensive to borrow capital and refinance existing debt, which could negatively affect their economic growth.

Future policies of the Argentine government may affect the economy as well as Navios Logistics' operations in Argentina.

During the past years, the Argentine government took several actions to re-nationalize concessions and public services companies that were privatized in the 1990's, such as YPF, Aguas Argentinas S.A. and Aerolíneas Argentinas S.A. Future expropriations, nationalizations or requisitions, as well as changes in taxation, laws, regulations or policies affecting foreign trade, investment, or others that may be adopted by the Fernandez administration could adversely affect Navios Logistics' business in Argentina and the financial condition and results of operations of its Argentine subsidiary. For example, the Fernandez administration announced its intention to expropriate a seed trade company, and while certain initial steps were taken by the government, no further action was taken from the Argentine government to effect such expropriation.

Similar measures, such as mandatory renegotiation or modification of existing contracts among others, that may be adopted by the Argentine government in the future could also adversely affect Navios Logistics' business in Argentina, financial condition and results of operations of our Argentine subsidiary.

Risks Relating to Uruguayan Free Zone Regulation

Navios Logistics may be materially and adversely affected by any termination, non-renewal or non-extension of the tax incentives that benefit certain of its subsidiaries in Uruguay.

Certain of Navios Logistics' subsidiaries in Uruguay are operating as direct free trade zone users under free zone user agreements (the "Free Zone User Agreements") with the Uruguayan Free Zones Department, formerly known as the Free Zones Division of the Uruguayan Department of Trade. The Free Zone User Agreements allow these subsidiaries to operate in isolated public areas in Nueva Palmira, Uruguay, and to enjoy tax exemptions and other benefits, such as a generic exemption on present and future Uruguayan national taxes including the Corporate Income Tax, Value-Added Tax and Wealth Tax. Other benefits that such subsidiaries enjoy are simplified corporate law provisions, the ability to negotiate preferential public utility rates with government agencies and government guarantees of maintenance of such benefits and tax exemptions. Free trade zone users do not need to pay import and export tariffs to introduce goods from abroad to the free trade zone, to transfer or send such goods to other free trade zones in Uruguay or send them abroad. These Free Zone Agreements have been extended to 2046 and may be extended further until 2066 at its option. In order to ensure the continuity of these incentives through the course of their terms, Navios Logistics' subsidiaries must meet the Free Zone User Agreements or regulations governing free trade zones. However, its subsidiaries may lose all the tax benefits granted to them or be subject to fines if the Uruguayan Free Zones Department concludes that its subsidiaries breached or failed to comply with the Free Zone User Agreements or regulations governing free trade zones. As a result, we could be materially and adversely affected.

The following are some of the causes under which the Uruguayan Free Zones Department may terminate the Free Zone User Agreements prior to expiration: the non fulfilment of the obligations to improve the land, as per the terms of each Free Zone User Agreements; breaches of the terms of the Free Zone User Agreements or the Free Zone Act No. 15,921; violation of labor laws; failure to pay agreed fees to the Uruguayan authorities; failure to make required social security contributions; or the commission of illegal acts or acts expressly forbidden by the Free Zone User Agreements. Should such Uruguayan subsidiaries lose their free zone user status, they will not be able to operate as free zone users and therefore not able to operate their terminal facilities.

The right of the Uruguayan Free Zones Department to terminate the Free Zone User Agreements prior to the stated expiration date in the agreement is subject to an explanation on the specific factual and the legal basis for the early-termination decision. Not, every breach by a free-zone user will entitle the Uruguayan Free Zones Department to terminate a Free Zone User Agreement prior to its stated expiration date. Such a decision must therefore be proportional to the degree of alleged noncompliance.

Navios Logistics can provide no assurance that the tax benefits and exemptions granted to Navios Logistics' subsidiaries under the Free Zone User Agreements will be renewed after the expiration of the Free Zone User Agreements, that the Free Zone User Agreements will not be terminated prior to the agreed-upon expiration dates, or that, if renewed or otherwise replaced, the terms of any new Free Zone User Agreements will provide for equivalent or more favorable terms and conditions than those currently in effect. Navios Logistics will be materially and adversely affected if tax incentives that benefit its subsidiaries or the Free Zone User Agreements providing for such incentives are terminated and Navios Logistics is not able to renew or replace them. Even if the Free Zone User Agreements are renewed, if they provide for tax incentives that are not as favorable to Navios Logistics as those currently in effect, Navios Logistics' financial condition and results of operations could suffer a material adverse effect.

Other Risks Relating to the Countries in which Navios Logistics' Operates

Certain of the countries in which Navios Logistics operate or may in the future operate in have experienced, and may continue to experience or experience in the future, political, legal and economic instability. Its activities may be adversely affected by political or economic instability or changes in law relating to our industry including changes occurring in response to COVID-19. Navios Logistics operates in Argentina, Brazil, Uruguay, Paraguay and other markets. Navios Logistics can provide no assurance that changes in the governments or laws of the jurisdictions in which they operate or in the regulatory environment for its industry or for foreign-domiciled companies in such jurisdictions will not occur, or that such changes will not result in a material adverse effect on its business, financial condition, results of operations and prospects.

Navios Logistics is an international company, and as such is exposed to the risks of doing business in many different countries, including risks associated with operations in emerging market countries, whose economies, markets and legal systems may be less developed.

Navios Logistics is an international company and conducts all of its operations outside of the United States and expects to continue doing so for the foreseeable future. These operations are performed in countries that are historically less developed and stable than the United States, such as Argentina, Brazil, Bolivia, Paraguay and Uruguay.

Some of the other risks Navios Logistics is generally exposed to through its operations in emerging market countries include among others:

- political and economic instability, changing economic policies and conditions, and war and civil disturbances;
- recessions in economies of countries in which Navios Logistics has business operations;
- frequent government interventions into the country's economy, including changes to monetary, fiscal and credit policy;
- the impact of extraordinary external events, such as COVID-19, and their consequences, resulting in the disruption of economic activity in our markets;
- the imposition of additional withholding, income or other taxes, or tariffs or other restrictions on foreign trade or investment, including currency exchange controls and currency repatriation limitations;
- the modification of Navios Logistics' status or the rules and regulations relating to the international tax-free trade zone in which it operates its dry port;
- the imposition of executive and judicial decisions upon Navios Logistics' vessels by the different governmental authorities associated with some of these countries;
- the imposition of or unexpected adverse changes in foreign laws or regulatory requirements;
- longer payment cycles in foreign countries and difficulties in collecting accounts receivable;
- difficulties and costs of staffing and managing its foreign operations;
- compliance with anti-bribery laws; and
- acts of terrorism.

These risks may result in unforeseen harm to Navios Logistics' business and financial condition. Also, some of its customers are headquartered in South America, and a general decline in the economies of South America, or the instability of certain South American countries and economies, could materially and adversely affect Navios Logistics.

Navios Logistics' business in emerging market countries requires it to respond to rapid changes in market conditions in these countries. Navios Logistics' overall success in international markets depends, in part, upon its ability to succeed in different legal, regulatory, economic, social and political conditions. Navios Logistics may not continue to succeed in developing and implementing policies and strategies that will be effective in each location where it does business. Furthermore, the occurrence of any of the foregoing factors may have a material adverse effect on its business and results of operations.

Changes in rules and regulations with respect to cabotage or the interpretation of such rules and regulations in the markets in which Navios Logistics' operate could have a material adverse effect on its results of operations.

In the markets in which Navios Logistics currently operates, in cabotage or regional trades, it is subject to restrictive rules and regulations on a region by region basis. Its operations currently benefit from these rules and regulations or their interpretation. For instance, preferential treatment is extended in Argentine cabotage for Argentine flagged vessels or foreign flagged vessels operated by local established operators with sufficient Argentine tonnage, in accordance with applicable local law, under one to three years' licenses, including its Argentine cabotage vessels. Changes in cabotage rules and regulations or in their interpretation may have an adverse effect on Navios Logistics' current or future cabotage operations, either by becoming more restrictive (which could result in limitations to the utilization of some of its vessels in those trades) or less restrictive (which could result in increased competition in these markets).

Because Navios Logistics generates the majority of its revenues in U.S. dollars but incurs a significant portion of its expenses in other currencies, exchange rate fluctuations could cause it to suffer exchange rate losses, thereby increasing expenses and reducing income.

Navios Logistics engages in regional commerce with a variety of entities. Navios Logistics' revenues are predominantly U.S. dollar-denominated at the present. Additionally, Navios Logistics' South American subsidiaries transact certain operations in Uruguayan pesos, Paraguayan guaraníes, Argentine pesos and Brazilian reais; however, all of the subsidiaries' primary cash flows are U.S. dollar-denominated. Currencies in Argentina and Brazil have fluctuated significantly against the U.S. dollar in the past. As of December 31, 2021, 2020 and 2019 approximately 50.8%, 47.8% and 53.4%, respectively, of its expenses were incurred in currencies other than U.S. dollars. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase, thereby decreasing Navios Logistics' income. A greater percentage of Navios Logistics' transactions and expenses in the future may be denominated in currencies other than U.S. dollars. As part of its overall risk management policy, Navios Logistics may attempt to hedge these risks in exchange rate fluctuations from time to time but cannot guarantee it will be successful in these hedging activities. Future fluctuations in the value of local currencies relative to the U.S. dollar in the countries in which it operates may occur, and if such fluctuations were to occur in one or a combination of the countries in which it operates, its results of operations or financial condition could be materially and adversely affected.

Tax Risks

We may earn U.S. source income that is subject to tax, thereby adversely affecting our results of operations and cash flows.

Under the Internal Revenue Code, or the Code, 50.0% of the gross shipping income of a vessel owning or chartering corporation that is attributable to transportation that either begins or ends, but that does not both begin and end, in the U.S. is characterized as U.S.-source shipping income. U.S.-source shipping income generally is subject to a 4.0% U.S. federal income tax without allowance for deduction or, if such U.S.-source shipping income is effectively connected with the conduct of a trade or business in the U.S., U.S. federal corporate income tax (the statutory rate presently is 21.0%) as well as a branch profits tax (presently imposed at a 30.0% rate on effectively connected earnings), unless that corporation qualifies for exemption from tax under Section 883 of the Code. We believe that we and each of our subsidiaries qualifies and will continue to qualify for the foreseeable future for this statutory tax exemption under Section 883 with respect to our U.S.-source shipping income, provided that our common stock continues to be listed on the NYSE and represents more than 50.0% of the total combined voting power of all classes of our stock entitled to vote and of the total value of our stock, and less than 50.0% of our common stock is owned, actually or constructively under specified stock attribution rules, on more than half the number of days in the relevant year by persons who each own 5.0% or more of the vote and value of our common stock. Our ability to qualify for the exemption at any given time will depend upon circumstances related to the ownership of our common stock at such time and thus are beyond our control. Furthermore, our board of directors could determine that it is in our best interests to take an action that would result in this tax exemption not applying to us in the future. Accordingly, we can give no assurance that we would qualify for the exemption under Section 883 with respect to any such income we earn. If we were not entitled to the Section 883 exemption for any taxable year, we generally would be subject to a 4.0% U.S. federal gross income tax with respect to our U.S.-source shipping income or, if such U.S. source shipping income were effectively connected with the conduct of a trade or business in the U.S., U.S. federal corporate income tax as well as a branch profits tax for those years. As a result, depending on the trading patterns of our vessels, we could become liable for tax, and our net income and cash flow could be adversely affected. Please see the discussion under “Taxation—Material U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of the Company—Taxation of Our Shipping Income.”

Navios Holdings may be taxed as a U.S. corporation.

The purchase by International Shipping Enterprises Inc. (“ISE”), our predecessor, of all of the outstanding shares of common stock of Navios Holdings, and the subsequent downstream merger of ISE with and into Navios Holdings took place on August 25, 2005. Navios Holdings is incorporated under the laws of the Republic of the Marshall Islands. ISE received an opinion from its counsel for the merger transaction that, while there is no direct authority that governs the tax treatment of the transaction, it was more likely than not that Navios Holdings would be taxed by the U.S. as a foreign corporation. Accordingly, we take the position that Navios Holdings will be taxed as a foreign corporation by the U.S. If Navios Holdings were to be taxed as a U.S. corporation, its taxes would be significantly higher than they are currently.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate our business could result in a high tax rate on our worldwide earnings, which could result in a significant negative impact on our earnings and cash flows from operations.

We are an international company that conducts business throughout the world. Tax laws and regulations are highly complex and subject to interpretation. Consequently, we are subject to changing tax laws, treaties and regulations in and between countries in which we operate. Our income tax expense is based upon our interpretation of tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, or in the valuation of our deferred tax assets, could result in a materially higher tax expense or a higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results. If any tax authority successfully challenges our operational structure, intercompany pricing policies or the taxable presence of our key subsidiaries in certain countries, or if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings from our operations could increase substantially and our earnings and cash flows from these operations could be materially adversely affected. For example, in accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece are subject to duties towards the Greek state, which are calculated on the basis of the relevant vessel’s tonnage. The payment of said duties exhausts the tax liability of the foreign ship owning company and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel.

We and our subsidiaries may be subject to taxation in the jurisdictions in which we and our subsidiaries conduct business. Such taxation would result in decreased earnings available to our stockholders.

Investors are encouraged to consult their own tax advisors concerning the overall tax consequences of the ownership of our common stock arising in an investor's particular situation under U.S. federal, state, local and foreign law.

U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. holders.

A foreign corporation will be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the quarterly average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, capital gains and rents (other than rents derived other than in the active conduct of a rental business). For purposes of these tests, income derived from the performance of services does not constitute "passive income." U.S. stockholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC and additional tax filing obligations.

Based upon our actual and projected income, assets and activities, we believe that we should not be a PFIC for our taxable year ended December 31, 2021 or for subsequent taxable years. Based upon our operations as described herein, our income from time charters should not be treated as passive income for purposes of determining whether we are a PFIC. Accordingly, our income from our time chartering activities should not constitute "passive income," and the assets that we own and operate in connection with the production of that income should not constitute passive assets.

There is substantial legal authority supporting this position consisting of case law and U.S. Internal Revenue Service, or IRS, pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority, which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position and there is a risk that the IRS or a court of law could determine that we are a PFIC. In addition, no assurance can be given as to our current and future PFIC status, because such status requires an annual factual determination based upon the composition of our income and assets for the entire taxable year. The PFIC determination also depends on the application of complex U.S. federal income tax rules concerning the classification of our income and assets for this purpose, and there are legal uncertainties involved in determining whether the income derived from our chartering activities and from our logistics activities constitutes rental income or income derived from the performance of services. We have not sought, and we do not expect to seek, an IRS ruling on this issue. As a result, the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, we cannot provide any assurance that the nature of our operations, or the nature or composition of our income or assets, will not change in the future, or that we can avoid PFIC status in the future.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. stockholders would face adverse U.S. federal income tax consequences and certain information reporting requirements. Under the PFIC rules, unless those stockholders make an election available under the Code (which election could itself have adverse consequences for such stockholders, and which election may not be available if our common stock were to cease to be listed on the NYSE), such stockholders would be liable to pay U.S. federal income tax at the then prevailing ordinary income tax rates, plus interest, upon excess distributions and upon any gain from the disposition of their shares of common stock, as if the excess distribution or gain had been recognized ratably over the stockholder's holding period of the common stock. In addition, for each year during which we are treated as a PFIC and a U.S. holder actually or constructively own our common stock you generally will be required to file IRS Form 8621 with its U.S. federal income tax return to report certain information concerning your ownership of our common stock. Please see the discussion under "Taxation—Material U.S. Federal Income Tax Considerations — Taxation of U.S. Holders of our Common Stock — Passive Foreign Investment Company Status."

Item 4. Information on the Company

A. History and Development of the Company

The legal and commercial name of the Company is Navios Maritime Holdings Inc. The Company is a corporation incorporated under the BCA and the laws of the Republic of the Marshall Islands. The Company's office and principal place of business is located at Strathvale House, 90 N Church Street, P.O. Box 309, Grand Cayman, KY1-1104 Cayman Islands, and its telephone number is +1 345 232 3067.

On August 25, 2005, pursuant to a Stock Purchase Agreement dated February 28, 2005, as amended, by and among ISE, Navios Holdings, and all the shareholders of Navios Holdings, ISE acquired Navios Holdings through the purchase of all of the outstanding shares of common stock of Navios Holdings. As a result of this acquisition, Navios Holdings became a wholly-owned subsidiary of ISE. In addition, on August 25, 2005, simultaneously with the acquisition of Navios Holdings, ISE effected a reincorporation from the State of Delaware to the Republic of the Marshall Islands through a downstream merger with and into its newly acquired wholly-owned subsidiary, whose name was and continued to be Navios Maritime Holdings Inc.

The Company operates a fleet of owned and bareboat-in Capesize, Panamax, Ultra Handymax and Handysize vessels and a fleet of time chartered Capesize, Panamax, Ultra Handymax and Handysize vessels that are employed to provide worldwide transportation of bulk commodities. Navios Holdings is a global seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities including iron ore, coal and grain. For over 60 years, producers of raw materials, agricultural traders and exporters, industrial end-users, ship owners charterers, ship and derivative brokers, agents, and financial business partners have relied on Navios Holdings' expertise and innovation.

Navios Logistics

Navios Logistics, a consolidated subsidiary of the Company, was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. Navios Logistics believes it is one of the largest infrastructure and logistics companies in the Hidrovia Region of South America, the main navigable river system in the region, and further operates on the cabotage trades along the south-eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its strategically located port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products. Navios Logistics serve its customers in the Hidrovia Region through its three port storage and transfer facilities, one for agricultural, forest-related exports, one for mineral related exports both located in Nueva Palmira Free Zone, Uruguay, and one for refined petroleum products in San Antonio, Paraguay. Navios Logistics complements its three Port Terminals with a diverse fleet of 359 barges and pushboats and eight vessels, including six tankers, one bunker vessel and one river and estuary tanker vessel which operate in our cabotage business. Navios Logistics provides transportation for dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones), liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils) and liquefied cargo (liquefied petroleum gas or LPG).

On January 1, 2008, pursuant to a share purchase agreement, Navios Holdings contributed cash, and the authorized capital stock of its wholly-owned subsidiary Corporacion Navios S.A. ("CNSA") in exchange for the issuance and delivery of 63.8% of Navios Logistics' outstanding common stock. Navios Logistics acquired all ownership interests in the Horamar Group ("Horamar") in exchange for cash, and the issuance of 36.2% of Navios Logistics' outstanding stock. As of December 31, 2021, Navios Holdings owned 63.8% of Navios Logistics' outstanding common stock.

Affiliate companies (not consolidated under Navios Holdings)

Navios Partners

Navios Maritime Partners L.P. ("Navios Partners") (NYSE:NMM) is an international owner and operator of dry cargo and tanker vessels and is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including crude oil, refined petroleum, chemicals, iron ore, coal, grain, fertilizer and also containers, chartering its vessels under short, medium and longer-term charters.

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Republic of the Marshall Islands. Navios GP L.L.C., a wholly-owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest in Navios Partners. In August 2019, Navios GP L.L.C. ceased to be Navios Partners' general partner.

A one-for-15 reverse stock split of all outstanding common units of Navios Partners became effective on May 21, 2019.

On March 31, 2021, Navios Partners completed the acquisition of Navios Containers (“NMCI Merger”), referred to in Note 9 included elsewhere in this Annual Report.

On October 15, 2021 Navios Partners completed the merger (“NNA Merger”) with Navios Acquisition, referred to in Note 9 included elsewhere in this Annual Report.

As of December 31, 2021, Navios Holdings had a 10.3% ownership interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Acquisition

Navios Acquisition, was an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

As of December 31, 2020, Navios Holdings had a 29.5% economic interest in Navios Acquisition.

On October 15, 2021, Navios Partners completed the NNA Merger (as defined herein). As a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Each outstanding common unit of Navios Acquisition that was held by a unitholder, other than Navios Partners, Navios Acquisition and their respective subsidiaries was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public unitholders of Navios Acquisition. As of the close market on October 15, 2021, Navios Acquisitions’ common shares were no longer listed for trading on NYSE. Refer to Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included elsewhere in this Annual Report. As of December 31, 2021, Navios Holdings had no equity investment in Navios Acquisition due to the NNA Merger.

Navios Containers

Navios Containers was an international owner and operator of containerships.

On June 8, 2017, Navios Maritime Containers Inc. completed a private placement and Navios Holdings invested \$5.0 million. Navios Maritime Containers Inc. registered its shares on the Norwegian Over-The-Counter Market (N-OTC) on June 12, 2017 under the ticker “NMCI”. On November 30, 2018, Navios Maritime Containers Inc. was converted into a limited partnership and commenced trading its common units on the Nasdaq Global Select Market (or “NASDAQ”) on December 10, 2018.

In connection with the conversion, Navios Maritime Containers GP LLC, a Republic of the Marshall Islands limited liability company and wholly-owned subsidiary of Navios Holdings, was admitted as Navios Containers’ general partner and held a non-economic interest that did not provide the holder with any rights to profits or losses of, or distribution by, the partnership. As a result of holding the general partner interest, control was obtained by Navios Holdings. As of that date, Navios Holdings obtained control over Navios Containers and consequently the results of operations of Navios Containers were consolidated under Navios Holdings. Following the sale of Navios Containers’ general partnership interest effected on August 30, 2019, referred to in Note 3 included elsewhere in this Annual Report, Navios Holdings lost control and deconsolidated Navios Containers from that date onwards. The results of operations of Navios Containers for the period consolidated under Navios Holdings had been reported as discontinued operations for all the periods presented.

As a result, since August 30, 2019, Navios Containers was not a controlled subsidiary of Navios Holdings and the investment in Navios Containers was accounted for under the equity method due to Navios Holdings’ significant influence over Navios Containers.

As of December 31, 2020, Navios Holdings had a 3.9% ownership interest in Navios Containers. On March 31, 2021, Navios Partners completed the acquisition of Navios Containers, referred to in Note 9 included elsewhere in this Annual Report. Following the acquisition of Navios Containers by Navios Partners, Navios Containers’ common units were no longer listed for trading on NASDAQ. Refer to Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included elsewhere in this Annual Report.

As of December 31, 2021, Navios Holdings had no equity investment in Navios Containers due to the NMCI Merger.

Navios Europe I

Navios Europe I was engaged in the marine transportation industry through the ownership of five tanker and five container vessels.

On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe I under the laws of Republic of the Marshall Islands and had economic interests of 47.5%, 47.5% and 5.0%, respectively, and effective from November 2014, voting interests of 50%, 50% and 0%, respectively. On December 18, 2013, Navios Europe I acquired ten vessels for aggregate consideration consisting of (i) cash (which was funded with the proceeds of senior loan facilities (the “Senior Loans I”) and loans aggregating to \$10.0 million from Navios Holdings, Navios Acquisition and Navios Partners (in each case, in proportion to their economic interests in Navios Europe I) (collectively, the “Navios Term Loans I”) and (ii) the assumption of a junior participating loan facility (the “Junior Loan I”). In addition to the Navios Term Loans I, Navios Holdings, Navios Acquisition and Navios Partners also made available to Navios Europe I revolving loans of up to \$24.1 million to fund working capital requirements (collectively, the “Navios Revolving Loans I”). In December 2018, the amount of the Navios Revolving Loans I increased by \$30.0 million. On November 22, 2019, an agreement was reached to liquidate Navios Europe I. As of December 31, 2019, the Company received in cash all balances relating to Navios Europe I following the liquidation of the structure. Refer to Note 16 “Transactions with Related Parties” to the consolidated financial statements included elsewhere in this Annual Report.

Navios Europe II

Navios Europe II was engaged in the marine transportation industry through the ownership of seven dry bulkers and seven containership vessels.

On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners had established Navios Europe II under the laws of Republic of the Marshall Islands and had economic interests of 47.5%, 47.5% and 5.0%, respectively, and voting interests of 50.0%, 50.0% and 0%, respectively. From June 8, 2015 through December 31, 2015, Navios Europe II acquired 14 vessels for aggregate consideration consisting of: (i) cash (which was funded with the proceeds of a senior loan facility (the “Senior Loans II”) and loans aggregating to \$14.0 million from Navios Holdings, Navios Acquisition and Navios Partners (in each case, in proportion to their economic interests in Navios Europe II) (collectively, the “Navios Term Loans II”) and (ii) the assumption of a junior participating loan facility (the “Junior Loan II”). In addition to the Navios Term Loans II, Navios Holdings, Navios Acquisition and Navios Partners would also have made available to Navios Europe II revolving loans up to \$43.5 million to fund working capital requirements (collectively, the “Navios Revolving Loans II”). In March 2017, the amount of the Navios Revolving Loans II increased by \$14.0 million. On April 21, 2020, Navios Europe II and the lenders agreed to fully release the liabilities under the Junior Loan II for \$5.0 million. The structure was liquidated in June 2020. As of December 31, 2020, the Company received in cash all balances relating to Navios Europe II and acquired two Panamax vessels of Navios Europe II. Refer to Note 16 “Transactions with Related Parties” to the consolidated financial statements included elsewhere in this Annual Report.

B. Business overview

Introduction

Navios Holdings, a global seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities including iron ore, coal and grain, is a holding company owning dry bulk vessels and various investments in entities owning maritime and infrastructure assets. For over 60 years, producers of raw materials, agricultural traders and exporters, industrial end-users, ship owners, charterers, ship and derivative brokers, agents, and financial business partners have relied on Navios Holdings' expertise and innovation. In August 2019, Navios Holdings sold its ship management division, and the general partnership interests in Navios Partners (except for the incentive distribution rights) and Navios Containers GP LLC to NSM an affiliate of our Company's Chairwoman and Chief Executive Officer, Angeliki Frangou. See also "Item 7.B Related party transactions".

Following the sale of the management division effected on August 30, 2019, Navios Holdings' owned fleet is commercially and technically managed by the Manager utilizing the same commercial ship management expertise and relationships developed in prior years. NSM owns all entities providing ship management services and employs all associated people. NSM owns the general partner interests in Navios Partners (except for the incentive distribution rights still held by the Company). The Company deconsolidated Navios Containers from August 30, 2019 onwards.

Navios Holdings' current core fleet (excluding the Navios Logistics fleet) has an average age of which is approximately 9.3 years, based on the fully delivered fleet and consists of a total of 36 vessels, aggregating approximately 3.9 million dwt. Navios Holdings owns 25 vessels (including five vessels under bareboat contracts), consisting of 10 Capesize vessels (169,000-182,000 dwt), 12 Panamax vessels (74,000-85,000 dwt), and three Ultra Handymax vessels (50,000-59,000 dwt). It also time charters-in and operates a fleet of one Ultra Handymax, one Handysize (28,000-38,000 dwt), seven Panamax, and two Capesize vessels under long-term time charters. Navios Holdings has options to acquire nine time charter-in vessels (on one of which Navios Holdings holds an initial 50% purchase option) and five vessels under bareboat contracts.

Navios Holdings' strategy and business model focuses on:

- *Pursuing an appropriate balance between vessel ownership and a long-term charter-in fleet.* Navios Holdings controls, through a combination of vessel ownership and long-term time chartered vessels, a fleet with an average age of approximately 9.3 years, basis fully delivered fleet, and 3.9 million dwt in tonnage (excluding Navios Logistics' fleet). Navios Holdings' ability, through its long-standing relationships with various shipyards and trading houses, to charter-in vessels allows it to control additional shipping capacity without the capital expenditures required by new vessel acquisition. In addition, having purchase options on nine time charter-in vessels and five purchase options of the vessels under bareboat contracts permits Navios Holdings to determine when is the most commercially opportune time to own or charter-in vessels. Navios Holdings intends to monitor developments in the sales and purchase market to maintain the appropriate balance between owned and long-term time chartered vessels.
- *Capitalize on Navios Holdings' and the Manager's established reputation.* We intend to capitalize on the global network of relationships that Navios Holdings and the Manager have developed during our long history of investing and operating in the marine transportation industry. This includes decades-long relationships with leading charterers, financing sources and key shipping industry players. When charter markets and vessel prices are depressed and vessel financing is difficult to obtain, we believe the relationships and experience of Navios Holdings and the Manager enhances our ability to acquire young, technically advanced vessels at cyclically low prices and employ them under attractive charters with leading charterers. Through our established reputation and relationships, Navios Holdings and the Manager have had access to opportunities not readily available to most other industry participants that lack Navios Holdings' and the Manager's brand recognition, credibility and track record.
- *Utilize industry expertise to take advantage of market volatility.* The dry bulk shipping market is cyclical and volatile. Navios Holdings uses its experience, as executed on its behalf by the Manager, in the industry, sensitivity to trends, and knowledge and expertise in risk management to hedge against, and in some cases, to generate profit from, such volatility.
- *Maintain customer focus and reputation for service and safety.* Navios Holdings is recognized by its customers for the high quality of its service and safety record. Navios Holdings' high standards for performance, reliability, and safety provide Navios Holdings with an advantageous competitive profile.
- *Benefit from the Manager's Risk Management Practices and Corporate Managerial Support.* Risk management requires the balancing of a number of factors in a cyclical and potentially volatile environment. In part, this requires a view of the overall health of the market, as well as an understanding of capital costs and returns. Navios Holdings actively engages in assessing financial and other risks associated with fluctuating market rates, fuel prices, credit risks, interest rates and foreign exchange rates. Navios Holdings closely monitors its credit exposure to customers and other counterparties. Navios Holdings has entered into the management agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to Navios Holdings. When negotiating on behalf of Navios Holdings' various vessel employment contracts, the Manager has established policies designed to ensure that contracts are entered into with counterparties that have appropriate credit history. We believe that Navios Holdings benefits from these established policies.

- *Sustain a Competitive Cost Structure.* Pursuant to our management agreement with the Manager, the Manager coordinates and oversees the commercial, technical and administrative management of our fleet. We believe that the Manager is able to do so at rates competitive with those that would be available to us through independent vessel management companies. For example, pursuant to our management agreement with the Manager, management fees for vessel operating expenses of our vessels are fixed through August 2022, increasing thereafter by 3% annually, unless otherwise agreed. We believe this external management arrangement will enhance the scalability of our business by allowing us to grow our fleet without incurring significant additional overhead costs. We believe that we will be able to leverage the economies of scale of the Manager and manage operating, maintenance and corporate costs. At the same time, we believe that the young modern vessels in our fleet, coupled with the Manager’s safety and environmental record, will position us favorably within the drybulk transportation sector with our customers and for future business opportunities.
- *Enhance vessel utilization and profitability through a mix of spot charters, and time charters. Specifically, this strategy is implemented as follows:*
 - The operation of voyage charters or spot fixtures for the carriage of a single cargo from load port to discharge port;
 - The operation of time charters (whether with a fixed rate or a floating rate based on a Baltic index or other commonly published index), whereby the vessel is hired out for a predetermined period but without any specification as to voyages to be performed, with the ship owner being responsible for operating costs and the charterer for voyage costs, such as the costs for bunker fuel and port charges (some floating rate time charters come with an option to lock in a fixed rate for a specified amount of time in the future which can be used to hedge against an expected fall in the market and/or to secure profitability at rates available at the lock in time); and
 - Ensuring a high fleet utilization: The shipping industry uses fleet utilization to measure a company’s efficiency in finding suitable employment for its vessels and minimizing the days its vessels are off-hire. At 99.2% as of December 31, 2021, Navios Holdings believes that it has one of the highest fleet utilization rates in the industry.

Competitive Advantages

Navios Holdings controls approximately 3.9 million dwt (excluding Navios Logistics) in dry bulk tonnage. Management believes that Navios Holdings occupies a competitive position within the industry in that its reputation in the global dry bulk markets permits it to enter into at any time, and take on spot, medium or long-term freight commitments, depending on its view of future market trends. In addition, many of the long-term charter deals may be brought to the attention of Navios Holdings prior to even being quoted in the open market. Even in the open market, Navios Holdings’ solid reputation allows it to take in (or put out) large amounts of tonnage on a short, medium, or long-term basis on very short notice. This ability is possessed by relatively few ship owners and operators and is a direct consequence of Navios Holdings’ market reputation for reliability in the performance of its obligations in each of its roles as a ship owner, and charterer. Navios Holdings, therefore, has much greater flexibility than a traditional ship owner or charterer to quickly go “long” or “short” relative to the dry bulk markets.

Navios Holdings’ long involvement and reputation for reliability in the Asian Pacific region have also allowed it to develop privileged relationships with many of the largest trading houses in Japan, such as Mitsui & Co and Itochu Corporation. Through these institutional relationships, Navios Holdings has obtained long-term charter-in deals based on time charter, bareboat charter and/or sale and leaseback agreements, with options to extend time charters and options to purchase the majority of the vessels. Through its established reputation and relationships, Navios Holdings has access to opportunities not readily available to most other industry participants who lack Navios Holdings’ brand recognition, credibility, and track record.

In addition to its long-standing reputation and flexible business model, management believes that Navios Holdings is well-positioned in the dry bulk market on the basis of the following factors:

- A young, modern fleet of vessels that provides a variety of operational advantages, such as higher levels of productivity, as well as a competitive advantage over owners of older fleets, especially in the time charter market, where age, fuel economy and quality of a vessel are of significant importance in competing for business;

- A core fleet which has been chartered-in (some through 2030, assuming minimum available charter extension periods are exercised) on terms generally that allow Navios Holdings to charter-out the vessels at an attractive spread during strong markets and to weather down cycles in the market while maintaining low costs;
- Strong commercial relationships with both freight customers and trading houses and ship owners, providing Navios Holdings with access to future attractive long-term time charters on newbuildings with valuable purchase options;
- Strong commercial and technical management team provided by the Manager who oversees every step of the technical management, from the construction of the vessels to subsequent shipping operations throughout the life of a vessel, including the superintendence of maintenance, repairs and drydocking, providing cost visibility, economies of scale, efficiency in Navios Holdings' owned fleet operations;
- Visibility into worldwide commodity flows through its physical shipping operations and port terminal operations in South America; and
- An experienced management team with a strong track record and a strong brand having a well established reputation for reliability and performance.

Management intends to maintain and build on these qualitative advantages, while at the same time continuing to benefit from Navios Holdings' reputation and the Manager's expertise.

Shipping Operations

Navios Holdings' Fleet. Navios Holdings currently controls a core fleet of 25 owned vessels (including five bareboat-in vessels) and 11 charter-in vessels. The average age of the fleet is 9.3 years.

Owned Fleet. Navios Holdings currently owns and operates a fleet comprised of 12 Panamax vessels (including five vessels under bareboat contracts), ten Capesize vessels and three Ultra Handymax vessels.

Owned Vessels

Vessel Name	Vessel Type	Year Built	Deadweight (in metric tons)
Navios Ulysses	Ultra Handymax	2007	55,728
Navios Celestial	Ultra Handymax	2009	58,063
Navios Vega	Ultra Handymax	2009	58,792
Navios Taurus	Panamax	2005	76,596
Navios Asteriks	Panamax	2005	76,801
N Amalthia	Panamax	2006	75,318
Navios Galileo	Panamax	2006	76,596
N Bonanza	Panamax	2006	76,596
Jupiter N	Panamax	2011	93,062
Rainbow N	Panamax	2011	79,642
Navios Stellar	Capesize	2009	169,001
Navios Happiness	Capesize	2009	180,022
Navios Phoenix	Capesize	2009	180,242
Navios Lumen	Capesize	2009	180,661
Navios Antares	Capesize	2010	169,059
Navios Etoile	Capesize	2010	179,234
Navios Bonheur	Capesize	2010	179,259
Navios Altamira	Capesize	2011	179,165
Navios Canary	Capesize	2015	180,528
Navios Corali	Capesize	2015	181,249

Long-term Bareboat charter-in Fleet in Operation

Vessel Name	Vessel Type	Delivery Date	Deadweight (in metric tons)	Purchase Option ⁽¹⁾
Navios Herakles I	Panamax	Q3 2019	82,036	Yes
Navios Uranus	Panamax	Q4 2019	81,516	Yes
Navios Galaxy II	Panamax	Q1 2020	81,789	Yes
Navios Felicity I	Panamax	Q1 2020	81,946	Yes
Navios Magellan II	Panamax	Q2 2020	82,037	Yes

Long-Term Fleet. In addition to the 25 owned vessels, Navios Holdings currently controls a fleet of seven Panamax, two Capesize, one Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, having an average age of approximately 6.2 years.

Long-term Charter-in Fleet in Operation

Vessel Name	Vessel Type	Year Built	Deadweight (in metric tons)	Purchase Option ⁽¹⁾
Navios Lyra	Handysize	2012	34,718	Yes ⁽²⁾
Navios Venus	Ultra Handymax	2015	61,339	Yes
Navios Amber	Panamax	2015	80,994	Yes
Navios Sky	Panamax	2015	82,056	Yes
Navios Coral	Panamax	2016	84,904	Yes
Navios Citrine	Panamax	2017	81,626	Yes
Navios Dolphin	Panamax	2017	81,630	Yes
Navios Gemini	Panamax	2018	81,704	No ⁽³⁾
Navios Horizon I	Panamax	2019	81,692	No ⁽³⁾
Navios Felix	Capesize	2016	181,221	Yes
Navios Obeliks	Capesize	2012	181,415	Yes

(1) Generally, Navios Holdings may exercise its purchase option after three to five years of service.

(2) Navios Holdings holds the initial 50% purchase option on the vessel.

(3) Navios Holdings has the right of first refusal and profit share on sale of vessel.

Many of Navios Holdings' current long-term charter-in vessels are chartered from ship owners with whom Navios Holdings has long-standing relationships. Navios Holdings pays these ship owners daily rates of hire for such vessels, and then charters out these vessels to other parties, who pay Navios Holdings a daily rate of hire. Further, Navios Holdings enters into spot market voyage contracts, where Navios Holdings is paid a rate per ton to carry a specified cargo from point A to point B.

Short-Term Fleet: Navios Holdings' "short-term fleet" may from time to time comprise of Capesize, Panamax and Ultra Handymax vessels charter-in for duration of less than 12 months. The number of short-term vessels varies from time to time. These vessels are not included in the "core fleet" of the Company.

Exercise of Vessel Purchase Options

Navios Holdings has executed purchase options for seven Panamax, four Capesize vessels and seven Ultra Handymax, which were delivered on various dates from November 30, 2005 until June 2021. Navios Holdings currently has options to acquire nine charter-in vessels currently in operation and five bareboat-in vessels.

Navios Logistics Fleet Summary (owned)

The following is the current core fleet of Navios Logistics as presented in Navios Logistics' 20-F filed with SEC.

Pushboats/ Barges/ Inland Oil Tankers Fleet	Number of Vessels	Capacity/BHP	Description
Pushboat Fleet	30	107,920 BHP	Various Sizes and Horsepower
Dry Barges	268	474,050 DWT	Dry Cargo
Tank Barges	58	178,948 m3	Liquid Cargo
LPG Barges	3	4,752 m3	LPG
Total	359		

Product Tanker Fleet	Year Built	DWT	Description
Estefania H	2008	12,000	Double-hulled Product Tanker
Malva H	2008	8,974	Double-hulled Product Tanker
Makenita H	2009	17,508	Double-hulled Product Tanker
Sara H	2009	9,000	Double-hulled Product Tanker
San H	2010	16,871	Double-hulled Product Tanker
Ferni H	2010	16,871	Double-hulled Product Tanker
He Man H	2012	1,693	Double-hulled Bunker Vessel
Elena H	2018	4,999	Double-hulled Product Tanker
Total		87,916	

Management of Ship Operations, Administration and Safety

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Annual Report, the Manager oversees the commercial, administrative and technical management of our fleet. Pursuant to the Management Agreement and the Administrative Services Agreement, the Manager provides us with access to human resources, financial and other administrative functions, including:

- bookkeeping, audit and accounting services;
- administrative and clerical services;
- banking and financial services; and
- client and investor relations.

Technical management services are also provided, including:

- commercial management of the vessels;
- operations of the vessels;
- vessel maintenance and crewing;
- purchasing and insurance; and
- shipyard supervision.

Financial Risk Management: Navios Holdings actively engages in assessing financial risks associated with fluctuating future freight rates, daily time charter hire rates, fuel prices, credit risks, interest rates and foreign exchange rates. Financial risk management is carried out under policies approved and guidelines established by the Company's executive management.

- *Credit Risk:* Navios Holdings closely monitors its credit exposure to customers and other counterparties. Navios Holdings has entered into the management agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to Navios Holdings. When negotiating on behalf of Navios Holdings' various vessel employment contracts, the Manager has established policies, to ensure that contracts are entered into with counterparties that have appropriate credit history. Counterparties and cash transactions are limited to highly collateralized, high credit quality corporations and financial institutions. Most importantly, Navios Holdings has guidelines and policies that are designed to limit the amount of credit exposure.

- *Foreign Exchange Risk:* Although Navios Holdings' revenues are U.S. dollar-based, 24.8% of its expenses from continuing operations, related to its Navios Logistics segment, are in Uruguayan pesos, Argentinean pesos, Paraguayan Guaranies and Brazilian Reales. Navios Holdings monitors its Argentine Peso, Uruguayan Peso, Paraguayan Guarani and Brazilian Real exposure against long-term currency forecasts and enters into foreign currency contracts when considered appropriate.

Customers

Dry Bulk Vessel Operations

The international dry bulk shipping industry is highly fragmented and, as a result, there are numerous charterers. Navios Holdings' assessment of a charterer's financial condition and reliability is an important factor in negotiating employment of its vessels. Navios Holdings generally chartered its vessels to major trading houses (including commodities traders), major producers and government-owned entities. Navios Holdings' customers under charter parties, and other counterparties, include national, regional and international companies, such as Cargill International S.A., Comerge Shipping Co, Anglo American, Bunge SA. , Oldendorff Carriers, Swiss Marine, and Rio Tinto. (See also Item 3.D. "Risk Factors—We depend upon significant customers for part of our revenues. The loss of one or more of these customers or a decline in the financial capability of our customers could materially adversely affect our financial performance.").

Logistics Business Operations

Navios Logistics has a long history of operating in the Hidrovia Region of South America. Navios Logistics has consistent contract renewals and long-standing relationships with a diverse group of large customers, primarily comprised of major international agriculture, mining and oil companies and their affiliates such as ADM, Cargill International S.A. ("Cargill"), Louis Dreyfus, Petropar, YPF, Trafigura, Vale and Vitol S.A. ("Vitol"). These long-term customer relationships arise from Navios Logistics' reputation for reliability and high-quality service. In its grain port terminal in Uruguay, Navios Logistics has been serving three of its key customers, ADM, Cargill and Louis Dreyfus, for 22 years on average. In its liquid port terminal, liquid barge transportation and cabotage business, Navios Logistics has long-term relationships with its global petroleum customers of more than 18 years on average. In its Barge Business, Navios Logistics started its relationship with Vale in 2008 for iron ore transportation and has signed new contracts for storing and transshipping iron ore and other commodities since then. In addition, almost all of Navios Logistics' contracts are U.S. dollar denominated and most of its dry port terminals' contracts include minimum volume guarantees and built-in tariff escalators. This reduces Navios Logistics' currency, volume and pricing risks, which enables Navios Logistics to have strong cash-flow visibility.

Concentrations of credit risk with respect to accounts receivables are limited due to Navios Logistics' large number of customers, who are established international operators and have an appropriate credit history. Due to these factors, management believes that no additional credit risk, beyond amounts provided for collection losses, is inherent in its trade receivables. (See also Item 3.D. "Risk Factors—Navios Logistics depends on a few significant customers for a large part of its revenues and the loss of one or more of these customers could materially and adversely affect its revenues.").

Competition

The dry bulk shipping markets are extensive, diversified, competitive and highly fragmented, divided among approximately 2,300 independent dry bulk carrier owners. The world's active dry bulk fleet consists of approximately 12,766 vessels, aggregating approximately 950 million dwt as of March 1, 2022. As a general principle, the smaller the cargo carrying capacity of a dry bulk carrier, the more fragmented is its market, both with regard to charterers and vessel owner/operators. Even among the larger dry bulk owners and operators, whose vessels are mainly in the larger sizes, only ten companies are known to have fleets of 103 vessels or more: China COSCO Shipping, Nippon Yusen Kaisha, Wisdom Marine, Star Bulk Carriers, China Development Bank, Pacific Basin Shipping, China Merchants, the Fredriksen Group, Oldendorff Carriers and K-Line. There are about 40 owners known to have fleets of between 38 and 97 vessels. However, vessel ownership is not the only determinant of fleet control. Many owners of bulk carriers charter their vessels out for extended periods, not just to end users (owners of cargo), but also to other owner/operators and to tonnage pools. Such operators may, at any given time, control a fleet many times the size of their owned tonnage. Navios Holdings is one such operator; others include Cargill, Pacific Basin Shipping, Bocimar, Zodiac Maritime, Louis Dreyfus/Cetragpa, Cobelfret, Torvald Klaveness and Swiss Marine.

It is likely that we will face substantial competition for long-term charter business from a number of experienced companies. Many of these competitors will have significantly greater financial resources than we do. It is also likely that we will face increased numbers of competitors entering into our transportation sectors, including in the dry bulk sector. Many of these competitors have strong reputations and extensive resources and experience. Increased competition may cause greater price competition, especially for long-term charters.

Navios Logistics

Navios Logistics believes that it is one of the largest providers of infrastructure, logistics and fluvial and marine transportation services in the Hidrovia Region, with the region's second largest barge fleet and the third largest cabotage fleet in Argentina. Navios Logistics believes its ownership of river ports, including its port terminals in Uruguay that provide access to the Atlantic Ocean, allows it to offer a logistics solution superior to its competitors that also operate barges and pushboats. Navios Logistics also competes based on reliability, efficiency and price.

With respect to loading, storage and ancillary services, the market is divided between transits and exports, depending on the cargo origin. In the case of transits there are other companies operating in the river system that are able to offer services similar to Navios Logistics. However, most of these companies are proprietary service providers that are focused on servicing their own cargo. Unlike these companies, Navios Logistics is an independent service provider in the market for transits. With respect to exports, its competitors are Montevideo Port in Montevideo, Ontur in Nueva Palmira, and TGU in Nueva Palmira. The main competitor of its liquid port terminal in Paraguay is Petropar, a Paraguayan state-owned entity. Other competitors include Copetrol, TLP, Trafigura Pte Ltd and Petrobras.

Navios Logistics faces competition in its barge and cabotage businesses with transportation of oil and refined petroleum products from other independent shipowners and from vessel operators who primarily charter vessels to meet their cargo carrying needs. The charter markets in which Navios Logistics' vessels compete are highly competitive. Key competitors include Atria Logistica S.A., Hidrovias do Brasil, Interbarga, P&O, and Fluviomar. In addition, some of Navios Logistics' customers, including ADM, Cargill, Louis Dreyfus and Vale, have some of their own dedicated barge capacity, which they can use to transport cargo in lieu of hiring a third party. Navios Logistics also competes indirectly with other forms of land-based transportation such as truck and rail. Competition is primarily based on prevailing market contract rates, vessel location and vessel manager know-how, reputation and credibility. These companies and other smaller entities are regular competitors of Navios Logistics in its primary tanker trading areas.

Navios Logistics believes that its ability to combine its ports in Uruguay and Paraguay with its versatile fleet of barges, pushboats and tankers to offer integrated, end-to-end logistics solutions for both its dry and liquid customers seeking to transport mineral and grain commodities and liquid cargoes through the Hidrovia Region has allowed Navios Logistics to differentiate its business and offer superior services compared to its competitors.

Off-hire

When the vessel is "off-hire" the charterer generally is not required to pay the basic hire rate, and we are responsible for all costs. Prolonged off-hire may lead to vessel substitution or termination of the time charter. A vessel generally will be deemed off-hire if there is a loss of time due to, among other things:

- operational deficiencies; drydocking for repairs, maintenance or inspection; equipment breakdowns; or delays due to accidents or deviations from course, crewing strikes, labor boycotts, certain vessel detentions or similar problems, occurrence of hostilities in the vessel's flag state or in the event of piracy, a natural or man-made event of force majeure; or
- the ship owner's failure to maintain the vessel in compliance with its specifications and contractual standards or to provide the required crew.

Under some of our charters, the charterer is permitted to terminate the time charter if the vessel is off-hire for an extended period, which is generally defined as a period of 90 or more consecutive off-hire days. Under some circumstances, an event of force majeure may also permit the charterer to terminate the time charter or suspend payment of charter hire.

Intellectual Property

We consider NAVIOS to be our proprietary trademark, service mark and trade name. We hold several trademark registrations in the U.S., E.U. and Monaco trademark registrations for our proprietary logos and the domain name registration for our website.

Governmental and Other Regulations

Sources of Applicable Maritime Laws and Standards

Shipping is one of the world's most heavily regulated industries, as it is subject to both governmental regulation and industry standards. The governmental regulations to which we are subject include local and national laws and regulations, as well as international regulations established by the International Maritime Organization ("IMO"), the United Nations agency governing the maritime sector. We also are subject to regulation by ship classification societies and industry associations, which often have independent standards. In the United States and, increasingly, in Europe, the national, state, and local laws and regulations may be more stringent than international conventions, as well as industry standards. Violations of these laws, regulations, treaties, and other requirements could result in sanctions by regulators, possibly fines, penalties, delays, and detention. Compliance with these categories of regulation also impact the vetting process – non-compliances can result in vetting failures, as noted above.

The primary areas of maritime laws and standards to which we are subject include environment, safety, and security, as provided in detail below.

International Conventions and Standards

The IMO is the United Nations agency with jurisdiction over maritime safety and the prevention of pollution by ships. The IMO has adopted a number of international conventions concerned with preventing, reducing, or managing pollution from ships; and ship safety and security. The most significant of these are described below.

- **MARPOL**

The International Convention for the Prevention of Pollution from Ships or "MARPOL" is the primary international convention governing vessel pollution prevention and response. MARPOL includes six annexes concerning operational pollution by oil, noxious liquid substances ("NLS"), harmful substances, sewage, garbage and air emissions. More specifically, these annexes contain regulations for the prevention of pollution by oil (Annex I), by noxious liquid substances in bulk (Annex II), by harmful substances in packaged forms within the scope of the International Maritime Dangerous Goods Code (Annex III), by sewage (Annex IV), by garbage (Annex V), and by air emissions, including sulfur oxides ("SOx"), nitrogen oxides ("NOx"), and particulate matter (Annex VI). The annexes also contain recordkeeping and inspection requirements. Fines and penalties imposed by the Port State or the vessel's flag State may apply for MARPOL violations, particularly for improper discharges into the air or water.

Under MARPOL Annex I, our ships are required to have an International Oil Pollution Prevention ("IOPP") Certificate and a Shipboard Oil Pollution Emergency Plan; under Annex IV, an International Sewage Pollution Prevention Certificate; under Annex V, a Garbage Management Plan; and under Annex VI, an International Air Pollution Prevention Certificate issued by their flag States, among other requirements, some of which must be approved by their flag States. Additionally, Annex II separates NLS into three categories (X, Y, and Z), depending upon the seriousness of the hazard presented, and Annex III contains requirements for safe handling of packaged substances that represent a serious risk to the environment, as well as guidelines for identification of harmful substances. For example, any relevant documents, such as the ship's manifest, must identify the substances carried, if any, aboard our vessels. Certain jurisdictions in which we trade have not adopted all of the MARPOL annexes, but have established various national, regional, or local laws and regulations that apply to these areas.

Of note, the emissions standards for sulfur oxides ("SOx") under MARPOL Annex VI were recently amended. As of January 1, 2020, the standard was lowered to 0.5% worldwide (down from the previous level of 3.5%). Current regulations also allow for special emissions control areas ("ECAs") to be established with more stringent controls on emissions of 0.1% sulfur, particulate matter, and nitrogen oxide emissions. Thus, the 0.5% sulfur content requirement applies outside the ECAs. Depending on the type of vessel, transitioning to the use of low sulfur fuel as a means of compliance may have required fuel system modification and tank cleaning. Another means of compliance is the installation of pollution control equipment (exhaust gas cleaning systems or scrubbers), allowing the vessel to use the existing, less expensive, high sulfur content fuel.

Thus far, ECAs have been formally adopted for the Baltic Sea area (limits SOx emissions only subject to the 2017 amendments described below); the North Sea area including the English Channel (limiting SOx emissions only subject to the 2017 amendments described below); the North American ECA (limiting SOx, nitrogen oxides ("NOx"), and particulate matter emissions); and the U.S. Caribbean ECA (limiting SOx, NOx, and particulates). The IMO adopted in 2017 the designation of the North Sea and Baltic Sea as ECAs for NOx under Annex VI as well, which took effect in January 2021 for new vessels constructed on or after January 1, 2021 or existing vessels that replace an engine with non-identical engines, or install an additional engine.

Despite Annex VI's extensive regulations, some jurisdictions have taken unilateral approaches to air emissions regulation. For example, the U.S. state of California adopted the California Ocean-Going Vessel Fuel Regulation, which contains more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil, extending out to 24 nautical miles, thus prohibiting the use of exhaust gas cleaning systems.

China has also established local emissions control areas: the Pearl River Delta, the Yangtze River Delta, and Bohai Bay. While the Chinese areas are currently consistent with international standards in terms of requiring a 0.5% sulfur content, certain Chinese local emissions control areas, such as inland waterways, coastal emission control areas and Hainan waters have a 0.1% sulfur limit in force. Similarly, South Korea has established Port Air Quality Control Zones, which cap the sulfur content of fuel at 0.1%. This provision took effect on September 1, 2020. South Korea's Ministry of Oceans and Fisheries designated South Korea's port areas in in Busan, Ulsan, Yeosu, Gwangyang, Incheon and Pyeongtaek-Dangjin as emission control areas and as of January 1, 2022, the 0.1 % sulfur limit extends to all vessels from the moment of entering until the moment of exiting the Korean emission control area. Since 2010, all vessels in the European Union ("EU"), must changeover to 0.1% sulfur fuel oil when 'at berth' in EU and European Economic Area ("EEA") ports due to EU Directive 2005/33/EC.

In addition, certain jurisdictions may have not adopted all of the MARPOL annexes, and some may have established various national, regional, or local laws and regulations that apply to these areas.

- **Ballast Water**

The IMO, as well as jurisdictions worldwide acting outside the scope of the IMO, have implemented requirements relating to the management of ballast water to prevent the harmful effects of foreign invasive species.

The IMO's International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "BWM Convention") entered into force on September 8, 2017. The BWM Convention requires ships to manage ballast water in a manner that removes, renders harmless, or avoids the uptake or discharge of aquatic organisms and pathogens within ballast water and sediment. As of February 17, 2022, the BWM Convention had 89 contracting states, representing 91.20% of the world's gross tonnage.

As amended, the BWM Convention requires, among other things, ballast water exchange until ballast water treatment systems are required, the maintenance of certain records, and the implementation of a Ballast Water and Sediments Management Plan. It also requires the installation of ballast water management systems for existing ships by certain deadlines. Ships constructed prior to September 8, 2017, must install ballast water management systems by the first renewal survey after September 8, 2017 and must comply with IMO discharge standards by the due date for their IOPP Certificate renewal survey under MARPOL Annex I. Ships constructed after September 8, 2017 are required to comply with the BWM Convention upon delivery. All ships must meet the IMO ballast water discharge standard by September 8, 2024, regardless of construction date. Updated guidance for Ballast Water and Sediments Management Plan includes more robust testing and performance specifications. The United States is not party to the BWM Convention, but has similar, though not identical, requirements. Ships operating in U.S. waters must comply with U.S. ballast water regulations.

- **Pollution Liability Regimes**

Several international conventions impose and limit pollution liability from vessels. An owner of a tank vessel carrying a cargo of "persistent oil," as defined by the International Convention for Civil Liability for Oil Pollution Damage (the "CLC"), is subject to strict liability for any pollution damage caused in a contracting State by an escape or discharge from cargo or bunker tanks. There is a financial limit on this liability, which is calculated by reference to the tonnage of the ship. The right to limit liability may be lost if the spill is caused by the ship owner's intentional or reckless conduct. Liability may also be incurred under the CLC for a bunker spill from the vessel even when it is not carrying such cargo if the spill occurs while it is in ballast. However, certain States have only ratified earlier iterations of the CLC, which have a lower liability limit, restrict the area in which the convention is applicable, and only cover spills from tankers if laden at the time of the spill.

The CLC applies in over 100 jurisdictions around the world. Some countries around the world have ratified an earlier version of the CLC, the "1969 Convention;" while others have not ratified any version of the CLC. Further, it is possible that courts in certain States may interpret the CLC to provide fewer protections, which can increase our liability in certain areas of the globe.

For vessel operations not covered by the CLC, including all non-tank vessels in our fleet, international liability for oil pollution may be governed by the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") in addition to local and national environmental laws.

The Bunker Convention entered into force in 2008 and imposes strict liability on shipowners for pollution damage and response costs incurred in contracting States caused by discharges, or threatened discharges, of bunker oil from all classes of ships not covered by the CLC. The Bunker Convention also requires registered owners of ships over a certain tonnage to maintain insurance to cover their liability for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime, including liability limits calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976, as amended (the “1976 Convention”). As of February 17, 2022, the Bunker Convention had 102 contracting States, representing 95.08% of the gross tonnage of the world’s merchant fleet.

The 1976 Convention is the most widely applicable international regime limiting maritime pollution liability. Rights to limit liability under the 1976 Convention are forfeited where a spill is caused by a shipowner’s intentional or reckless conduct. Certain jurisdictions have ratified the IMO’s Protocol of 1996 to the 1976 Convention, referred to herein as the “Protocol of 1996.” The Protocol of 1996 provides for substantially higher liability limits in those jurisdictions than the limits set forth in the 1976 Convention.

Finally, some jurisdictions are not parties to either the 1976 Convention or the Protocol of 1996, and, therefore, a shipowner’s rights to limit liability for maritime pollution in such jurisdictions may be uncertain or subject to national and local law.

- **International Safety Regulations**

Our vessels also must operate in compliance with the requirements set forth in the International Convention for the Safety of Life at Sea, as amended, (“SOLAS”), including the International Safety Management Code (the “ISM Code”), which is contained in Chapter IX of SOLAS.

SOLAS was enacted primarily to promote the safety of life and preservation of property. SOLAS, and the regulations and codes of practice thereunder, is regularly amended to introduce heightened shipboard safety requirements into the industry. The ISM Code requires ship operators to develop and maintain an extensive Safety Management System (“SMS”) that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and describing procedures for dealing with emergencies. The ISM Code also requires vessel operators to obtain a Document of Compliance (“DOC”) demonstrating that the company complies with the SMS and a Safety Management Certificate (“SMC”) for each vessel verifying compliance with the approved SMS by each vessel’s flag State. No vessel can obtain an SMC unless its manager has been awarded a Document of Compliance, issued by the flag State for the vessel, under the ISM Code.

Non-compliance with the ISM Code and regulations contained in other IMO conventions may subject a shipowner to increased liability, lead to decreases in available insurance coverage for affected vessels, or result in the denial of access to, or detention in, certain ports, which can cause delays. For example, the United States Coast Guard and EU authorities have indicated that vessels not in compliance with the ISM Code may be prohibited from trading in ports in the United States and the EU. Each company’s DOC and each vessel’s SMC must be periodically renewed, and compliance must be periodically verified.

- **Vessel Security – the ISPS Code**

In 2002, following the September 11 terrorist attacks, SOLAS was amended to impose detailed security obligations on vessels and port authorities, most of which are contained in the ISPS Code, which is Chapter XI-2 of SOLAS. Vessels demonstrate compliance with the ISPS Code by having an International Ship Security Certificate issued by their flag State.

Among the various requirements are:

- On-board installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications;
- On-board installation of ship security alert systems;
- Development of Ship Security Plans;
- Appointment of a Ship Security Officer and a Company Security Officer; and
- Compliance with Flag State’s security certification requirements.

Applicable U.S. Laws

- **The Act to Prevention Pollution from Ships**

The Act to Prevent Pollution from Ships (“APPS”) and corresponding U.S. Coast Guard regulations implement several MARPOL annexes in the United States. Violations of MARPOL, APPS, or the implementing regulations can result in liability for civil and/or criminal penalties. Numerous vessel owners and operators, as well as individual ship officers and shoreside technical personnel have been criminally prosecuted for APPS violations, which may result in significant fines and imprisonment for ship officers.

- **Clean Water Act, National Invasive Species Act, Vessel General Permit, and Vessel Incidental Discharge Act.**

The Clean Water Act (“CWA”) prohibits the discharge of oil or hazardous substances in U.S. navigable waters and imposes penalties for unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages.

The United States is not a party to the BWM Convention discussed above. Instead, ballast water operations are governed by the National Invasive Species Act (“NISA”) and U.S. Coast Guard regulations mandating ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters, as well as the Vessel General Permit issued by the U.S. Environmental Protection Agency (“EPA”) under the CWA. In addition, through the CWA certification provisions that allow U.S. states to place additional conditions on EPA’s Vessel General Permit, a number of states have implemented a variety of stricter ballast water requirements. The past year has seen a marked increase in enforcement actions by EPA for alleged violations of the Vessel General Permit.

Depending on a vessel’s compliance date for installation of a U.S. Coast Guard type-approved ballast water management system, these requirements may be met by performing mid-ocean ballast exchange, by retaining ballast water onboard the vessel, or by using another ballast water management method authorized by the U.S. Coast Guard. In the near future, ballast exchange will no longer be permissible. These U.S. Coast Guard regulations and EPA’s Vessel General Permit, however, will ultimately be replaced with the new regulatory regime being developed under the Vessel Incidental Discharge Act (“VIDA”) signed into law on December 4, 2018, which is expected to contain similar, though possibly more stringent, requirements.

VIDA establishes a new framework for regulation of discharges incidental to the normal operation of commercial vessels into navigable waters of the United States, including management of ballast water. VIDA required the EPA to implement a final rule setting forth standards for incidental discharges, including ballast water, by December 4, 2020 and the U.S. Coast Guard to issue a final rule implementing the EPA’s standards by December 4, 2022. However, EPA missed the statutory deadline of December 4, 2020 and EPA’s final rule is not expected to be published for several more months. As such, the overall implementation of VIDA will be delayed, including the U.S. Coast Guard’s implementation of EPA’s final rule on standards. Implementation of VIDA is expected to create more uniformity in state and federal regulation of incidental vessel discharges and thus is expected to result in a simplification of the current patch-work of federal, state and local ballast water regulations in the United States. However, the relevant standards and regulations implementing those standards are expected to take at least until sometime in 2024, and it is ultimately unclear what discharge limits may apply to discharges under VIDA, as well as how certain permissible state-specific standards may be implemented.

More specifically, on October 26, 2020, the EPA issued its Notice of Proposed Rulemaking – Vessel Incidental Discharge National Standards of Performance, which was the first step toward the final standards and regulations. The proposed rule would establish both general and specific discharge standards. The general discharge standards are preventative in nature and apply to all incidental discharges. They are organized into three categories: (1) general operation and maintenance; (2) biofouling management; and (3) oil management. These general standards mandate overall minimization of discharges and prescribe best management practices toward achieving this goal. No training or education requirements are included, as these will be set by the U.S. Coast Guard in its rulemaking once EPA’s standards are finalized. EPA’s proposal covers 20 incidental discharges from vessels, down from 27 covered by the 2013 VGP. Importantly, EPA did not significantly reduce the number of discharges covered, rather combined several discharges into one, taking a more systematic approach to managing the discharges. Two years after the EPA publishes its final standard, the U.S. Coast Guard is required to finalize corresponding implementation, compliance and enforcement regulations for those standards, including any requirements governing the design, construction, testing, approval, installation and use of devices necessary to achieve the EPA standards.

- **Oil Pollution Act of 1990 and State Law Regarding Oil Pollution Liability**

The United States has a comprehensive regulatory and liability regime for the protection and cleanup of the environment from oil spills from all vessels, including cargo or bunker oil spills. This regime is set forth in the Oil Pollution Act of 1990, or “OPA.”

OPA applies to owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in U.S. waters. Under OPA, vessel owners, operators and bareboat charterers are “responsible parties” and are jointly, severally and strictly liable for all containment and clean-up costs, as well as damages, arising from discharges or substantial threats of discharges, of oil from their vessels unless the spill results solely from the act or omission of a third party, an act of God or an act of war, which is determined after-the-fact. As such, responsible parties must respond to a spill immediately irrespective of fault.

OPA liability limits are periodically adjusted for inflation, and the U.S. Coast Guard issued a final rule on August 13, 2019 to reflect increases in the Consumer Price Index, which resulted in higher liability limits. With this adjustment, OPA currently limits liability of the responsible party for non-tank vessels to \$1,200 per gross ton or \$997,100, whichever is greater. Under OPA, these liability limits do not apply if an incident was directly caused by violation of applicable U.S. federal safety, construction or operating regulations or by a responsible party’s gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities.

Under OPA, an owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessel in the fleet having the greatest maximum liability under OPA. The Certificate of Financial Responsibility (“COFR”) program has been created by the U.S. Coast Guard to ensure that vessels carrying oil as cargo or fuel in the U.S. waters have the financial ability to pay for removal costs and damages resulting from an oil spill or threat of a spill up to their liability limits, which are based on the gross tonnage of our vessels. These limits are subject to annual increases. It is possible for our liability limits to be broken as discussed above, which could expose us to unlimited liability.

A COFR is issued in the name of the company/person financially responsible in the event of a spill or threat of a spill and this is usually the owning company or operator of the vessel. Once they have shown the capability to pay clean-up and damage costs up to the liability limits required by OPA, and a guaranty is issued and then provided to the U.S. Coast Guard, the U.S. Coast Guard will issue a COFR. With a few limited exceptions (not applicable to Navios vessels), vessels greater than 300 gross tons and vessels of any size that are transferring oil or cargoes between vessels or shipping oil in the Exclusive Economic Zone (EEZ) are required to comply with the COFR regulations in order to operate in U.S. waters.

The guarantor used throughout the Navios fleet is SIGCO / The Shipowners Insurance and Guaranty Company. SIGCO issues the guaranty noted above and confirms that if the responsible party does not respond to an oil spill or threat of a spill, the guarantor will be called upon to provide the funds to do so. This would be a rare occurrence because any guaranty issued by SIGCO is contingent on protection and indemnity cover.

The COFR is renewed on a three-year basis whereas the COFR guaranty is renewed annually. The U.S. Coast Guard checks that a vessel has a valid COFR prior to or upon entering the U.S. waters. Some states have COFR requirements in addition to the federal requirement under OPA, which may be more stringent than the requirement under OPA.

Trading in the US without a valid COFR may result in the vessel being detained and/or fined up to USD 51,796 per day or prevented from entering U.S. ports until the COFR is in place, or possible seizure by, and forfeiture to, the United States. We have provided satisfactory evidence of financial responsibility to the U.S. Coast Guard for all of our vessels and all have valid COFRs.

In addition to potential liability under OPA, individual states may impose their own and more stringent liability regimes with regard to oil pollution incidents occurring within their boundaries. Some states’ environmental laws impose unlimited liability for oil spills and contain more stringent financial responsibility and contingency planning requirements.

- **Comprehensive Environmental Response, Compensation and Liability Act**

The Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) contains a liability regime and provides for cleanup, removal and natural resource damages for the release of hazardous substances (other than oil) whether on land or at sea. Under U.S. law, certain petroleum products which may be carried by our fleet are not considered “oil” and thus are hazardous substances regulated by CERCLA. Thus, in some cases, CERCLA could be applicable to potential cargo spills from our vessels rather than OPA.

Under CERCLA, the owner or operator of a vessel from which there is a release or threatened release of a hazardous substance is liable for certain removal costs, other remedial action, damages due to injury of natural resources, and the costs of any required health assessment for releases that expose individuals to hazardous substances. Liability for any vessel that carries any hazardous substance as cargo or residue is limited to the greater of \$300 per gross ton or \$5 million. For any other vessel, the limitation is the greater of \$300 per gross ton or \$500,000.

These liability limits do not apply if the release resulted from willful misconduct or gross negligence within the privity or knowledge of the responsible person, or from a violation of applicable safety, construction, or operating standards or regulations within the privity or knowledge of the responsible person. In addition, the liability limits also do not apply if the responsible person fails to provide all reasonable cooperation and assistance requested by a responsible public official in connection with response activities conducted under the National Contingency Plan.

Further, any person who is liable for a release or threat of release, and who fails to provide removal or remedial action ordered by the EPA is subject to punitive damages in an amount equal to three times the costs incurred by the federal Superfund trust fund as a result of such failure to act.

- **Clean Air Act and Emissions Regulations**

The Federal Clean Air Act (“CAA”) requires the EPA to develop standards applicable to emissions of volatile organic compounds and other air contaminants. Our vessels are subject to CAA vapor control and recovery standards (“VCS”) for cleaning fuel tanks and conducting other operations in regulated port areas.

Also, under the CAA, since 1990 the U.S. Coast Guard has regulated the safety of VCSs that are required under EPA and state rules. Our vessels operating in regulated port areas have installed VCSs that are compliant with EPA, state and U.S. Coast Guard requirements. The U.S. Coast Guard has adopted regulations that made its VCS requirements more compatible with new EPA and State regulations, reflected changes in VCS technology, and codified existing U.S. Coast Guard guidelines.

- **State Laws**

In the United States, there is always a possibility that state law could be more stringent than federal law. Such is the case with certain state laws concerning marine environmental protection. A few examples include:

- California adopted more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil and prohibiting exhaust gas cleaning systems.
- California adopted regulatory amendments that implement the federal ballast water discharge standards for vessels arriving at California ports, establish operational monitoring and recordkeeping requirements for vessels that use a ballast water treatment system to meet ballast water discharge performance standards, and authorize California State Lands Commission staff to collect ballast water and sediment samples for research purposes and compliance assessments. These changes became effective on January 1, 2022.
- California also requires the use of shore power or equivalent emissions reductions strategies for vessels at all California ports.
- Vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred. For example, many U.S. states have unlimited liability and more stringent requirements for financial responsibility and contingency planning.
- Most states do not have comprehensive laws relating specifically to the discharge of hazardous substances from vessels into state waters as they do for oil discharges, but many states have general water pollution prevention laws that apply to hazardous substances and other materials and others have broadly written hazardous substance cleanup laws based on CERCLA that would provide a cause of action for discharges of hazardous substances from vessels.
- **Ship Safety and Security Laws**

With respect to ship safety, the requirements contained in SOLAS and the ISM Code generally have been implemented into U.S. law and are largely captured within U.S. Coast Guard regulations.

Ship security in the United States is governed primarily by the Marine Transportation Security Act of 2002 (“MTSA”). MTSA was implemented by U.S. Coast Guard regulations that imposed certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States.

Because the MTSA regulations were intended to be aligned with international maritime security standards contained in the ISPS Code, the regulations exempt non-U.S.-flag vessels from MTSA vessel security measures, provided such vessels have on board a valid International Ship Security Certificate (“ISSC”) that attests to the vessel’s compliance with SOLAS security requirements and the ISPS Code.

Applicable EU Laws

European regulations in the maritime sector are in general based on international law. However, since the *Erika* incident in 1999 and subsequent court decisions, the European Community has become increasingly active in the field of regulation of maritime safety and protection of the environment. It has been the driving force behind a number of amendments to MARPOL (including, for example, changes to accelerate the time-table for the phase-out of single hull tankers, and to prohibit the carriage in such tankers of heavy grades of oil), and if dissatisfied either with the extent of such amendments or with the time-table for their introduction it has been prepared to legislate on a unilateral basis.

In some instances, EU regulations may impose burdens and costs on shipowners and operators beyond the requirements under international rules and standards.

- **Liability for Pollution and Interaction between MARPOL and EU Law**

The EU has implemented certain EU-specific pollution laws, most notably a 2005 directive on ship-source pollution. This directive imposes imposing criminal sanctions for pollution caused by intent or recklessness (which would be an offense under MARPOL), as well as by “serious negligence.” The directive could therefore result in criminal liability being incurred in a European port state in circumstances where it may not be incurred in other jurisdictions.

- **Regulation of Emissions and Emissions Trading System**

The EU has a ship emissions regime. This regime primarily mirrors the IMO regime, but is more stringent than IMO regulations in some respects.

In December 2016, the EU signed into law the National Emissions Ceiling (“NEC”) Directive, which entered into force on December 31, 2016. The NEC required implementation by individual members States through particular laws in each State by June 30, 2018. The NEC aims to set stricter emissions limits on SO₂, ammonia, non-methane volatile organic compounds, NO_x and fine particulate (PM_{2.5}) by setting new upper limits for emissions of these pollutants. While the NEC is not specifically directed toward the shipping industry, the EU specifically mentions the shipping industry in its announcement of the NEC as a contributor to emissions of PM_{2.5}, SO₂ and NO_x.

In February 2017, EU member states met to consider independently regulating the shipping industry under the Emissions Trading System (“ETS”), which requires certain businesses to report on carbon emissions and provides for a credit trading system for carbon allowances. On February 15, 2017, European Parliament voted in favor of a bill to include maritime shipping in the ETS by 2023 if the IMO has not promulgated a comparable system by 2021. In November 2017, the Council of Ministers, EU’s main decision-making body, agreed that Europe should act on shipping emissions from 2023 if the IMO fails to deliver effective global measures.

On 14 July 2021, the European Commission adopted a series of legislative proposals depicting how it intends to achieve climate neutrality in the EU by 2050, including the intermediate target of an at least 55% net reduction in greenhouse gas emissions by 2030. The package proposes to revise several pieces of EU climate legislation, including the EU ETS, Effort Sharing Regulation, transport and land use legislation, setting out in real terms the ways in which the Commission intends to reach EU climate targets under the European Green Deal.

- **Ship Recycling and Waste Shipment Regulations**

On December 31, 2018, EU-flagged vessels became subject to Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling (the “EU Ship Recycling Regulation” or “ESRR”) and exempt from Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (the “European Waste Shipment Regulation” or “EWSR”), which had previously governed their disposal and recycling. The EWSR continues to be applicable to Non-European Union Member State-flagged (“non-EU-flagged”) vessels. Commission Implementing Decision (EU) 2021/1211 of July 22, 2021 amending Implementing Decision (EU) 2016/2323 established the European List of ship recycling facilities pursuant to Regulation (EU) No 1257/2013 of the European Parliament which details additional approved EU and non-EU facilities.

As of December 31, 2020, the ESRR will be applicable for vessels of 500 GT and above flying the flag of an EU/EEA member state, or third party-flagged vessels calling at EU ports. Those vessels will be required to carry an Inventory Hazardous Materials certificate onboard.

Under the ESRR, commercial EU-flagged vessels of 500 gross tonnage and above may be recycled only at shipyards included on the European List of Authorised Ship Recycling Facilities (the “European List”). The European List presently includes eight facilities in Turkey and one facility in the United States, among other European locations, but no facilities in the major ship recycling countries in Asia. The combined capacity of the European List facilities may prove insufficient to absorb the total recycling volume of EU-flagged vessels. This circumstance, taken in tandem with the possible decrease in cash sales, may result in longer wait times for divestment of recyclable vessels as well as downward pressure on the purchase prices offered by European List shipyards. Furthermore, facilities located in the major ship recycling countries generally offer significantly higher vessel purchase prices, and as such, the requirement that we utilize only European List shipyards may negatively impact revenue from the residual values of our vessels.

In addition, the EWSR requires that non-EU-flagged ships departing from European Union ports be recycled only in Organisation for Economic Cooperation and Development (OECD) member countries. In March 2018, the Rotterdam District Court ruled that the sale of four recyclable vessels by third-party Dutch shipowner Seatrade to cash buyers, who then reflagged and resold the vessels to non-OECD country recycling yards, were effectively indirect sales to non-OECD country yards, in violation of the EWSR. If European Union Member State courts widely adopt this analysis, it may negatively impact revenue from the residual values of our vessels and we may be subject to a heightened risk of non-compliance, due diligence obligations and costs in instances in which we sell older ships to cash buyers.

Maritime Decarbonization: Energy Efficiency and Greenhouse Gas Reduction

IMO’s Initial Strategy and Recent Developments

The IMO now has an initial strategy and mandatory measures for an international greenhouse gas (“GHG”) reduction regime for a global industry sector, and recent activity indicates continued interest and regulation in this area in the coming years.

On 13 April 2018, the IMO’s Marine Environment Protection Committee (“MEPC”) 72 adopted resolution MEPC.304(72) on Initial IMO Strategy on reduction of GHG emissions from ships. The initial strategy aims to reduce GHG emissions from shipping by 40% by 2030 when compared to 2008 levels. No international regulations have been implemented to achieve such a reduction.

The IMO’s initial strategy targeted both reducing gross output and efficiency. In order to reduce emissions and increase shipboard efficiency, the IMO is coordinating ways to measure these approaches. This will be done in two ways. First, the technical aspects and design of vessels will be regulated by the new Energy Efficiency Existing Ships Index (“EEXI”) for existing ships. EEXI regulations exist for an “Attained EEXI” to be calculated for each ship, and a “Required EEXI” for specified ship types. Second, the operational aspect will be done by way of the new Carbon Intensity Indicators (“CII”) index, which categorizes every ship’s operational efficiency based upon Data Collection Service information. Aspects of a vessel’s CII will need to be documented under the existing framework of the Ship Energy Efficiency Management Plan (“SEEMP”). On or before January 1, 2023, ships of 5,000 GT and above will need to revise their SEEMP.

In June 2021, MEPC 76 developed various short-term (2018–2023), medium-term (2023–2030), and long-term (2030–2050) measures. It approved a three-phase work plan aimed at supporting the Initial IMO Strategy on Reduction of GHG from Ships and its program of follow-up actions: Phase I – Collation and initial consideration of proposals for measures (Time period: Spring 2021 to Spring 2022); Phase II – Assessment and selection of measures to further develop (Time period: Spring 2022 to Spring 2023); and Phase III – Development of measures to be finalized with agreed target dates (Timeline: Target date(s) to be agreed in conjunction with the IMO Strategy on reduction of GHG emissions from ships).

With certain amendments to MARPOL Annex VI expected to enter into force on November 1, 2022, and requirements for EEXI and CII certification coming into effect from January 1, 2023, the first annual reporting will be completed in 2023, with the first rating given in 2024. A review clause requires the IMO to review the effectiveness of the implementation of the CII and EEXI requirements, by January 1, 2026, at the latest, and, if necessary, develop and adopt further amendments.

During the IMO MEPC 77 meeting held November 22–26, 2021, several proposals were advanced, including a two-dollar-per-ton bunker fee to pay for low-carbon propulsion research and an increase in the IMO’s decarbonization strategy of reducing emissions by 100 percent, instead of 50 percent, by 2050. However, neither proposal was adopted. MEPC 77 also addressed the need for correction factors for certain ship types and operation profiles to be developed, as well as the plan for previously developed SEEMP guidelines to be adopted at MEPC 78 in 2022. Member States pledged to continue discussing decarbonization efforts in 2022 and 2023. At MEPC 77, the MEPC agreed to initiate the revision of the Initial IMO Strategy on Reduction of GHG emissions from ships, recognizing the need to strengthen the ambition during the revision process in view of the urgency for all sectors to accelerate their efforts to reduce GHG emissions. A final draft Revised IMO GHG Strategy would be considered by MEPC 80 (scheduled to meet in spring 2023), with a view to adoption.

The next MEPC meeting, MEPC 78, has been tentatively scheduled to take place from 6 to 10 June 2022 and MEPC 79 from 12 to 16 December 2022.

Green House Gas (GHG) Regulations

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the “UNFCCC”) entered into force. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain greenhouse gases, generally referred to as GHGs, which are suspected of contributing to global warming. Currently, GHG emissions from international shipping do not come under the Kyoto Protocol. The IMO has developed and intends to continue developing limits on GHG emissions before 2023. The IMO is also considering its position on market-based measures through an expert working group. Among the numerous proposals being considered by the working group are the following: a port State levy based on the amount of fuel consumed by the vessel on its voyage to the port in question; and a global emissions trading scheme which would allocate emissions allowances and set an emissions cap, among others. The IMO’s goal is to reduce total annual GHG emissions by at least 50% by 2050 compared to 2008, while at the same time, pursuing efforts towards phasing them out entirely.

Additionally, jurisdictions throughout the world have examined means of regulating GHGs:

Some attention has been paid to GHGs in Europe. On June 28, 2013, the European Commission (“EC”) adopted a communication setting out a strategy for progressively including GHG emissions from maritime transport in the EU’s policy for reducing its overall GHG emissions. The first step proposed by the EC was an EU Regulation to an EU-wide system for the monitoring, reporting and verification of carbon dioxide emissions from large ships starting in 2018. The Regulation was adopted on April 29, 2015 and took effect on July 1, 2015, with monitoring, reporting and verification requirements beginning on January 1, 2018. The EC also adopted an Implementing Regulation, which entered into force in November 2016, setting templates for monitoring plans, emissions reports and compliance documents pursuant to Regulation 2015/757.

In the United States, there are varying approaches on whether to add additional regulations on GHG emissions. In January 2020, the Transportation and Infrastructure Committee of the U.S. House of Representatives (the “House”) held a hearing on “Decarbonizing the Maritime Industry,” which highlighted alleged health impacts of GHG, the IMO’s goal of decarbonization, and what next steps can be taken in reducing emissions from vessels. There also have been several bills introduced in the U.S. Congress regarding the reduction of emissions by ships. To date, none of these bills have been passed or signed into law. For example, on March 2, 2021, the CLEAN Future Act was introduced in the House Committee on Energy and Commerce. The bill would establish an interim goal to reduce all GHG emissions to at least 50% below 2005 levels by 2030, as well as a national goal to achieve net-zero greenhouse gas emissions by 2050. The bill also includes sections on reducing port emissions. On April 15, 2021, a bill entitled Expanding the Maritime Environmental and Technical Assistance Program was introduced into the U.S. Senate. This bill authorizes appropriations to support the maritime environmental and technical assistance program of the U.S. Maritime Administration, including activities related to technologies that support port and vessel air emissions reductions and to support zero emissions technologies. Additionally, the bill would require the activities used to inform the policy decisions of the United States related to domestic regulations and to the United States position on matters before the IMO. Additionally, on June 8, 2021, House Natural Resources Committee Chair Raúl Grijalva (D-AZ) introduced the Ocean-Based Climate Solutions Act (“OBSCSA”) aimed at addressing the ocean impacts of climate change. Notably, OBSCSA contains monitoring, reporting, and verification requirements of GHG emissions for all vessels over 5,000 gross tons. Among other things, Section 1201 of the bill would require a vessel to measure and monitor on a per-voyage basis and report on an annual basis: total GHG emitted by the vessel inside the EEZ; average GHG per transport work; and average GHG emissions per distance. Acceptable GHG monitoring and measuring methods in the bill include bunker delivery note and periodic stocktakes of fuel tanks, bunker fuel tank monitoring on board, flowmeters for applicable combustion processes, and direct CO₂ emissions measurements. We are monitoring the status of this proposed legislation and its potential impacts on our business.

Classification, Inspection and Maintenance

Every seagoing vessel must be inspected and approved by a classification society in order to be flagged in a specific country, obtain liability insurance, and legally operate. The classification society certifies that the vessel is “in class,” signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel’s country of registry and the international conventions to which that country is a party. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will often undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes, on request, other surveys and checks that are required by regulations and requirements of the flag state or port authority. These surveys are subject to agreements made in each individual case or to the regulations of the country concerned. For maintenance of the class, regular and extraordinary surveys of hull, machinery (including the electrical plant) and any special equipment classed are required to be performed subject to statutory requirements mandated by SOLAS as follows:

- *Annual Surveys:* For ocean-going ships, annual surveys are conducted for the hull and the machinery (including the electrical plant) and, where applicable, for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.
- *Intermediate Surveys:* Extended annual surveys are referred to as intermediate surveys and typically are conducted two and a half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.
- *Class Renewal Surveys:* Class renewal surveys, also known as special surveys, are carried out for the ship’s hull, machinery (including the electrical plant), and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey, the vessel is thoroughly examined, including audio-gauging, to determine the thickness of its steel structure. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one-year grace period for completion of the special survey under certain conditions. Substantial funds may have to be expended for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the classification society for the vessel’s integrated hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle.

Economic Sanctions and Compliance

We constantly monitor developments in the U.S., the EU and other jurisdictions that maintain economic sanctions against Iran, Russian entities, Venezuela, other countries, and other sanctions targets, including developments in implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries and persons subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling in ports in sanctioned countries or could limit their cargoes.

Iran Sanctions

Prior to January 2016, the scope of sanctions imposed against Iran, the government of Iran and persons engaging in certain activities or doing certain business with and relating to Iran was expanded by a number of jurisdictions, including the U.S., the EU and Canada. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act (“CISADA”), which expanded the scope of the former Iran Sanctions Act. The scope of U.S. sanctions against Iran were expanded subsequent to CISADA by, among other U.S. laws, the National Defense Authorization Act of 2012 (the “2012 NDAA”), the Iran Threat Reduction and Syria Human Rights Act of 2012 (“ITRA”), and the Iran Freedom and Counter-Proliferation Act of 2012 (“IFCA”).

The foregoing laws, among other things, expanded the application of prohibitions to non-U.S. companies such as our company and to transactions with no U.S. nexus, and introduced limits on the ability of non-U.S. companies and other non-U.S. persons to do business or trade with Iran when such activities relate to specific activities such as investment in Iran, the supply or export of refined petroleum or refined petroleum products and certain other goods to Iran, the supply and delivery of goods to Iran which could enhance Iran’s petroleum or energy sectors, and the transportation of crude oil from Iran to countries which do not enjoy Iran crude oil sanctions waivers (Navios Acquisition’s tankers called in Iran but did not engage in the prohibited activities specifically identified by these sanctions).

U.S. economic sanctions on Iran fall into two general categories: “Primary” sanctions, which prohibit U.S. persons or U.S. companies and their foreign branches, U.S. citizens, foreign owned or controlled subsidiaries, U.S. permanent residents, persons within the territory of the U.S. from engaging in all direct and indirect trade and other transactions with Iran without U.S. government authorization, and U.S. “secondary” sanctions, which are mainly nuclear-related sanctions. While most of the U.S. nuclear-related sanctions with respect to Iran (including, inter alia, under CISADA, ITRA, and IFCA) and the EU sanctions on Iran were initially lifted on January 16, 2016 through the implementation of the Joint Comprehensive Plan of Action (the “JCPOA”) entered into between the permanent members of the United Nations Security Council (China, France, Russia, the U.K. and the U.S.) and Germany, there are still certain limitations under that sanctions framework in place with which we need to comply. The primary sanctions with which U.S. persons or transactions with a U.S. nexus must comply are still in force and have not been lifted or relaxed. However, the following sanctions which were lifted under the JCPOA were reimposed (“snapped back”) on May 8, 2018 as a result of the U.S. withdrawal from the JCPOA.

- Sanctions on the purchase or acquisition of U.S. dollar banknotes by the Government of Iran;
- Sanctions on Iran’s trade in gold or precious metals;
- Sanctions on the direct or indirect sale, supply, or transfer to or from Iran of graphite, raw, or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes;
- Sanctions on significant transactions related to the purchase or sale of Iranian rials, or the maintenance of significant funds or accounts outside the territory of Iran denominated in the Iranian rial;
- Sanctions on the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt; and
- Sanctions on Iran’s automotive sector and other significant sectors.

Following a 180-day wind-down period ending on November 4, 2018, the U.S. government re-imposed the following sanctions that were lifted pursuant to the JCPOA, including sanctions on associated services related to the activities below:

- Sanctions on Iran’s port operators, and shipping and shipbuilding sectors, including on the Islamic Republic of Iran Shipping Lines (IRISL), South Shipping Line Iran, or their affiliate companies;
- Sanctions on petroleum-related transactions with, among others, the National Iranian Oil Company (NIOC), Naftiran Intertrade Company (NICO), and National Iranian Tanker Company (NITC), including the purchase of petroleum, petroleum products, or petrochemical products from Iran;
- Sanctions on transactions by foreign financial institutions with the Central Bank of Iran and designated Iranian financial institutions under Section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (NDAA);
- Sanctions on the provision of specialized financial messaging services to the Central Bank of Iran and Iranian financial institutions described in Section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions and Divestment Act of 2010 (CISADA);
- Sanctions on the provision of underwriting services, insurance, or reinsurance; and
- Sanctions on Iran’s energy sector.

In two Executive Orders issued in 2019, U.S. secondary sanctions against Iran were expanded to include the Iron, Steel, Aluminum, and Copper Sectors of Iran. The new, additional sanctions, which are pursuant to an Executive Order issued on January 10, 2020, may be imposed against any individual owning, operating, trading with, or assisting sectors of the Iranian economy including construction, manufacturing, textiles, and mining. As a result, under U.S. sanctions laws, trade with Iran in almost all industry sectors is now off limits for U.S. as well as non-U.S. persons, except for trade in medicine/medical items and food and agricultural commodities.

The new sanctions imposed in 2020 also authorize the imposition of sanctions on a foreign financial institution upon a determination that the foreign financial institution has, on or after January 10, 2020, knowingly conducted or facilitated any significant financial transaction: i) for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with a prohibited sector of the Iranian economy, or (ii) for or on behalf of any person whose property and interests in property are blocked.

U.S. Iran sanctions also prohibit U.S. as well as non-U.S. persons from engaging in significant transactions with any individual or entity that the U.S. Government has designated as an Iran sanctions target, e.g., SDNs.

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EU sanctions remain in place in relation to the export of arms and military goods listed in the EU common military list, missiles-related goods and items that might be used for internal repression. The main nuclear-related EU sanctions which remain in place include restrictions on:

- Graphite and certain raw or semi-finished metals such as corrosion-resistant high-grade steel, iron, aluminum and alloys, titanium and alloys and nickel and alloys (as listed in Annex VIIB to EU Regulation 267/2012 as updated by EU Regulation 2015/1861 (the “EU Regulation”));
- Goods listed in the Nuclear Suppliers Group list (listed in Annex I to the EU Regulation);
- Goods that could contribute to nuclear-related or other activities inconsistent with the JCPOA (as listed in Annex II to the EU Regulation); and
- Software designed for use in nuclear/military industries (as listed in Annex VIIA to the EU Regulation).

The above EU sanctions activities can only be engaged if prior authorization (granted on a case-by-case basis) is obtained. The remaining restrictions apply to the sale, supply, transfer or export, directly or indirectly to any Iranian person/for use in Iran, as well as the provision of technical assistance, financing or financial assistance in relation to the restricted activity. Certain individuals and entities remain sanctioned and the prohibition to make available, directly or indirectly, economic resources or assets to or for the benefit of sanctioned parties remains. “Economic resources” is widely defined and it remains prohibited to provide vessels for a fixture from which a sanctioned party (or parties related to a sanctioned party) directly or indirectly benefits. It is therefore still necessary to carry out due diligence on the parties and cargoes involved in fixtures involving Iran.

Russia Sanctions

As a result of the crisis in Ukraine and the annexation of Crimea by Russia in 2014, both the U.S. and the EU implemented sanctions in 2014 against Crimea and certain Russian individuals and entities. These sanctions which are still in force have been greatly expanded and fortified due to Russia’s invasion of Ukraine in February 2022.

The 2014 Sanctions

EU Sanctions - 2014

The EU has imposed travel bans and asset freezes on certain Russian persons and entities pursuant to which it is prohibited to make available, directly or indirectly, economic resources or assets to or for the benefit of the sanctioned parties. Certain Russian ports including Kerch Commercial Seaport; Sevastopol Commercial Seaport and Port Feodosia are subject to the above restrictions. Other entities are subject to sectoral sanctions, which limit the provision of equity financing and loans to the listed entities. In addition, various restrictions on trade have been implemented which, amongst others, include a prohibition on the import into the EU of goods originating in Crimea or Sevastopol as well as restrictions on trade in certain dual-use and military items and restrictions in relation to various items of technology associated with the oil industry for use in deep water exploration and production, Arctic oil exploration and production or shale oil projects in Russia. As such, it is important to carry out due diligence on the parties and cargoes involved in fixtures relating to Russia.

US Sanctions - 2014

The U.S. has imposed sanctions against certain designated Russian entities and individuals (“U.S. Russian Sanctions Targets”). These sanctions block the property and all interests in property of the U.S. Russian Sanctions Targets. This effectively prohibits U.S. persons from engaging in any economic or commercial transactions with the U.S. Russian Sanctions Targets unless the same are authorized by the U.S. Treasury Department. Similar to EU sanctions, U.S. sanctions also entail restrictions on certain exports from the U.S. to Russia and the imposition of Sectoral Sanctions, which restrict the provision of equity and debt financing to designated Russian entities. While the prohibitions of these sanctions are not directly applicable to us, we have compliance measures in place to guard against transactions with U.S. Russian Sanctions Targets, which may involve the U.S. or U.S. persons and thus implicate prohibitions. The U.S. also maintains prohibitions on trade with Crimea.

With respect to Russia, the U.S. has also taken a number of steps toward implementing aspects of the Countering America’s Adversaries Through Sanctions Act (“CAATSA”), a major piece of sanctions legislation.

Under CAATSA, the U.S. may impose secondary sanctions relating to Russia's energy export pipelines and investments in special Russian crude oil projects. CAATSA has a provision that requires the U.S. President to sanction persons who knowingly engage in significant transactions with parties affiliated with Russia's defense and intelligence sectors.

The February and March 2022 Sanctions

In response to Russia's threats against, and subsequent invasion of Ukraine, beginning in February 2022, the United States, the EU, the United Kingdom, Canada and other nations have imposed expanded economic sanctions against certain Russian individuals, entities and business sectors. Among other things, these sanctions suspend the use of SWIFT for certain credit markets, forbid Russian aircraft from flying over NATO and other airspace, and prohibit the export of sensitive, high-technology items to Russia.

EU Sanctions – 2022

Since February 2022, the EU has widened sanctions on those linked to Russia and in particular the Government of Russia with the introduction of a number of EU Regulations. These restrictions include:

- Designation of a significant number of individuals as subject to an asset freeze, including Russian politicians, oligarchs and Russian companies. A number of Russian oligarchs have reported majority interests in trading companies that may also be impacted by the designations.
- A ban on transactions with the Russian Central Bank and certain Russian banks from using the SWIFT system. The EU has also imposed restrictions on transactions with the Central Bank of Belarus and certain Belarussian banks for the Belarussian role in the invasion of Ukraine.
- A ban on transactions with certain designated Russian entities, including Rosneft, Transneft, Gazprom Neft and Sovcomflot, subject to certain exceptions (e.g. contracts executed prior to March 15, 2022, and the continued import of certain fossil fuels and other products into the EU).
- A ban on the importation of certain steel/iron products into the EU. The EU has also prohibited certain imports from Belarus, including, potash.
- A ban on new investments into the Russian energy sector.
- A ban on the provision of certain restricted goods and technology to persons connected to Russia or for use in Russia. This ban includes a number of items for use in the energy industry and goods pertaining to marine equipment, with an exception relating to the temporary sojourn of vessels.
- A ban on the provision of certain luxury goods to Russia (generally valued at over EUR 300).
- Restrictions on trade and investment with the non-government controlled territories of Donetsk and Luhansk

US Sanctions 2022

Covered Regions

The sanctions imposed by the United States in February and March 2022 prohibit the following:

- new investment in the so-called DNR or LNR regions of Ukraine or such other regions of Ukraine as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State (collectively, the "Covered Regions"), by a United States person, wherever located;
- the importation into the United States, directly or indirectly, of any goods, services, or technology from the Covered Regions;

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- the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, services, or technology to the Covered Regions; and
- any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this section if performed by a United States person or within the United States.

On February 21, 2022, United States President issued executive order No. 14065 (the “Executive Order”), which prohibits all dealings in property within the United States, or under control of any United States person (wherever located), of the following:

- persons determined to be operating in or who have operated in, since the date of the Executive Order, in the Covered Regions;
- any person who is, or has been, since the date of the Executive Order, a leader, official, senior executive officer, or member of the board of directors of an entity operating in the Covered Regions;
- a person owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked by the Executive Order;
- a person who has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked by the Executive Order.

The Executive Order also bans the entry into the United States of the foregoing persons.

The main additional sanctions that the United States has imposed are as follows:

- **Designated politicians, officials and oligarchs**, including **Russian President**: freezing of assets, prohibition of transactions with designated persons, travel ban against certain persons. Also includes members of the State Duma of the Federal Assembly of the Russian Federation.
- **Banks and financial services**: select freezing of assets and certain restrictive measures such as those related to equity and debt financing.
 - Russia’s Central Bank – imposition of restrictive measures that will prevent the Russian Central Bank from deploying its international reserves in ways that undermine the impact of sanctions.
 - Swift: Certain Russian banks have been removed from the Swift international payments system.
 - Sberbank: The US has cut off Russia’s biggest bank and 25 of its subsidiaries from the US financial system.
 - VTB Bank: The US, UK and Canada have frozen assets at Russia’s second-largest bank.
 - Alfa-Bank and Bank Otkritie – The US has imposed debt and equity restrictions on Alfa and full blocking sanctions on Otkritie.
 - Other targeted banks include: Rossiya Bank and Promsvyazbank, Sovcombank and Novikombank, Russian Agricultural Bank, Credit Bank of Moscow and Gazprombank, and VEB.RF
 - Belarus banks: The US imposed sanctions on two state-owned banks, Belinvestbank and Bank Dabrabyt, in response to Minsk’s participation in the Russian invasion.
 - In addition to targeting Russia’s largest financial institutions, the US has heavily restricted companies critical to the Russian economy from raising money through the US market. These include: Gazprom, Gazprom Neft, Transneft and RusHydro, Sovcomflot and Russian Railways, Rostelecom, and the world’s largest diamond mining company, Alrosa.

Other Measures

- Restriction on the export and re-export of high-end US technologies to Russia.
- Sweeping restrictions on export and reexport of US origin goods/technology.
- Full blocking sanctions on seven Russian “disinformation targets.”
- Prohibition on trade with the non-government-controlled areas of Donetsk and Luhansk.

UK Sanctions – 2022

As an EU member-state, the UK participated in the EU sanctions against Russia. Following the UK’s departure from the EU, the UK enacted a number of then-existing EU sanctions as the law in the UK. The UK may also impose additional sanctions that apply to UK persons and those within UK jurisdiction.

The UK sanctions adopted in February 2022 include restrictions on the following:

- In addition to the EU and US, a significant number of individuals have been designated as subject to an asset freeze, including Russian politicians, oligarchs and companies. A number of the oligarchs have reported majority interests in trading companies. In addition, the UK has designated the shipping company Sovcomflot, as the subject of an asset freeze, as has similarly designated a number of Russian banks to such asset freeze.
- A ban on the export, supply, delivery and making available (and technical assistance and financial services related to the same) of certain restricted goods and technology to persons connected with Russia or for use in Russia. This includes a number of items for use in the energy industry and goods pertaining to marine equipment with an exception relating to the voyage of vessels to/from the UK and Russia and a General Licence issued covering voyages from 3rd countries to/from Russia.
- A ban on Russian owned, controlled or chartered vessels from calling at UK ports or being flagged in the UK.

Venezuela-Related Sanctions

The U.S. sanctions with respect to Venezuela prohibit various financial and other transactions and activities, dealings with designated Venezuelan government officials and entities, curtail the provision of financing to Petroleos de Venezuela, S.A. (“PdVSA”) and other government entities, and they also prohibit U.S. persons from purchasing oil from PdVSA. Additionally, U.S. (blocking) sanctions may be imposed on any (non-U.S.) person that has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, or any blocked entity such as PdVSA.

EU sanctions against Venezuela are primarily governed by EU Council Regulation 2017/2063 of 13 November 2017 concerning restrictive measures in view of the situation in Venezuela. This includes financial sanctions and restrictions on listed persons and an, arms embargo, and related prohibitions and restrictions including restrictions related to internal repression.

U.S. Executive Orders

The following Executive Orders govern the U.S. sanctions with respect to Venezuela:

13884—Blocking Property of the Government of Venezuela—(August 5, 2019)

13857—Taking Additional Steps to Address the National Emergency With Respect to Venezuela (January 25, 2019)

13850—Blocking Property of Additional Persons Contributing to the Situation in Venezuela (November 1, 2018)

13835—Prohibiting Certain Additional Transactions with Respect to Venezuela (May 21, 2018)

13827—Taking Additional Steps to Address the Situation in Venezuela (March 19, 2018) – prohibits all transactions related to, provision of financing for, and other dealings in, by a U.S. person or within the U.S., in any digital currency, digital coin, or digital token, (the Petro) that was issued by, for, or on behalf of the Government of Venezuela on or after January 9, 2018.

13808—Imposing Additional Sanctions with Respect to the Situation in Venezuela (August 24, 2017) – This executive Order prohibits transactions involving, dealings in, and the provision of financing for (by U.S. persons) of:

- New debt with a maturity of greater than 90 days of PdVSA;
- New debt with a maturity of greater than 30 days or new equity of the Government of Venezuela, other than debt of PdVSA;
- Bonds issued by the Government of Venezuela prior to August 25, 2017, the EO’s effective date;
- Dividend payments or other distributions of profits to the Government of Venezuela from any entity directly or indirectly owned or controlled by the Government of Venezuela; or

- Direct or indirect purchase by U.S. persons or persons within the U.S. of securities from the Government of Venezuela, other than securities qualifying as new debt with a maturity of less than or equal to 90 or 30 days as covered by the EO (Section 1).

13692-Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela (March 8, 2015) – blocks designated Venezuelan government officials.

Other U.S. Economic Sanctions Targets

In addition to Iran and certain Russian entities and individuals, as indicated above, the U.S. maintains comprehensive economic sanctions against Syria, Cuba, North Korea, and sanctions against entities and individuals (such as entities and individuals in the foregoing targeted countries, designated terrorists, narcotics traffickers) whose names appear on the List of SDNs and Blocked Persons maintained by the U.S. Treasury Department (collectively, the “Sanctions Targets”). We are subject to the prohibitions of these sanctions to the extent that any transaction or activity we engage in involves Sanctions Targets and a U.S. person or otherwise has a nexus to the U.S.

Other E.U. Economic Sanctions Targets

The EU also maintains sanctions against Syria, North Korea, Belarus and certain other countries and against individuals listed by the EU. These restrictions apply to our operations and as such, to the extent that these countries may be involved in any business it is important to carry out checks to ensure compliance with all relevant restrictions and to carry out due diligence checks on counterparties and cargoes.

Risk of Loss and Liability Insurance

General: The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, fire, contact with floating objects, property loss, cargo loss or damage, business interruption due to political circumstances in foreign countries, hostilities, and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA 90, which imposes virtually unlimited liability upon owners, operators and demise charterers of any vessel trading in the U.S. exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for ship owners and operators trading in the U.S. market. While we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates. Our current insurance includes the following:

Hull and Machinery and War Risk Insurance: We have marine hull and machinery and war risk insurance, which include coverage of the risk of actual or constructive total loss, for all of our owned vessels. Each of the owned vessels is covered up to at least fair market value, with a deductible of \$0.1 million per Panamax, and Handymax vessel and \$0.2 million per Capesize vessel for the hull and machinery insurance. We have also extended our war risk insurance to include war loss of hire for any loss of time to the vessel, including for physical repairs, caused by a warlike incident and piracy seizure for up to 270 days of detention / loss of time. There are no deductibles for the war risk insurance or the war loss of hire cover.

We have arranged, as necessary, increased value insurance for our vessels. With the increased value insurance, in case of total loss of the vessel, we will be able to recover the sum insured under the increased value policy in addition to the sum insured under the hull and machinery policy. Increased value insurance also covers excess liabilities that are not recoverable in full by the hull and machinery policies by reason of underinsurance. We do not expect to maintain loss of hire insurance for our vessels. Loss of hire insurance covers business interruptions that result in the loss of use of a vessel.

Protection and Indemnity Insurance: Protection and indemnity insurance is expected to be provided by mutual protection and indemnity associations (“P&I Associations”), who indemnify members in respect of discharging their tortious, contractual or statutory third-party legal liabilities arising from the operation of an entered ship. Such liabilities include but are not limited to third-party liability and other related expenses from injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations and always provided in accordance with the applicable associations’ rules and members’ agreed terms and conditions.

Our fleet is currently entered for protection and indemnity insurance with International Group associations where, in line with all International Group Clubs, coverage for oil pollution is limited to \$1.0 billion per event. The 13 P&I Associations that comprise the International Group insure approximately 95% of the world's commercial tonnage and have entered into a pooling agreement to collectively reinsure each association's liabilities. Each vessel that we acquire will be entered with P&I Associations of the International Group. Under the International Group reinsurance program for the current policy year, each P&I club in the International Group is responsible for the first \$10.0 million of every claim. In every claim the amount in excess of \$10.0 million and up to \$100.0 million is shared by the clubs under the pooling agreement. Any claim in excess of \$100.0 million is reinsured by the International Group in the international reinsurance market under the General Excess of Loss Reinsurance Contract. This policy currently provides an additional \$2.0 billion of coverage for non-oil pollution claims. Further to this, an additional reinsurance layer has been placed by the International Group for claims up to \$1.0 billion in excess of \$2.1 billion, or \$3.1 billion in total. For passengers and crew claims, the overall limit is \$3.0 billion for any one event on any one vessel with a sub-limit of \$2.0 billion for passengers. With the exception of pollution, passenger or crew claims, should any other P&I claim exceed Group reinsurance limits, the provisions of all International Group Club's overspill claim rules will operate and members of any International Group Club will be liable for additional contributions in accordance with such rules. To date, there has never been an overspill claim, or one even nearing this level.

As a member of the P&I Associations that are members of the International Group, we will be subject to calls payable to the associations based on our individual fleet record, the associations' overall its claim records as well as the claim records of all other members of the individual associations, and members of the pool of P&I Associations comprising the International Group. The P&I Associations' policy year commences on February 20th. Calls are levied by means of Estimated Total Premiums ("ETP") and the amount of the final installment of the ETP varies according to the actual total premium ultimately required by the club for a particular policy year. Members have a liability to pay supplementary calls, which might be levied by the board of directors of the club if the ETP is insufficient to cover amounts paid out by the club. Should a member leave or entry cease with any of the associations, at the Club's Managers discretion, they may be also be liable to pay release calls or provide adequate security for the same amount. Such calls are levied in respect of potential outstanding Club/Member liabilities on open policy years and include but are not limited to liabilities for deferred calls and supplementary calls.

Uninsured Risks: Not all risks are insured and not all risks are insurable. The principal insurable risks, which nonetheless remain uninsured across our businesses, are "loss of hire", "strikes," except in cases of loss of hire due to war or a piracy event or due to presence of contraband on board, "defense," and "credit risk. Specifically, we do not insure these risks because the costs are regarded as disproportionate. These insurances provide, subject to a deductible, a limited indemnity for hire that would not be receivable by the shipowner for reasons set forth in the policy. Should a vessel on time charter, where the vessel is paid a fixed hire day by day, suffer a serious mechanical breakdown, the daily hire will no longer be payable by the charterer. The purpose of the loss of hire insurance is to secure the loss of hire during such periods. In the case of strikes insurance, if a vessel is being paid a fixed sum to perform a voyage and the ship becomes strike bound at a loading or discharging port, the insurance covers the loss of earnings during such periods. However, in some cases when a vessel is transiting high risk war and/or piracy areas, we arrange war loss of hire insurance to cover up to 270 days of detention/loss of time. When our charterers engage in legally permitted trading in locations which may still be subject to sanctions or boycott, such as Iran, Syria and Sudan, our insurers may be contractually or by operation of law prohibited from honoring our insurance contract for such trading, which could result in reduced insurance coverage for losses incurred by the related vessels. Furthermore, our insurers and we may be prohibited from posting or otherwise be unable to post security in respect of any incident in such locations, resulting in the loss of use of the relevant vessel and negative publicity for our Company which could negatively impact our business, results of operations, cash flows and share price.

There are no deductibles for the war loss of hire cover in case of piracy and contraband cover. We maintain strike and business interruption insurance for our port terminal operations.

Even if our insurance coverage is adequate to cover our losses, if we suffer a loss of a vessel, we may not be able to obtain a timely replacement for any lost vessel. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. For example, more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also on the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could have a material adverse effect on our business, results of operations and financial condition. Any uninsured or underinsured loss could harm our business and financial condition. In addition, the insurance may be voidable by the insurers as a result of certain actions, such as vessels failing to maintain required certification.

Risk Management

Risk management in the shipping industry involves balancing a number of factors in a cyclical and potentially volatile environment. Fundamentally, the challenge is to appropriately allocate capital to competing opportunities of owning or chartering vessels. In part, this requires a view of the overall health of the market as well as an understanding of capital costs and returns. Thus, stated simply, one may charter-in part of a fleet as opposed to owning the entire fleet to maximize risk management and economic results. This is coupled with the challenge posed by the complex logistics of ensuring that the vessels controlled by Navios Holdings are fully employed.

Navios Holdings seeks to manage risk through a number of strategies, including vessel control strategies (chartering and ownership) and freight carriage. Navios Holdings' vessel control strategies include seeking the appropriate mix of owned vessels, long-term charter-in vessels, coupled with purchase options, when available, and spot charters. Navios Holdings has from time to time entered into COAs, which gives Navios Holdings, subject to certain limitations, the flexibility to determine the means of getting a particular cargo to its destination.

Legal Proceedings

Navios Holdings is not involved in any legal proceedings that it believes will have a material adverse effect on its business, financial position, results of operations and liquidity.

From time to time, Navios Holdings may be subject to legal proceedings and claims in the ordinary course of business. It is expected that these claims would be covered by insurance if they involved liabilities such as those that arise from a collision, other marine casualty, damage to cargoes, oil pollution and death or personal injuries to crew, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Refer to "Item 8. Financial Information" in "Legal Proceedings".

Crewing and Shore Employees

Employees of the Manager provide assistance to us and our operating subsidiaries pursuant to the Management Agreement and the Administrative Services Agreement. The Manager crews its vessels primarily with Ukrainian, Polish, Filipino, Russian, Indian, Georgian, Romanian officers and Filipino, Georgian, Ethiopian, Indian and Ukrainian seamen. For these nationalities, officers and seamen are referred to the Manager by local crewing agencies. The crewing agencies handle each seaman's training while the Manager handles their travel and payroll. The Manager requires that all of its seamen have the qualifications and licenses required to comply with international regulations and shipping conventions. Following the sale of the management division, Navios Holdings does not employ any staff. Navios Logistics crews its fleet with Argentine, Brazilian and Paraguayan officers and seamen. Navios Logistics' fleet managers are responsible for selecting the crew. As of December 31, 2021, Navios Logistics employed 409 land-based employees: 28 employees in the Asuncion, Paraguay office, 47 employees at the port facility in San Antonio, Paraguay, 101 employees in the Buenos Aires, Argentina office, six employees in the Montevideo, Uruguay office, 215 employees at the dry port facilities in Uruguay and 12 employees in the Corumba, Brazil office.

Facilities

Our principal place of business is located at Strathvale House, 90 N Church Street, P.O. Box 309, Grand Cayman, KY1-1104 Cayman Islands. We believe that our office facilities are suitable and adequate for our business as it is presently conducted. We presently occupy office space provided by the Manager. The Manager has agreed that it will make such office space, as well as certain office and secretarial services, available to us, as may be required by us from time to time. Previously, until the sale of the management division Navios Holdings and its affiliate companies leased through August 30, 2019 various properties in Greece, Belgium, New York and Monaco.

Navios Logistics and its subsidiaries currently lease, (or occupy as free zone users, as the case may be), the following premises:

- CNSA, as a free zone direct user at the Nueva Palmira Free Zone, holds the right to occupy the land on which it operates its port and transfer facilities, located at Zona Franca, Nueva Palmira, in Uruguay. CNSA has been authorized to operate as a free zone user on November 29, 1955 by a resolution of the Executive, who on September 27, 1956 approved an agreement, as required by applicable law at the time. On December 4, 1995, CNSA's rights as a direct user have been renewed in a single free zone user agreement, which was subsequently amended on multiple occasions to reflect, among other things, the incorporation of new plots of land.

On March 4, 2016, the extension of the agreement has been modified, allowing CNSA to install and operate a transfer station to handle and store goods, including raw manganese, minerals, grains and all types of liquid cargo and to build and operate a plant to receive, prepare and dry grain in the Nueva Palmira Free Zone. As a part of a restructuring process, on November 13, 2018, CNSA has modified its user agreement with the Free Zone of Nueva Palmira, returning to the Free Trade Zone the area in which the facilities of the grain port terminal were located, so that such area was subsequently assigned to Corporacion Navios Granos S.A. ("Granos"), another Navios Logistics' subsidiary. By the means of the restructuring process, CNSA currently performs all activities related to transshipment and deposit of minerals, whereas Granos performs activities related to the transshipment and deposit of agro-commodities and grains. Under the aforementioned agreement, CNSA has the right of use of approximately 37 acres and pays a total fixed annual fee that amounts to \$0.1 million, payable over eight consecutive months beginning in January of each year and increasing yearly in proportion to the variation in the U.S. Consumer Price Index corresponding to the previous year. There is also a transshipment fee of \$0.25 per ton transshipped. CNSA has also assumed certain obligations with respect to improving the land subject to the agreement, and the agreement is terminable by the Free Zone Division in case there is a breach of the terms of said agreement, labor laws and social security contributions, and if CNSA commits illegal acts or acts expressly forbidden by the agreement. The agreement entered into between CNSA and the Free Zone expires on March 3, 2046, with a 20-year extension at our option, until 2066.

- As a consequence of the above-mentioned restructuring process, on November 13, 2018, Granos entered into a user agreement with the Free Zone of Nueva Palmira, having been authorized to operate as a direct free zone user, therefore being allowed to install and operate a transfer station to handle and store goods, including raw manganese, minerals, grains and all types of liquid cargo and to build and operate a plant to receive, prepare and dry grain in the Nueva Palmira Free Zone. By the means of said agreement, Granos currently has the right of use of approximately 46 acres and pays a total fixed annual fee that amounts to \$0.2 million, payable over eight consecutive months beginning in January of each year and increasing yearly in proportion to the variation in the U.S. Consumer Price Index corresponding to the previous year. There is also a transshipment fee of \$ 0.25 per ton transshipped. The agreement with the Free Zone expires on March 3, 2046, with a 20-year extension at our option, until 2066.
- On August 4, 2011, Enresur entered into a direct user agreement with the Free Zone of Nueva Palmira and subsequently, due to the acquisition of Enresur by Navios Logistics, such agreement has been revised by an amendment entered into with the Free Zone in July 22, 2016. Therefore, Enresur obtained an authorization to operate as a free zone user, being allowed to build, install and operate a system of handling, storage and treatment of

materials in general and raw materials, including raw manganese, minerals, grains and all types of liquid cargo. As a consequence of the agreement, Enresur currently has the right of use of 27 acres and 9556 square meters and pays a total fixed annual fee that amounts to \$0.1 million, payable over eight consecutive months beginning in January of each year and increasing yearly in proportion to the variation in the U.S. Consumer Price Index corresponding to the previous year. There is also a transshipment fee of \$0.25 per ton transshipped. The agreement expires on July 22, 2046, with a 20-year extension at our option, until 2066.

- On December 29, 2008, Edolmix S.A. entered into a direct user agreement with the Free Zone of Nueva Palmira and, due to the acquisition of Edolmix by Navios Logistics in December 2014, such agreement has been revised by an amendment entered into with the Free Zone in July 22, 2016. Therefore, Edolmix has obtained an authorization to operate as a free zone user, being allowed to install and operate warehouses, silos, industrial facilities for the storage and handling of materials in general and raw materials, including raw manganese, minerals, grains and liquid cargo, containers and pallets; having being also authorized to install and operate a barge dock and a port terminal. As a consequence of the agreement, Edolmix currently has the right of use of 34.5 acres and 3,546 square meters and pays a total fixed annual fee that amounts to \$0.1 million, payable over eight consecutive months beginning in January of each year and increasing yearly in proportion to the variation in the U.S. Consumer Price Index corresponding to the previous year. There is also a transshipment fee of \$ 0.25 per ton transshipped. The agreement expires on July 22, 2046, with a 20-year extension at our option until 2066.
- Granos also leases approximately 204 square meters of office space at 2141 Paraguay, Montevideo, Uruguay, pursuant to a lease agreement that expires in November 2026.
- Compania Naviera Horamar S.A. leases approximately 409 square meters at 429 Cepeda Street, San Nicolás, Buenos Aires, Argentina, pursuant to a lease agreement that expires in November 30, 2023.
- Compania Naviera Horamar S.A. leases approximately 277 square meters of a warehouse located at 874 California Str., Buenos Aires, Argentina. The lease agreement expires on August 31, 2021. Compania Naviera Horamar S.A. also leases an apartment for the use of one of its employees located at 206 Nicasio Oroño, Rosario, Argentina. The lease agreement expires on October 31, 2023.

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- Compania Naviera Horamar S.A. leases a piece of land called “La Misteriosa” in an Island in the Province of Entre Rios, Argentina, Department of Islands of Ibicuy and Paranacito. As per new contract dated June 28, 2019, the lease agreement expires on June 30, 2021.
- Compania Naviera Horamar S.A. leases approximately 1,370 square meters of an office space at Av. Juana Manso 205, Buenos Aires, Argentina, pursuant to a lease agreement that expires in June 2021. As per addendum dated November 21, 2019, CNH has agreed to lease nine additional parking spaces and one storage until expiration date.
- Merco Par S.A.C.I. leases approximately 655 square meters of office space at Avenida Aviadores del Chaco No 1.669 corner San Martín, Asuncion, Paraguay, pursuant to a lease agreement that expires in October 2023.
- CNSA owns office premises in Montevideo, Uruguay. This space is approximately 112 square meters and is located at Juan Carlos Gomez 1445, Oficina 701, Montevideo 1100, Uruguay.
- Petrolera San Antonio S.A. owns the premises from which it operates in Avenida San Antonio, Paraguay. This space is approximately 146,744 square meters and is located between Avenida San Antonio and Virgen de Caacupe, San Antonio, Paraguay.
- Compania Naviera Horamar S.A. owns two storehouses located at 880 Calle California, Ciudad Autonoma de Buenos Aires, Argentina and at 791/795 Calle General Daniel Cerri, Ciudad Autonoma de Buenos Aires, Argentina of approximately 259 and 825 square meters, respectively. Compania Naviera Horamar S.A. also owns approximately 1,139 square meters of office space located in 846 Avenida Santa Fe, Ciudad Autonoma de Buenos Aires, Argentina.
- Petrovia Internacional S.A. owns three plots of land in Nueva Palmira, Uruguay, two of approximately 29 acres each and one of 23 acres.
- Hidronave South American Logistics leases an office space at 688, 15 De Novembro Street, Corumbá, Brazil, pursuant to a lease agreement that expired in May 2020 and was automatically renewed for an additional three years, extending the term until May 2023, according to the terms set forth in the lease agreement.
- Docas, in 2018, acquired a plot of land in Port Murinho, Brazil of approximately 3.5 hectares and it is located on the shoreline of the Paraguay River. On September 10, 2019 Docas has also acquired a new plot and on June 4, 2020 Docas has acquired from AABB Banco do Brasil an additional plot of land totaling 3.2 hectares for 2019 and 2020. On March 24, 2021, Docas acquired a plot of land of approximately 2.3 hectares.
- Compañía Naviera Horamar S.A. leases a piece of land called “La Misteriosa” in an Island in the Province of Entre Rios, Argentina, Department of Islands of Ibicuy and Paranacito. As per an amendment to the lease agreement dated June 30, 2021, the lease expires on June 30, 2022.
- Compañía Naviera Horamar S.A. leases approximately 1,370 square meters of an office space at Av. Juana Manso 205, Buenos Aires, Argentina and 25 parking spaces, pursuant to a lease agreement that was renewed on June 13, 2021 for a period of 3 years (until June 2024).

C. Organizational structure

Navios Holdings maintains its head offices in the Cayman Islands. Navios Logistics maintains offices in Montevideo—Uruguay, Buenos Aires—Argentina, Asunción—Paraguay, and Corumbá—Brazil. Navios Logistics operates the Nueva Palmiradry ports and transfer facilities indirectly through its Uruguayan subsidiaries CNSA and Granos and the San Antonio port facility through its Paraguayan subsidiary, Petrosan.

As of December 31, 2021, all subsidiaries included in the consolidated financial statements are 100% owned, except for Navios Logistics and its subsidiaries, which are 63.8% owned by Navios Holdings.

The table below sets forth Navios Holdings’ corporate structure for each of the periods presented.

Subsidiaries included in the consolidation:

Company Name	Nature	Ownership Interest	Country of Incorporation	Statement of Operations		
				2021	2020	2019
Navios Maritime Holdings Inc.	Holding Company		Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios South American Logistics Inc.	Sub-Holding Company	63.8%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Containers L.P.	Holding Company	3.7%	Marshall Is.	—	—	1/1 - 8/29
Navios Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios International Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navimax Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Handybulk Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Hestia Shipping Ltd.	Operating Company	100%	Malta	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Anemos Maritime Holdings Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Shipmanagement Inc.	Management Company	100%	Marshall Is.	—	—	1/1 - 8/29
NAV Holdings Limited	Sub-Holding Company	100%	Malta	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kleimar N.V.	Operating Company/ Vessel Owning Company/ Management Company	100%	Belgium	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kleimar Ltd.	Operating Company	100%	Marshall Is.	—	—	1/1 - 8/29
Bulkinvest S.A.	Operating Company	100%	Luxembourg	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Primavera Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ginger Services Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aquis Marine Corp.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Tankers Management Inc.	Management Company	100%	Marshall Is.	—	—	1/1 - 8/29
Astra Maritime Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Achilles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Apollon Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Herakles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Hios Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ionian Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kypros Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Meridian Shipping Enterprises Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mercator Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31

Arc Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Horizon Shipping Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Magellan Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aegean Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Star Maritime Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Corsair Shipping Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rowboat Marine Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rondine Management Corp.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/30	3/22 - 12/31
Vernazza Shiptrade Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	9/25 - 12/31
Navios Corporation Management Inc.	Operating Company	100%	Marshall Is.	—	—	7/4 - 8/29
Beaufiks Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Nostos Shipmanagement Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 6/30	1/1 - 12/31	1/1 - 12/31
Portorosa Marine Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Shikhar Ventures S.A.	Vessel Owning Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31

Company Name	Nature	Ownership Interest	Country of Incorporation	Statement of Operations		
				2021	2020	2019
Sizzling Ventures Inc.	Operating Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rheia Associates Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Taharqa Spirit Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rumer Holding Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Pharos Navigation S.A.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Pueblo Holdings Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Quena Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aramis Navigation Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 7/9	1/1 - 12/31	1/1 - 12/31
White Narcissus Marine S.A.	Vessel Owning Company	100%	Panama	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios GP L.L.C.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Red Rose Shipping Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Highbird Management Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ducale Marine Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Vector Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Faith Marine Ltd.	Vessel Owning Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance II (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Tulsi Shipmanagement Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Cinthara Shipping Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rawlin Services Company	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mauve International S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Serenity Shipping Enterprises Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mandora Shipping Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 3/30	1/1 - 12/31	1/1 - 12/31
Solange Shipping Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 3/30	1/1 - 12/31	1/1 - 12/31
Diesis Ship Management Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Holdings Europe Finance Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Asia LLC	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Iris Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Jasmine Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Emery Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/30	1/1 - 12/31
Lavender Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 6/30	1/1 - 12/31	1/1 - 12/31
Roselite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Smaltite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Motiva Trading Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Alpha Merit Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Thalassa Marine S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Asteroid Shipping S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Cloud Atlas Marine S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Heodor Shipping Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Containers GP LLC	Operating Company	100%	Marshall Is.	—	—	1/1 - 8/29
Navios Containers Management Inc.	Management Company	100%	Marshall Is.	—	—	1/1 - 8/29
Pacifico Navigation Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rider Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Talia Shiptrade S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Moonstone Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	6/30 - 12/31	—
Opal Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	6/30 - 12/31	—
Grimaud Ventures S.A.	Operating Company	100%	Marshall Is.	7/30 - 12/31	—	—

Affiliate companies included in the financial statements accounted for under the equity method:

In the consolidated financial statements of Navios Holdings, the following entities are included as affiliate companies and are accounted for under the equity method for such periods: (i) Navios Partners and its subsidiaries (ownership interest as of December 31, 2021 was 10.3%); (ii) Navios Acquisition and its subsidiaries (ownership interest through Navios Partners' NNA Merger, as defined herein, in October 2021 was 6.9%); (iii) Navios Containers and its subsidiaries (ownership interest through Navios Partners' NMCI Merger, as defined herein, in March 2021 was 3.9%) (iv) Navios Europe I and its subsidiaries (economic interest through liquidation in December 2019 was 47.5%); and (v) Navios Europe II and its subsidiaries (economic interest through liquidation in June 2020 was 47.5%).

D. Property, plants and equipment

Our only material property is the owned vessels, tanker vessels, barges and pushboats and the port terminal facilities in Paraguay and Uruguay. See "Item 4.B Business Overview" above.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following is a discussion of Navios Holdings' financial condition and results of operations for each of the fiscal years ended December 31, 2021, 2020 and 2019. Navios Holdings' financial statements have been prepared in accordance with U.S. GAAP. We intend that this section be read together with the consolidated

financial statements and the accompanying notes to those financial statements, which are included in this document.

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. These forward-looking statements are based on Navios Holdings' current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward-looking statements contained in this report are those discussed under "Risk Factors" and "Forward-Looking Statements".

Overview

Navios Holdings is a global seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities, including iron ore, coal and grain. Following the sale of the management division effected on August 30, 2019, Navios Holdings' owned fleet is commercially and technically managed by the Manager (refer to "Related Party Transactions").

Navios South American Logistics Inc.

Navios Logistics, a consolidated subsidiary of the Company, was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. Navios Logistics believes it is one of the largest infrastructure and logistics companies in the Hidrovia Region of South America, the main navigable river system in the region, and on the cabotage trades along the eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its strategically located port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products. Navios Logistics serve its customers in the Hidrovia Region through its three port storage and transfer facilities, one for agricultural, forest-related exports, one for mineral related exports both located in Nueva Palmira Free Zone, Uruguay, and one for refined petroleum products in San Antonio, Paraguay. Navios Logistics complements its three Port Terminals with a diverse fleet of 359 barges and pushboats and eight vessels, including six tankers, one bunker vessel and one river and estuary tanker vessel which operate in its cabotage business. Navios Logistics provides transportation for dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones), liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils) and liquefied cargo (liquefied petroleum gas or LPG).

Navios Partners

Navios Partners (NYSE: NMM) is an international owner and operator of dry cargo and tanker vessels and is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including crude oil, refined petroleum, chemicals, iron ore, coal, grain, fertilizer, containers, chartering its vessels under short, medium and longer-term charters.

On March 31, 2021, Navios Partners completed the acquisition of Navios Containers. For more information about the acquisition of Navios Containers, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included in this Annual Report.

On October 15, 2021 Navios Partners completed the merger with Navios Acquisition. For more information about the NNA Merger, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included in this Annual Report.

As of December 31, 2021, Navios Holdings had a 10.3% ownership interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Containers

Navios Containers was an international owner and operator of containerships.

Following the acquisition of Navios Containers by Navios Partners, which was completed on March 31, 2021, Navios Containers’ common units were no longer listed for trading on NASDAQ. As of December 31, 2021, Navios Holdings had no equity investment in Navios Containers due to the NMCI Merger. For more information about the NMCI Merger, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included in this Annual Report.

Navios Acquisition

Navios Acquisition was an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

Following the NNA Merger, which closed on October 15, 2021, Navios Acquisition common shares were no longer listed for trading on NYSE. As of December 31, 2021, Navios Holdings had no equity investment in Navios Acquisition due to the NNA Merger. For more information about the NNA Merger, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements included in this Annual Report.

Navios Europe I

On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe Inc. (“Navios Europe I”) and had economic interests of 47.5%, 47.5% and 5.0%, respectively. Navios Europe I was engaged in the marine transportation industry through the ownership of five tanker and five containership vessels. Effective November 2014, Navios Holdings, Navios Acquisition and Navios Partners had voting interests in Navios Europe I of 50%, 50% and 0%, respectively. Navios Europe I was liquidated in December 2019. For more information about our interests in Navios Europe I, see Note 16 “Transactions with Related Parties” to the consolidated financial statements included in this Annual Report.

Navios Europe II

On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe (II) Inc. (“Navios Europe II”) and had economic interests of 47.5%, 47.5% and 5.0%, respectively and voting interests in Navios Europe II of 50%, 50% and 0%, respectively. Navios Europe II was engaged in the marine transportation industry through the ownership of seven dry bulk and seven containership vessels. On April 21, 2020, Navios Europe II and the lenders agreed to fully release the liabilities under the Junior Loan II for \$5,000. The structure was liquidated in June 2020. For more information about the Company’s interests in Navios Europe II, see Note 16 “Transactions with Related Parties” to the consolidated financial statements included in this Annual Report.

Charter Policy and Industry Outlook

Navios Holdings’ policy has been to take a portfolio approach to managing operating risks. This policy may lead Navios Holdings to time charter-out many of the vessels that it is operating (i.e., vessels owned by Navios Holdings or which Navios Holdings has taken into its fleet under charters having a duration of more than 12 months) for long-term periods at fixed or floating rates to various shipping industry counterparties considered by Navios Holdings to have appropriate credit profiles. By doing this, Navios Holdings aims to lock in, subject to credit and operating risks, favorable forward revenue and cash flows, which it believes, will cushion it against unfavorable market conditions, when the Company deems necessary. In addition, Navios Holdings may trade additional vessels taken in on shorter term charters of less than 12 months duration as well as voyage charters.

Generally, these charters, when available, may have the effect of generating Time Charter Equivalent (“TCE”) that are higher than spot employment. The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet was \$15,633 per day for the year ended December 31, 2021. The average long-term charter-in hire rate per vessel was included in the amount of long-term hire included elsewhere in this document and was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days each vessel is in operation for the year; (b) summing those individual multiplications; and (c) dividing such total by the total number of charter-in vessel days for the year. Furthermore, Navios Holdings has the ability to increase its owned fleet through purchase options exercisable in the future at favorable prices relative to the then-current market. Navios Holdings holds nine purchase options to acquire charter-in vessels, and five purchase options to acquire vessels under bareboat contracts.

Navios Holdings believes that a decrease in global commodity demand from its current level, and the delivery of dry bulk carrier new buildings into the world fleet, could have an adverse impact on future revenue and profitability. However, Navios Holdings believes that the operating cost advantage (through the fixed cost contracts provided by the Manager) of its owned vessels will continue to help mitigate the impact of any declines in freight rates. A reduced freight rate environment also has an adverse impact on the value of Navios Holdings’ owned fleet. In reaction to a decline in freight rates, available ship financing can also be negatively impacted.

Navios Logistics believes that it owns and operates the largest independent bulk transfer and storage port terminal complex in Uruguay based on throughputs, its dry port terminal, and one of the largest independent storage facilities for crude and petroleum products in Paraguay based on storage capacity, its liquid port terminal. Navios Logistics also believes that it is also one of the largest owners and operators of a diverse and versatile fleet of dry and liquid barges, pushboats and oil tankers in the Hidrovia Region. Navios Logistics’ port, barge and cabotage operations serve the needs of a diverse range of industries, including mineral and grain commodity providers as well as users of refined petroleum products. Navios Logistics has been able to combine its ports, barges, pushboats and tankers to offer an integrated logistics solution to its customers. Navios Logistics has customers that use both its dry port and dry barge services such as Vale, Vetria Mineracao S.A. (“Vetria”), Alicorp and other customers that use its liquid port and liquid barge or cabotage services such as Vitol and Petrosur. Navios Logistics believes that the scale and breadth of its integrated service offerings, together with the strategic location and unique capabilities of its infrastructure assets position it well to capitalize on the continued growth expected in iron ore, grain and liquid commodity trade flows within the Hidrovia Region. Navios Holdings believes that the continuing development of these businesses will foster throughput growth and therefore increase revenues at Navios Logistics. Should this development be delayed, grain harvests be reduced, or the market experience an overall decrease in the demand for grain or iron ore, the operations in Navios Logistics could be adversely affected.

Fleet

The following is the current Navios Holdings’ “core fleet” employment profile (excluding Navios Logistics). The current “core fleet” consists of 36 vessels totaling 3.9 million deadweight tons and has an average age of 9.3 years. The employment profile of the fleet as of April 01, 2022 is reflected in the tables below. Navios Holdings has currently chartered-out 81.4% of available days for 2022, out of which 48.2% on fixed rate and 33.2% on index. Although the rates as presented below are based on contractual charter rates, any contract is subject to performance by the counterparties and us.

Owned Vessels: Navios Holdings owns a fleet comprised of 12 Panamax vessels (which includes five vessels under bareboat contracts), ten Capesize vessels and three Ultra Handymax vessels.

Vessels	Type	Built	DWT	Charter-out Rate(1)	Profit Share	Expiration Date(2)
Navios Ulysses	Ultra Handymax	2007	55,728	28,500	No	09/2022
Navios Celestial	Ultra Handymax	2009	58,063	35,150	No	07/2022
Navios Vega	Ultra Handymax	2009	58,792	30,697	100% of average Baltic Supramax 58 10 TC Index Routes	04/2022 02/2023
Navios Taurus	Panamax	2005	76,596	25,840	No	07/2022
Navios Asteriks	Panamax	2005	76,801	18,050	No	04/2022
N Amalthia	Panamax	2006	75,318	29,740	92% of average Baltic Panamax Index 82 Routes	06/2022 12/2022
Navios Galileo	Panamax	2006	76,596	23,750	No	05/2022

Vessels	Type	Built	DWT	Charter-out Rate (1)	Profit Share	Expiration Date (2)
N Bonanza	Panamax	2006	76,596	29,838 —	No 100% of average Baltic Panamax Index 4TC Routes	06/2022 01/2023
Rainbow N	Panamax	2011	79,642	—	101% of average Baltic Panamax Index 4TC Routes	10/2022
Jupiter N	Panamax	2011	93,062	28,831 —	No 108% of average Baltic Panamax 4TC Index Routes	06/2022 09/2022
Navios Stellar	Capesize	2009	169,001	—	95.75% of average Baltic Capesize 5TC Index Routes	02/2023
Navios Happiness	Capesize	2009	180,022	—	100.5% of average Baltic Capesize 5TC Index Routes	09/2022
Navios Phoenix	Capesize	2009	180,242	—	109.75% of average Baltic Capesize 5TC Index Routes plus \$1,925/day	01/2023
Navios Lumen	Capesize	2009	180,661	31,920	No 105.0% of average Baltic Capesize 5TC Index Routes	09/2022 12/2022
Navios Antares	Capesize	2010	169,059	—	95.75% of average Baltic Capesize 5TC Index Routes	02/2023
Navios Etoile	Capesize	2010	179,234	—	100.0% of average Baltic Capesize 5TC Index Routes	03/2023
Navios Bonheur	Capesize	2010	179,259	—	100.5% of average Baltic Capesize 5TC Index Routes	11/2022
Navios Altamira	Capesize	2011	179,165	—	100.25% of average Baltic Capesize 5TC Index Routes	02/2023
Navios Canary	Capesize	2015	180,528	37,872 —	No 119% of average Baltic Capesize 5TC Index Routes	09/2022 12/2022
Navios Corali	Capesize	2015	181,249	34,438	No 100% of average Baltic Capesize 4TC Index Routes + \$4,370/day	09/2022 11/2022

Long-term Bareboat-in Fleet in Operation

Vessels	Type	Built	DWT	Charter-out Rate (1)	Purchase Option	Index	Expiration Date (2)
Navios Herakles I	Panamax	2019	82,036	30,638	Yes	No	07/2022
Navios Uranus	Panamax	2019	81,516	30,875	Yes	No	08/2022
Navios Galaxy II	Panamax	2020	81,789	29,984 —	Yes	No 125.0% of average Baltic Panamax Index 4TC Routes	06/2022 01/2023
Navios Felicity I	Panamax	2020	81,946	31,825	Yes	No	11/2022
Navios Magellan II	Panamax	2020	82,037	32,202 —	Yes	No 124.375% of average Baltic Panamax Index 4TC Routes	06/2022 01/2023

Long-term Charter-in Vessels

In addition to the 25 owned vessels, Navios Holdings controls a fleet of seven Panamax, two Capesize, one Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, having an average age of approximately 6.2 years. The average daily charter-in rate for the active long-term charter-in vessels for 2022 is estimated at \$15,861 per day. We estimate the days of the long-term charter-in vessels for 2022 are 3,988 days.

Vessels	Type	Built	DWT	Purchase Option ⁽³⁾	Charter-out Rate ⁽¹⁾	Expiration Date ⁽²⁾
Navios Lyra	Handysize	2012	34,718	Yes ⁽⁴⁾	23,275	10/2022
Navios Venus	Ultra Handymax	2015	61,339	Yes	30,400	08/2022
Navios Amber	Panamax	2015	80,994	Yes	28,624 — ⁽⁵⁾	06/2022 01/2023
Navios Sky	Panamax	2015	82,056	Yes	28,924 — ⁽⁶⁾	04/2022 05/2022
Navios Coral	Panamax	2016	84,904	Yes	28,000 — ⁽⁷⁾	06/2022 11/2022
Navios Citrine	Panamax	2017	81,626	Yes	29,625 — ⁽⁸⁾	06/2022 02/2023
Navios Dolphin	Panamax	2017	81,630	Yes	26,657 — ⁽⁸⁾	06/2022 12/2022
Navios Gemini	Panamax	2018	81,704	No ⁽¹²⁾	29,838	12/2022
Navios Horizon I	Panamax	2019	81,692	No ⁽¹²⁾	29,464 — ⁽⁹⁾	06/2022 10/2023
Navios Felix	Capesize	2016	181,221	Yes	34,485 — ⁽¹⁰⁾	09/2022 01/2024
Navios Obeliks	Capesize	2012	181,415	Yes	— ⁽¹¹⁾	05/2022

(1) Daily rate net of commissions.

(2) Expected redelivery basis midpoint of full redelivery period or company's best estimate.

(3) Generally, Navios Holdings may exercise its purchase option after three to five years of service.

(4) Navios Holdings holds the initial 50% purchase option on the vessel.

(5) 115% of average Baltic Panamax 4TC Index Routes.

(6) 105% of average Baltic Panamax 82 Index Routes.

(7) 108% of average Baltic Panamax 82 Index Routes.

(8) 122% of average Baltic Panamax 4TC Index Routes.

(9) 108.5% of average Baltic Kamsarmax Index Routes.

(10) 100% of average Baltic Capesize 5TC Index Routes + \$4,085/day.

(11) 104.5% of average Baltic Capesize 5TC Index Routes.

(12) Navios Holdings has the right of first refusal and profit sharing on sale of vessel.

Navios Logistics' Fleet

Navios Logistics' fleet consists of six product tanker vessels, one bunker vessel and one river and estuary product tanker. The table below reflects its cabotage tanker fleet as presented in Navios Logistics' 20-F filed with SEC.

Vessel	Type	Built	DWT	Employment Date	Charter-Out Duration	Expiration Date of License
Malva H	Product Tanker	2008	8,974	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽²⁾
Estefania H	Product Tanker	2008	12,000	December 1, 2021	36 months	N/A ⁽³⁾
Makenita H	Product Tanker	2009	17,508	February 16, 2022	48 months	June 26, 2022
Sara H	Product Tanker	2009	9,000	March 19, 2022	2 months	June 30, 2022
Ferni H	Product Tanker	2010	16,871	April 1, 2020	36 months	August 3, 2022
San San H	Product Tanker	2010	16,871	N/A ⁽¹⁾	N/A ⁽¹⁾	May 31, 2023
Elena H	Product Tanker	2018	4,999	October 13, 2018	60 months	August 17, 2022
He Man H	Bunker Vessel	2012	1,693	December 27, 2021	24 months	September 9, 2024

- (1) Vessels operating the spot market.
(2) License does not apply as the vessel has a Uruguayan flag.
(3) License does not apply as the vessel has an Argentine flag.

In Argentina, all of Navios Logistics' cabotage tanker vessels fly a foreign flag and operate under licenses of one to three years' duration issued by the Argentinian maritime authorities, other than the Estefania H, which flies the Argentine flag. Such licenses for Navios Logistics' vessels expire at various times until September 9, 2024. In the event that a license cannot be further renewed, a vessel must fly the Argentine flag to continue operating in Argentine cabotage. The product tanker Malva H flies the Uruguayan flag and operates in Uruguay.

Recent Developments

In March, 2022, the Company redeemed an aggregate principal amount of \$25,000 of its 2022 Senior Secured Notes (as defined herein). Please see also Note 11 included elsewhere in this Annual Report.

In March 2022, the Company prepaid \$10.4 million in connection with HCOB bank facility to release a dry bulk vessel. In March 2022, Navios Holdings entered into a sale and leaseback agreement for \$12.0 million to finance a dry bulk vessel.

In January 2022, the Company repaid its 2022 Notes using (i) \$206.7 million under two credit facilities with commercial banks; (ii) \$77.0 million under four sale and leaseback agreements; (iii) \$100.0 million of additional financing from NSM; and (iv) cash from operations. Refer to Note 11 "Borrowings" to the consolidated financial statements included elsewhere in this Annual Report.

Navios Logistics

In April 2022, Vale International S.A. ("Vale") announced the sale of its iron ore, manganese ore and logistics assets in the midwestern system to J&F Mineracao Ltda. controlled by J&F Investimentos S.A. The sale includes the full assumption by the buyer of the take-or-pay logistics contracts, which remain subject to the consent of the applicable counterparties. The Vale port contract entered into between Corporacion Navios S.A., a company controlled by Navios Logistics, and Vale, dated September 27, 2013 remains in full force and effect. Any change to the terms and conditions of the Vale port contract is subject to the prior approval of the Navios counterparty.

On March 23, 2022, Navios South American Logistics Inc. ("Navios Logistics") entered into a \$25.0 million loan facility with Banco Bilbao Vizcaya Argentaria (the "Navios Logistics 2022 BBVA Facility"). The Navios Logistics 2022 BBVA Facility was used to repay existing debt under the Navios Logistics New BBVA Facility (as defined herein), and for general corporate purposes. The Navios Logistics 2022 BBVA Facility bears interest at a rate of 4.25% per annum, is repayable in quarterly installments with final maturity on July 01, 2025 and is secured by assignments of certain receivables. As of the date hereof a total of \$17.0 million have been drawn on the Navios Logistics 2022 BBVA Facility.

On March 25, 2022, Navios Logistics entered into a \$5.0 million loan facility with Banco Santander S.A. (the "Navios Logistics Santander Facility"). The Navios Logistics Santander Facility will be used for general corporate purposes and bears interest at a rate of 4.20% per annum, is repayable in twelve equal quarterly installments with final maturity on March 7, 2026 and is secured by assignments of certain receivables.

A. Operating Results

Factors Affecting Navios Holdings' Results of Operations:

Navios Holdings believes that the important measures for analyzing trends in its results of operations include the following:

- *Market Exposure:* Navios Holdings manages the size and composition of its fleet by seeking a mix between chartering and owning vessels in order to adjust to anticipated changes in market rates. Navios Holdings aims to achieve an appropriate balance between owned vessels and long-term charter-in vessels and currently controls approximately 3.9 million dwt in dry bulk tonnage. Navios Holdings' options to extend the charter duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessels permit Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.
- *Available days:* Available days are the total number of days a vessel is controlled by a company less the aggregate number of days that the vessel is off-hire due to major repairs or repairs under guarantee, vessel upgrades, drydocking or special surveys and ballast days relating to voyages. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.
- *Operating days:* Operating days are the number of available days in a period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances.
- *Fleet utilization:* Fleet utilization is the percentage of time that Navios Holdings' 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.
- *TCE rates:* TCE rates are 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 is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of contracts for the number of available days of the fleet.
- *Equivalent vessels:* Equivalent vessels are defined as the available days of the fleet divided by the number of the calendar days in the period.

Voyage and Time Charter

Revenues are driven primarily by the number and type of vessels in the fleet, the number of days during which such vessels operate and the amount of daily charter hire rates that the vessels earn under charters, which, in turn, are affected by a number of factors, including:

- the duration of the charters;
- the level of spot market rates at the time of charters;
- the level of period charter rates;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in drydock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels; and
- the aggregate level of supply and demand in the dry bulk shipping industry.

Time charters are available for varying periods, ranging from a single trip (spot charter) to a long-term period which may be many years. Under a time charter, owners assume no risk for finding business and obtaining and paying for fuel or other expenses related to the voyage, such as port entry fees. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. Vessel charter rates are affected by world economics, international events, weather conditions, labor strikes, governmental policies, supply and demand, and many other factors that might be beyond the control of management.

Consistent with industry practice, Navios Holdings uses TCE rates, as a method of analyzing fluctuations between financial periods and as a method of equating revenue generated from a voyage charter to time charter revenue.

TCE rate also serves as an industry standard for measuring revenue and comparing results between geographical regions and among competitors.

The cost to maintain and operate a vessel increases with the age of the vessel. Older vessels are less fuel efficient, cost more to insure and require upgrades from time to time to comply with new regulations. The average age of Navios Holdings' owned fleet is currently 9.3 years. As Navios Holdings' fleet ages or if Navios Holdings expands its fleet by acquiring previously owned and older vessels, the cost per vessel would be expected to rise and, assuming all else, including rates, remains constant, vessel profitability would be expected to decrease.

Statement of Operations Breakdown by Segment

Navios Holdings reports financial information and evaluates its operations by charter revenues and not by vessel type, length of ship employment, customers or type of charter. Navios Holdings does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for each type of charter, management does not identify expenses, profitability or other financial information on a charter-by-charter or type of charter basis. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Company currently has two reportable segments: the Dry Bulk Vessel Operations and the Logistics Business, following the reclassification of the results of Navios Containers as discontinued operations (see also Note 3 included elsewhere in this Annual Report). The Containers Business became a reportable segment as a result of the consolidation of Navios Containers from November 30, 2018 (date of obtaining control) and ceased to be a reportable segment on August 30, 2019 (date of loss of control). The Dry Bulk Vessel Operations segment consists of the transportation and handling of bulk cargoes through the ownership, operation, and trading of vessels and freight. The Logistics Business segment consists of port terminal business, barge business and cabotage business in the Hidrovia Region. Navios Holdings measures segment performance based on net income attributable to Navios Holdings' common stockholders.

For further segment information and the markets in which we operate, please see Note 19 "Segment Information" to the consolidated financial statements included elsewhere in this Annual Report.

Period over Period Comparisons

For the year ended December 31, 2021 compared to the year ended December 31, 2020

The following table presents consolidated revenue and expense information for each of the years ended December 31, 2021 and 2020, respectively. This information was derived from the audited consolidated statement of comprehensive income/(loss) of Navios Holdings for each of the years ended December 31, 2021 and 2020.

(In thousands of U.S. dollars)	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue	\$ 585,818	\$ 416,718
Time charter, voyage and logistics business expenses	(154,451)	(166,589)
Direct vessel expenses	(112,350)	(104,755)
General and administrative expenses	(31,327)	(33,702)
Depreciation and amortization	(61,235)	(71,015)
Allowance for credit losses	(1,831)	(541)
Interest income	256	257
Interest expense and finance cost	(145,009)	(136,559)
Impairment loss/ loss on sale of vessels, net	(47,827)	(88,367)
Gain on bond and debt extinguishment, net	951	7,047
Other income	4,303	6,303
Other expense	(9,855)	(8,007)
Impairment of loan receivable from affiliate company	—	(6,050)
Income/ (loss) before equity in net losses of affiliate companies	\$ 27,443	\$ (185,260)
Equity in net earning/(losses) of affiliate companies	69,275	(1,293)
Income/ (loss) before taxes	\$ 96,718	\$ (186,553)
Income tax expense	(4,817)	(2,052)
Net income/(loss)	\$ 91,901	\$ (188,605)
Less: Net loss/(income) attributable to the noncontrolling interest	24,785	(4,356)
Net income/(loss) attributable to Navios Holdings common stockholders	\$ 116,686	\$ (192,961)

Set forth below are selected historical and statistical data for the Dry Bulk Vessel Operations segment for each of the years ended December 31, 2021 and 2020 that the Company believes may be useful in better understanding the Company's financial position and results of operations.

	Year Ended December 31,	
	2021	2020
FLEET DATA		
Available days	14,810	18,266
Operating days	14,687	18,060
Fleet utilization	99.2%	98.9%
Equivalent vessels	41	50
AVERAGE DAILY RESULTS		
Time Charter Equivalents	\$ 23,638	\$ 10,543

During the year ended December 31, 2021, there were 3,456 fewer available days as compared to 2020, mainly due to (i) a decrease in available days of owned and bareboat-in vessels by 2,007 days following the sale of seven of the Company's vessels in each of the years ended 2021 and 2020, respectively, partially mitigated by the delivery of seven vessels in 2020; and (ii) a decrease in charter-in vessels' available days by 1,449 days due to the redelivery to owners of five and two charter-in vessels in 2021 and 2020, respectively, the acquisition of one charter-in vessel in 2021 which was then sold to a related party, and the acquisition of two charter-in vessels in 2020.

The average TCE rate for the year ended December 31, 2021 was \$23,638 per day, \$13,095 per day higher than the rate achieved in 2020. This was primarily due to the improvement in the time charter and freight market during the year ended December 31, 2021.

Revenue: Revenue from the Dry Bulk Vessel Operations for the year ended December 31, 2021 was \$362.3 million as compared to \$200.8 million for the same period during 2020. The increase in dry bulk revenue was mainly attributable to the improvement in time charter and freight market during the year ended December 31, 2021.

Revenue from the Logistics Business was \$223.5 million for the year ended December 31, 2021, as compared to \$215.9 million for the same period in 2020. The increase was mainly attributable to (i) a \$16.2 million increase in revenue from the barge business mainly due to a \$23.8 million increase in CoA/voyage revenues related to higher CoA/voyage revenues of convoys previously under time charter contracts, partially mitigated by a \$7.6 million decrease in time charter revenues mainly due to the expiration of certain legacy time charter contracts; and (ii) a \$5.4 million increase in revenue from the port terminal business mainly due to higher volumes transshipped in the grain port terminal and higher storage revenues in the iron ore port terminal and liquid port terminal. The overall increase was partially mitigated by (i) a \$10.6 million decrease in revenue from the cabotage business mainly due to fewer operating days; and (ii) a \$3.5 million decrease in sales of products due to the decrease in the Paraguayan liquid port's volume of products sold.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and Logistics Business expenses decreased by \$12.1 million or 7.3% to \$154.5 million for the year ended December 31, 2021, as compared to \$166.6 million for the year ended December 31, 2020.

Time charter and voyage expenses from dry bulk operations decreased by \$18.2 million, or 17.6%, to \$85.4 million for the year ended December 31, 2021, as compared to \$103.6 million for the year ended December 31, 2020. This was primarily due to a \$21.4 million decrease in charter-in expenses due to the factors discussed above; partially mitigated by (ii) a \$1.9 million increase in port and other voyage expenses; and (i) a \$1.3 million increase in off hire and fuel expenses.

Of the total expenses for the years ended December 31, 2021 and 2020, \$69.0 million and \$63.0 million, respectively, related to Navios Logistics. The increase of \$6.0 million in time charter, voyage and Logistics Business expenses was mainly due to (i) a \$7.5 million increase in time charter and voyage expenses of the barge business mainly due to an increase of 46.6% in revenues from spot voyages performed; (ii) a \$0.7 million increase in the time charter and voyage expenses of the cabotage business mainly due to higher voyage expenses, mainly fuel; and (iii) a \$0.6 million increase in time charter and voyage expenses of the port terminal business, mainly due to higher volumes transhipped in the grain port terminal; partially mitigated by a \$2.8 million decrease in cost of products sold mainly due to the decrease in the Paraguayan liquid port terminal's volumes of products sold.

Direct Vessel Expenses: Direct vessel expenses increased by \$7.6 million, or 7.3%, to \$112.4 million for the year ended December 31, 2021, as compared to \$104.8 million for the year ended December 31, 2020.

Direct vessel expenses from dry bulk operations decreased by \$4.3 million or 8.3% to \$47.8 million for the year ended December 31, 2021, as compared to \$52.0 million for the year ended December 31, 2020. This decrease was mainly attributable to a \$7.7 million decrease in vessel operating expenses (management fees) mainly due to decrease of the size of our fleet; partially mitigated by (i) a \$2.7 million increase in other expenses mainly related to Covid-19 measures, including crew related expenses; and (ii) a \$0.7 million increase in drydocking and special survey amortization.

Of the total amounts of direct vessel expenses for the years ended December 31, 2021 and 2020, \$64.6 million and \$52.7 million, respectively, related to the Logistics Business. The increase of \$11.9 million in direct vessel expenses related to Navios Logistics was mainly attributable to (i) a \$8.6 million increase in the barge business mainly due to the increased utilization of our convoys to service the demand of the COA/voyage market and (ii) a \$3.2 million increase in the cabotage business, mainly due to increased crew costs.

General and Administrative Expenses: General and administrative expenses of Navios Holdings are comprised of the following:

(in thousands of U.S. dollars)	Year Ended December 31, 2021	Year Ended December 31, 2020
Dry bulk Vessel Operations	\$ 17,225	\$ 20,769
Logistics Business	14,102	12,933
General and administrative expenses	\$ 31,327	\$ 33,702

The decrease in general and administrative expenses by \$2.4 million, or 7.0%, to \$31.3 million for the year ended December 31, 2021, as compared to \$33.7 million for the year ended December 31, 2020, was attributable to a \$3.5 million decrease in general and administrative expenses from Dry Bulk Vessel Operations, mainly due to decrease of the size of our fleet; partially mitigated by a \$1.2 million increase in general and administrative expenses in the Logistics Business, mainly due to the increases in payroll and related costs. For the year ended December 31, 2021 and 2020, general and administrative expenses, under the Administrative Services Agreement, amounted \$8.6 million and \$9.4 million, respectively.

Depreciation and Amortization: For the year ended December 31, 2021, depreciation and amortization decreased by \$9.8 million to \$61.2 million, as compared to \$71.0 million for the year ended December 31, 2020.

Depreciation expenses related to the Dry Bulk Vessel Operations decreased by \$12.5 million, or 31.8%, to \$26.8 million for the year ended December 31, 2021, as compared to \$39.3 million for the year ended December 31, 2020. This decrease was primarily due (i) the sale of seven of the Company's vessels in both 2021 and 2020; and (ii) the impairment loss recognized in the fourth quarter of 2020 for two of the Company's vessels; partially mitigated by the acquisition of seven vessels in 2020. Amortization expenses related to dry bulk operations remained stable at \$2.8 million for each of the years ended December 31, 2021 and 2020.

Of the total amount of depreciation and amortization for the year ended December 31, 2021 and 2020, \$31.7 million and \$28.9 million, respectively, related to Navios Logistics. The increase of \$2.7 million in depreciation and amortization of the Logistics Business was mainly due to (i) a \$2.3 million increase in the barge business mainly due to the delivery of each of the six liquid barges completed in the first quarter of 2021 and the Navios Logistics' 2020 Fleet acquired in the first quarter of 2021 and (ii) a \$0.4 million increase in the port terminal business mainly due to increased depreciation expense of tangible assets. Depreciation and amortization in the cabotage business amounted to \$3.5 million for year ended December 31, 2021, unchanged compared to the same period in 2021.

Allowance for Credit Losses: For the year ended December 31, 2021, allowance for credit losses increased by \$1.3 million to \$1.8 million, as compared to \$0.5 million for the year ended December 31, 2020. The increase was mainly attributable to a \$1.4 million increase in bad debt provisions in the Dry Bulk Vessel Operations; partly mitigated by a \$0.2 million decrease in the recovery of bad debt provisions in the Logistics Business.

Interest Income: Interest income remained stable at \$0.3 million for each of the years ended December 31, 2021 and 2020.

Interest Expense and Finance Cost: Interest expense and finance cost for the year ended December 31, 2021 increased by \$8.5 million, or 6.2%, to \$145.0 million, as compared to \$136.6 million in the same period of 2020. This increase was due to a \$16.2 million increase in interest expense and finance cost of the Logistics Business mainly attributable to the higher weighted average interest rate of Navios Logistics due to the issuance of the 2025 Logistics Senior Notes (as defined herein); partially mitigated by a \$7.7 million decrease in interest expense and finance cost of the Dry Bulk Vessel Operations, mainly due to the partial redemption of its 2022 Senior Secured Notes and 2022 Notes (as defined herein).

Impairment Loss/Loss on Sale of Vessels, Net: For the year ended December 31, 2021, impairment losses recognized decreased by \$40.5 million to \$47.8 million, as compared to \$88.4 million for the year ended December 31, 2020. During the year ended December 31, 2021, the Dry Bulk Vessel Operations recognized (i) a \$38.3 million impairment loss/loss on sale of vessels relating to the sale of Navios Avior, Navios Centaurus, Navios Serenity, Navios Ray, Navios Bonavis and Navios Azimuth, partially mitigated by \$12.5 million gain on sale of Navios Koyo which was previously chartered-in vessel and (ii) a \$22.0 million impairment loss on two of the Logistics Business tanker vessels, the Malva H and Sara H, operating in the cabotage business. During the year ended December 31, 2020, the Company recognized (i) a \$52.8 million impairment loss for two of the Company's vessels; (ii) a \$37.2 million impairment loss/loss on sale of vessels relating to the sale of Navios Kypros, Navios Star, Navios Amitie, Navios Northern Star, Navios Gem and Navios Astra; partially mitigated by a \$3.0 million gain relating to the sale of Navios Victory; and (iii) a \$1.4 million impairment loss for two of the Company's charter-in vessels.

Gain on Bond and Debt Extinguishment, net: During the year ended December 31, 2021, the Company repurchased \$21.4 million in par value of the 2022 Notes (as defined herein) for cash consideration of \$18.6 million resulting in a gain on bond extinguishment of \$2.7 million, net of deferred financing costs written-off. This gain was partially mitigated by a \$1.8 million loss recognized relating to the write-off of deferred financing costs due to the redemption of \$150.0 million in aggregate at par of the 2022 Senior Secured Notes. During the year ended December 31, 2020, the Company repurchased \$20.8 million of the 2022 Notes in open market transactions for a cash consideration of \$9.4 million resulting in a gain on bond extinguishment of \$11.2 million, net of deferred financing costs written-off. This gain was partially mitigated by a \$4.2 million loss recognized relating to the accelerated amortization of Navios Logistics' unamortized deferred financing costs due to the repayment in full of the 2022 Logistics Senior Notes and the Navios Logistics' Term Loan B Facility.

Other Income: Other income decreased by \$2.0 million to \$4.3 million for the year ended December 31, 2021, as compared to \$6.3 million for the year ended December 31, 2020. The decrease was due to (i) a \$0.4 million decrease in other income of Dry Bulk Vessels Operations; and (ii) a \$1.6 million decrease in other income of the Logistics Business.

The decrease in other income of \$1.6 million in the Logistics Business is mainly due to a \$4.3 million decrease related to a claim settlement regarding a storage and transshipment contract in the grain port terminal during the year ended December 31, 2020; partially mitigated by (i) a \$2.1 million increase in gain from foreign exchange differences; and (ii) a \$0.7 million increase due a claim settlement during the year ended December 31, 2021.

Other Expense: Other expense increased by \$1.8 million to \$9.9 million for the year ended December 31, 2021, as compared to \$8.0 million for the year ended December 31, 2020. This increase was due to (i) a \$2.1 million increase in other expense of Dry Bulk Vessels Operations; partially offset by a \$0.2 million decrease in other expense of the Logistics Business.

The increase in other expense of Dry Bulk Vessels Operations is mainly due to (i) a \$1.4 million increase in other miscellaneous voyage expenses; (ii) a \$0.6 million increase in other miscellaneous expenses; and (iii) a \$0.2 million increase in claims and reserves; and. This increase was partially mitigated by a \$0.1 million decrease in taxes other than income tax.

The decrease in other expense of the Logistics Business is mainly due to a \$0.2 million decrease in taxes other than income.

Impairment of loan receivable from affiliate company: During the years ended December 31, 2021 and 2020, the Company recognized a \$0 million and \$6.1 million on impairment of loan receivable from affiliate company.

Equity in Net Earnings/(Losses) of Affiliate Companies: Equity in net earnings of affiliate companies increased by \$70.6 million to \$69.3 million equity in net earnings for the year ended December 31, 2021, as compared to \$1.3 million equity in net losses of affiliate companies for the same period in 2020. This increase was mainly due to (i) a \$61.3 million increase in equity method income from Navios Partners, from which the amount of \$25.9 million is related to the NMCI Merger; (ii) a \$13.4 million other-than-temporary impairment (“OTTI”) loss relating to the investment in Navios Acquisition recognized in the fourth quarter of 2020; (iii) \$6.7 million other-than-temporary impairment OTTI loss relating to the investment in Navios Europe II recognized in the first quarter of 2020; and (iv) a \$0.5 million increase in equity method income from Navios Containers. The overall increase was partially mitigated by a \$11.2 million decrease in equity method income from Navios Acquisition, mainly due to the NNA Merger.

Income Tax Expense: Income tax expense increased by \$2.8 million to \$4.8 million for the year ended December 31, 2021, as compared to a \$2.1 million for the year ended December 31, 2020. The change in income tax was mainly attributable to Navios Logistics due to (i) a \$3.6 million increase in tax expense from the barge business; partially mitigated by (i) a \$0.8 million decrease in income tax expense in cabotage business. The overall increase was mainly due to the recalculation of the deferred tax liability resulting from an increase in income tax rate.

Net Loss/(Income) Attributable to the Noncontrolling Interest: Net loss attributable to the noncontrolling interest increased by \$29.1 million to \$24.8 million for the year ended December 31, 2021, as compared to \$4.4 million net income attributable to the noncontrolling interest for the same period in 2020. This increase was mainly attributable to Logistics Business net loss recognized for the year ended December 31, 2021 compared to net income recognized in the same period in 2020.

For the year ended December 31, 2020 compared to the year ended December 31, 2019

The following table presents consolidated revenue and expense information for each of the years ended December 31, 2020 and 2019, respectively. This information was derived from the audited consolidated revenue and expense accounts of Navios Holdings for each of the years ended December 31, 2020 and 2019. Following the sale of Navios Containers’ general partnership interest effected on August 30, 2019, Navios Holdings deconsolidated Navios Containers from that date onwards. The results of operations of Navios Containers for the period consolidated under Navios Holdings have been reported as discontinued operations for the period from January 1, 2019 to August 30, 2019 presented herein.

(In thousands of U.S. dollars)	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue	\$ 416,718	\$ 482,449
Administrative fee revenue from affiliate companies	—	16,991
Time charter, voyage and logistics business expenses	(166,589)	(177,216)
Direct vessel expenses	(104,755)	(101,467)
General and administrative expenses incurred on behalf of affiliate companies	—	(16,991)
General and administrative expenses	(33,702)	(36,194)
Depreciation and amortization	(71,015)	(81,723)
Allowance for credit losses	(541)	(999)
Interest income	257	10,662
Interest expense and finance cost	(136,559)	(133,479)
Impairment loss/ loss on sale of vessels, net	(88,367)	(156,106)
Gain on bond and debt extinguishment, net	7,047	47,430
Gain on sale of business	—	9,802
Loss on loss of control	—	(61,741)
Other income	6,303	44,750
Other expense	(8,007)	(15,842)
Impairment of loan receivable from affiliate company	(6,050)	—
Loss before equity in net losses of affiliate companies	\$ (185,260)	\$ (169,674)
Equity in net losses of affiliate companies	(1,293)	(9,185)
Loss before taxes	\$ (186,553)	\$ (178,859)
Income tax expense	(2,052)	(1,475)
Net loss from continuing operations	\$ (188,605)	\$ (180,334)
Net loss from discontinued operations	—	(4,118)
Net loss	\$ (188,605)	\$ (184,452)
Less: Net income attributable to the noncontrolling interest	(4,356)	(7,658)
Net loss attributable to Navios Holdings common stockholders	\$ (192,961)	\$ (192,110)

Set forth below are selected historical and statistical data for the Dry Bulk Vessel Operations segment for each of the years ended December 31, 2020 and 2019 that the Company believes may be useful in better understanding the Company's financial position and results of operations.

	Year Ended December 31,	
	2020	2019
FLEET DATA		
Available days	18,266	19,738
Operating days	18,060	19,613
Fleet utilization	98.9%	99.4%
Equivalent vessels	50	54
AVERAGE DAILY RESULTS		
TCE	\$ 10,543	\$ 12,519

During the year ended December 31, 2020, there were 1,472 fewer available days as compared to 2019, mainly due to (i) a decrease in long-term charter-in fleet available days by 1,609 days; partially mitigated by (ii) an increase in available days for owned vessels and bareboat-in vessels by 137 days following the sale of seven and six vessels in 2020 and 2019, respectively and the delivery of seven and three vessels in 2020 and 2019, respectively.

The average TCE rate for the year ended December 31, 2020 was \$10,543 per day, \$1,976 per day lower than the rate achieved in 2019.

Revenue: Revenue from the Dry Bulk Vessel Operations for the year ended December 31, 2020 was \$200.8 million as compared to \$254.2 million for the same period during 2019. The decrease in dry bulk revenue was mainly attributable to the decline in time charter and freight market during the periods compared, as well as the decrease in available days by 7.5%. The TCE per day amounted to \$10,543 per day in the year ended December 31, 2020, as compared to \$12,519 per day in the same period in 2019.

Revenue from the Logistics Business was \$215.9 million for the year ended December 31, 2020 as compared to \$228.3 million for the same period in 2019. The decrease of \$12.3 million was mainly attributable to an \$11.5 million decrease in the barge business, mainly due to the expiration of certain legacy time charter contracts, partially offset by higher COA/voyage revenues of convoys previously under time charter contracts. During the year ended December 31, 2020, COA/voyage revenues were adversely affected by a prolonged period of unusually warm weather and a drought in southern Brazil, Paraguay and northern Argentina that resulted in water levels in the Paraná River dropping to their lowest levels in decades, which hampered shipping volumes and navigation. Revenues from the port terminal business decreased by \$7.3 million mainly due to lower volumes transshipped from the grain port terminal, due to (a) reduced Uruguayan exports affected by lower Uruguay soybean production and (b) reduced transshipment of grains mainly from Paraguay and Bolivia due to the difficult navigation caused by the low water levels described above. Revenues from the cabotage business decreased by \$1.4 million mainly due to lower time charter rates due to market conditions, partially offset by an increase of 41.4% in revenues from spot voyages performed. The overall decrease was partially mitigated by a \$7.9 million increase in sales of products, mainly attributable to an increase in Navios Logistics liquid port terminal's volumes of products sold mainly due to their ability to offer competitive prices compared to the market.

Administrative Fee Revenue from Affiliate Companies/ General and Administrative Expenses Incurred on Behalf of Affiliate Companies: Administrative fee revenue from affiliate companies was \$0 million for the year ended December 31, 2020, as compared to \$17.0 million for the year ended December 31, 2019 as result of the sale of the management division in August 2019.

General and administrative expenses incurred on behalf of affiliate companies was \$0 million for the year ended December 31, 2020, as compared to \$17.0 million for the year ended December 31, 2019 as a result of the sale of the management division in August 2019.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and Logistics Business expenses decreased by \$10.6 million or 6.0% to \$166.6 million for the year ended December 31, 2020, as compared to \$177.2 million for the year ended December 31, 2019.

Time charter and voyage expenses from dry bulk operations decreased by \$21.5 million, or 17.2%, to \$103.6 million for the year ended December 31, 2020, as compared to \$125.0 million for the year ended December 31, 2019. This was primarily due to a \$23.0 million decrease in charter-in expenses, mainly due to a decrease in charter-in available days in 2020 as compared to the same period in 2019; partially mitigated by (i) a \$1.0 million increase in off hire and fuel expenses; and (ii) a \$0.5 million increase in port and other voyage expenses.

Of the total expenses for the years ended December 31, 2020 and 2019, \$63.0 million and \$52.2 million, respectively, related to Navios Logistics. The increase of \$10.8 million in time charter, voyage and Logistics Business expenses was mainly due to (i) a \$7.0 million increase in cost of products sold, mainly attributable to an increase in Navios Logistics liquid port terminal's volumes of products sold driven by an increase in the sales of products in Navios Logistics liquid port terminal; (ii) a \$3.0 million increase in the barge business mainly due to increased charter-in fleet used to service Navios Logistics COA/voyage contracts as their fleet operated at reduced carrying capacity because of the low water levels described above, and other voyage expenses caused by more voyage charters and difficult navigation conditions resulting from the same low water levels; (iii) a \$0.5 million increase in the port terminal business mainly due to increases in insurance premiums; and (iv) a \$0.3 million increase in the cabotage business mainly due to an increase of 41.4% in revenues from spot voyages performed.

Direct Vessel Expenses: Direct vessel expenses increased by \$3.3 million, or 3.2%, to \$104.8 million for the year ended December 31, 2020, as compared to \$101.5 million for the year ended December 31, 2019. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

Direct vessel expenses from dry bulk operations decreased by \$4.5 million or 9.4% to \$52.0 million for the year ended December 31, 2020, as compared to \$47.6 million for the year ended December 31, 2019. As of August 30, 2019, following the sale of the management division, the Manager provides management services to the Company at a fixed rate of \$3,700 per day per vessel. During the year ended December 31, 2020 direct vessel expenses from the Dry Bulk Vessel Operations consisted of (i) a \$45.5 million vessel operating expenses (management fees); (ii) a \$6.3 million of drydocking and special survey amortization; and (iii) a \$0.3 million other direct vessel expenses. During the year ended December 31, 2019, direct vessel expenses from the Dry Bulk Vessel Operations consisted of (i) a \$14.4 million vessel operating expenses (management fees); (ii) a \$27.3 million other direct vessel expenses relating to crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs, which were part of the management division; and (iii) a \$5.9 million of drydocking and special survey amortization.

Of the total amounts of direct vessel expenses for the years ended December 31, 2020 and 2019, \$52.7 million and \$53.9 million, respectively, related to the Logistics Business. The decrease of \$1.2 million in direct vessel expenses was mainly due to a \$1.2 million decrease in amortization of deferred drydock and special survey costs of Navios Logistics' fleet.

General and Administrative Expenses: General and administrative expenses of Navios Holdings are comprised of the following:

(in thousands of U.S. dollars)	Year Ended December 31, 2020	Year Ended December 31, 2019
Dry bulk Vessel Operations	\$ 20,769	\$ 18,801
Logistics Business	12,933	17,393
General and administrative expenses	\$ 33,702	\$ 36,194

Following the sale of the management division, the Manager provides administrative services to the Company reimbursed at allocable cost. For the year ended December 31, 2020, general and administrative expenses, under the Administrative Services Agreement, amounted to \$9.4 million. For the period from August 30, 2019 to December 31, 2019, general and administrative expenses, under the Administrative Services Agreement, amounted to \$3.0 million.

General and administrative expenses decreased by \$2.5 million to \$33.7 million for the year ended December 31, 2020, as compared to \$36.2 million for the year ended December 31, 2019. The decrease was mainly attributable a \$4.5 million decrease in general and administrative expenses of Logistics Business; partially mitigated by an increase in other professional fees and expenses.

Depreciation and Amortization: For the year ended December 31, 2020, depreciation and amortization decreased by \$10.7 million to \$71.0 million, as compared to \$81.7 million for the year ended December 31, 2019.

Depreciation expenses related to the Dry Bulk Vessel Operations decreased by \$10.2 million, or 20.7%, to \$39.3 million for the year ended December 31, 2020, as compared to \$49.5 million for the year ended December 31, 2019. This decrease was primarily due to (i) the sale of seven and six of the Company's vessels in 2020 and 2019, respectively; and (ii) the impairment loss recognized in the fourth quarter of 2019 for two of the Company's vessels; partially mitigated by the acquisition of four and one vessels in 2020 and 2019, respectively. Amortization expenses related to dry bulk operations remained stable at \$2.8 million for each of the years ended December 31, 2020 and 2019.

Of the total amount of depreciation and amortization for the year ended December 31, 2020 and 2019, \$28.9 million and \$29.4 million, respectively, related to Navios Logistics. The decrease in depreciation and amortization of the Logistics Business was mainly due to (i) a \$0.5 million decrease in the depreciation of barge business. Depreciation and amortization in the port terminal business and in the cabotage business remained stable at \$8.2 million and \$3.5 million for both the years ended December 31, 2020 and December 31, 2019, respectively.

Allowance for Credit Losses: For the year ended December 31, 2020, allowance for credit losses decreased by \$0.5 million to \$0.5 million, as compared to \$1.0 million for the year ended December 31, 2019. The decrease was mainly attributable to (i) a \$0.7 million decrease in bad debt provisions in the Dry Bulk Vessel Operations; and (ii) a \$0.2 million increase in the recovery of bad debt provisions in the Logistics Business.

Interest Income: Interest income decreased by \$10.4 million to \$0.3 million for the year ended December 31, 2020, as compared to \$10.7 million for the same period in 2019, mainly due to (i) a \$9.6 million decrease in interest income of the Dry Bulk Vessel Operations, mainly due to higher interest income from loans provided to Navios Europe I and Navios Europe II and the amortization of the premium from the transfer of Navios Holdings' participation in the Navios Revolving Loans I (as defined herein) to Navios Partners in March 2017; and (ii) a \$0.8 million decrease in interest income of Logistics Business.

Interest Expense and Finance Cost: Interest expense and finance cost for the year ended December 31, 2020 increased by \$3.1 million, or 2.3%, to \$136.6 million, as compared to \$133.5 million in the same period of 2019. This increase was due to a \$7.8 million increase in interest expense and finance cost of the Logistics Business mainly attributable to the financing costs related to the issuance of the 2025 Logistics Senior Notes; partially mitigated by a \$4.7 million decrease in interest expense and finance cost of the Dry Bulk Vessel Operations, mainly attributable to the repurchase of 2022 Notes (as defined herein).

Impairment Loss/Loss on Sale of Vessels, Net: For the year ended December 31, 2020, impairment losses recognized decreased by \$67.7 million to \$88.4 million, as compared to \$156.1 million for the year ended December 31, 2019. During the year ended December 31, 2020, the Company recognized (i) a \$52.8 million impairment loss for two of the Company's vessels; (ii) a \$37.2 million impairment loss/loss on sale of vessels relating to the sale of Navios Kypros, Navios Star, Navios Amitie, Navios Northern Star, Navios Gem and Navios Astra; partially mitigated by a \$3.0 million gain relating to the sale of Navios Victory; and (iii) a \$1.4 million impairment loss for two of the Company's charter-in vessels. During the year ended December 31, 2019, the Company recognized (i) an \$84.6 million impairment loss for two of the Company's vessels; (ii) a \$38.6 million impairment loss of for certain of the Company's charter-in vessels; and (iii) an \$34.7 million impairment loss/loss on sale of vessels relating to the sale of Navios Vector, Navios Mercator, Navios Arc, Navios Meridian, Navios Primavera and Navios Hios; partially mitigated by a \$1.8 million gain of relating to the sale of Navios Equator Prosper.

Gain on Bond and Debt Extinguishment, net: During the year ended December 31, 2020, the Company repurchased \$20.8 million of the 2022 Notes in open market transactions for a cash consideration of \$9.4 million resulting in a gain on bond extinguishment of \$11.2 million, net of deferred financing costs written-off. This gain was partially mitigated by a \$4.2 million loss recognized relating to the accelerated amortization of Navios Logistics' unamortized deferred financing costs due to the repayment in full of the 2022 Logistics Senior Notes and the Navios Logistics' Term Loan B Facility. During the year ended December 31, 2019, Navios Logistics repurchased \$35.5 million of the 2022 Notes from unaffiliated third parties in open market transactions for a cash consideration of \$17.6 million and the Company repurchased \$81.2 million of its 2022 Notes for a cash consideration of \$50.7 million resulting in a total gain on bond extinguishment of \$47.4 million, net of deferred financing costs written-off.

Gain on Sale of Business: During the years ended December 31, 2020 and 2019, the Company recognized a \$0 million and \$9.8 million gain on sale of business, respectively, as a result of the sale of the management division (see also Note 3 included elsewhere in this Annual Report).

Loss on loss of control: During the years ended December 31, 2020 and 2019, the Company recognized a \$0 million and \$61.7 million loss on loss of control of Navios Containers, respectively (see also Note 3 included elsewhere in this Annual Report).

Other Income: Other income decreased by \$38.4 million to \$6.3 million for the year ended December 31, 2020, as compared to \$44.8 million for the year ended December 31, 2019. The decrease was due to a \$39.8 million decrease in other income of Dry Bulk Vessels Operations; partially mitigated by a \$1.3 million increase in other income of the Logistics Business.

The decrease in other income of the Dry Bulk Vessels Operations is due to (i) a \$33.3 million decrease in miscellaneous other income mainly related to extraordinary fees and costs related to regulatory requirements under management agreements; and (ii) a \$6.5 million decrease in non-cash compensation income.

The increase in other income of the Logistics Business is mainly due to a \$4.1 million increase mainly due to a claim settlement regarding a storage and transshipment contract in the grain port terminal during the year ended December 31, 2020, partially mitigated by (i) a \$1.7 million decrease in miscellaneous other income; and (ii) a \$1.1 million decrease in other income mainly due to an insurance claim settlement during the year ended December 31, 2019.

Other Expense: Other expense decreased by \$7.8 million to \$8.0 million for the year ended December 31, 2020, as compared to \$15.8 million for the year ended December 31, 2019. This decrease was due to (i) a \$4.3 million decrease in other expense of the Logistics Business; and (ii) a \$3.5 million decrease in other expense of Dry Bulk Vessels Operations.

The decrease in other expense of Dry Bulk Vessels Operations is mainly due to (i) a \$3.9 million decrease in other miscellaneous expenses; and (ii) a \$0.1 million decrease in loss from foreign exchange differences. This decrease was partially mitigated by a \$0.5 million increase in taxes other than income tax.

The decrease in other expense of the Logistics Business is mainly due to (i) a \$2.2 million decrease in loss from foreign exchange differences, (ii) a \$2.0 million decrease in taxes other than income taxes and (iii) a \$0.1 million decrease in other expense.

Impairment of loan receivable from affiliate company: During the years ended December 31, 2020 and 2019, the Company recognized a \$6.1 million and \$0 million on impairment of loan receivable from affiliate company.

Equity in Net Losses of Affiliate Companies: Equity in net losses of affiliate companies decreased by \$7.9 million to \$1.3 million for the year ended December 31, 2020, as compared to \$9.2 million for the same period in 2019. This decrease was mainly due to (i) a \$13.5 million OTTI loss relating to the investment in Navios Acquisition recognized in the second quarter of 2019; and (ii) a \$14.4 million increase in equity method income; partially mitigated by (i) a \$13.4 million OTTI loss relating to the investment in Navios Acquisition recognized in the fourth quarter of 2020; and (ii) a \$6.7 million OTTI loss relating to the investment in Navios Europe II recognized in the first quarter of 2020. The \$14.4 million increase in equity method income was mainly due to a \$24.2 million increase in equity method income from Navios Acquisition; partially mitigated by (i) a \$8.1 million decrease in equity method income from Navios Partners; (ii) a \$1.8 million decrease in equity method income from Navios Europe II; and (iii) a less than \$0.1 million decrease in equity method income from Navios Containers.

Income Tax Expense: Income tax expense increased by \$0.6 million to a \$2.1 million for the year ended December 31, 2020, as compared to a \$1.5 million tax expense for the year ended December 31, 2019. The change in income tax was mainly attributable to Navios Logistics due to (i) a \$0.5 million decrease in tax benefit from the barge business; and (ii) a \$0.2 million increase in income tax expense in cabotage business.

Net Loss from Discontinued Operations: Net loss from discontinued operations was \$0 million for the year ended December 31, 2020 and \$4.1 million attributable to the net loss of Navios Containers, for the period from January 1, 2019 to August 30, 2019.

Net Income Attributable to the Noncontrolling Interest: Net income attributable to the noncontrolling interest decreased by \$3.3 million to \$4.4 million for the year ended December 31, 2020, as compared to \$7.7 million for the same period in 2019. This decrease was mainly attributable to Logistics Business net income for the year ended December 31, 2020 compared to the same period in 2019, partially mitigated by Containers Business net loss for the period ended August 30, 2019 (date of losing control).

Off-Balance Sheet Arrangements

As of December 31, 2021, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to \$10 thousand issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which were included as a component of restricted cash.

In November 2012 (as amended in March 2014), the Company entered into an agreement with Navios Partners (the “Navios Partners Guarantee”) to provide Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. As of December 31, 2019, the outstanding balance of the claim was \$10.0 million. In October 2020, the Company paid an amount of \$5.0 million to Navios Partners. As of December 31, 2020 the outstanding balance of the claim was \$5.0 million. In April 2021, the Company paid the amount of \$5.0 million to Navios Partners as the final settlement of the outstanding balance of the claim.

Navios Logistics has issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. (a consolidated subsidiary of Navios Logistics) of all its obligations to Vitol S.A. up to \$12.0 million. This guarantee expires on March 1, 2023.

On July 22, 2016, Navios Logistics guaranteed the compliance of certain obligations related to Edolmix S.A. and Energías Renovables del Sur S.A. (entities wholly owned by Navios Logistics) under their respective direct user agreements with the Free Zone of Nueva Palmira, for the amounts of \$0.8 million and \$0.5 million, respectively.

In September 2020, Navios Logistics agreed to a settlement regarding a storage and transshipment contract in the grain port terminal for a total amount to be paid to Navios Logistics as a result of the settlement of \$4.1 million, which will be collected in three equal installments of \$1.4 million on June 1, 2021, 2022 and 2023. In June 2021, Navios Logistics collected the first installment. For the year ended December 31, 2020, a gain of \$4.1 million was included under the caption “Other income” in the consolidated statements of comprehensive income/(loss).

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts can be reasonably estimated, based upon facts known on the date the financial statements were prepared. Although the Company cannot predict with certainty the ultimate resolutions of these matters, in the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company’s financial position, results of operations or liquidity.

Non-Guarantor Subsidiaries

Our non-guarantor subsidiaries accounted for \$223.5 million, or 38.2%, of our revenue, \$24.0 million net loss, of our \$116.7 million net income, \$72.6 million of our Adjusted EBITDA, \$878.8 million, or 48.6%, of our total assets and \$641.7 million, or 36.8%, of our total liabilities, in each case, for the year ended and as of December 31, 2021. Our non-guarantor subsidiaries accounted for \$215.9 million, or 51.8%, of our revenue, \$0.8 million net loss, of our \$193.0 million net loss, \$82.1 million of our Adjusted EBITDA, \$999.8 million, or 50.7%, of our total assets and \$618.8 million, or 30.9%, of our total liabilities, in each case, for the year ended and as of December 31, 2020. Our non-guarantor subsidiaries accounted for \$318.2 million, or 55.6%, of our revenue (including \$89.9 million revenue from discontinued operations), \$37.7 million net loss, of our \$192.1 million net loss, \$68.1 million of our Adjusted EBITDA, \$973.9 million, or 45.4%, of our total assets and \$571.2 million, or 28.8%, of our total liabilities, in each case, for the year ended and as of December 31, 2019.

B. Liquidity and Capital Resources

Navios Holdings has historically financed its capital requirements with cash flows from operations, issuances of debt securities and borrowings under bank credit facilities. Main uses of funds have been refinancings of outstanding debt, capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminals and expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards.

Navios Holdings may from time to time, subject to restrictions under its debt and equity instruments, including limitations on dividends and repurchases under its preferred stock, depending upon market conditions and financing needs, use available funds to refinance or repurchase its debt in privately negotiated or open market transactions, by tender offer or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms Navios Holdings deems appropriate (which may be below par) and subject to Navios Holdings cash requirements for other purposes, compliance with the covenants under Navios Holdings' debt agreements, and other factors management deems relevant. In addition, we regularly review options for refinancing our outstanding indebtedness and opportunities for acquisition of businesses and additional vessels, development of new facilities and infrastructure, joint ventures and other corporate transactions that may be material to us. Generally, our sources of funds may be from cash flows from operations, long-term borrowings and other debt or equity financings, proceeds from asset sales and proceeds from sale of our stake in our investments. We cannot provide any assurance that we will be able to secure adequate financing or obtain additional funds on favorable terms, to meet our liquidity needs.

See "Item 4.B Business Overview — Exercise of Vessel Purchase Options", "Working Capital Position" and "Long-Term Debt Obligations and Credit Arrangements" for further discussion of Navios Holdings' working capital position.

Cash flows for the year ended December 31, 2021 compared to the year ended December 31, 2020:

The following table presents cash flow information for the years ended December 31, 2021 and 2020. This information was derived from the audited Consolidated Statements of Cash Flows of Navios Holdings for the respective periods.

(in thousands of U.S. dollars)	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net cash provided by operating activities	\$ 109,620	\$ 25,211	\$ 96,112
Net cash provided by/ (used in) investing activities	118,774	592	(56,467)
Net cash (used in)/provided by financing activities	(201,727)	6,654	(111,692)
Increase/ (Decrease) in cash and cash equivalents and restricted cash	26,667	32,457	(72,047)
Cash and cash equivalents and restricted cash, beginning of year	111,184	78,727	150,774
Cash and cash equivalents and restricted cash, end of year	\$ 137,851	\$ 111,184	\$ 78,727

Cash provided by operating activities for the year ended December 31, 2021 as compared to the year ended December 31, 2020:

Net cash provided by operating activities increased by \$84.4 million to \$109.6 million for the year ended December 31, 2021, as compared to \$25.2 million for the year ended December 31, 2020.

Accounts receivable, net, increased by \$8.5 million from \$54.3 million at December 31, 2020 to \$62.8 million at December 31, 2021. The movement of the year was primarily due to a \$9.6 million increase in accounts receivable of Navios Logistics, mainly attributable to an increase in receivable days as of December 31, 2021, compared to December 31, 2020; which was mitigated by a \$1.0 million decrease in the Dry Bulk Vessel Operations related to (i) a \$0.6 million decrease in accrued voyage income; and (ii) a \$0.4 million decrease in accounts receivable from charterers and other receivables.

Amounts due to affiliate companies, including current and non-current portion, decreased by \$5.8 million from \$26.9 million for the year ended December 31, 2020 to \$21.0 million for the year ended December 31, 2021. This decrease was due to (i) a \$5.0 million decrease in payable balances in connection to the Navios Partners Guarantee (as defined herein); and (ii) a \$1.1 million net decrease in payable of management and administrative fees, drydocking and other expenses according to our management agreement with the Manager; partially mitigated by a \$0.2 million increase in receivable balances from Navios Acquisition in connection to dividend declared during December 2020.

Inventories decreased by \$2.5 million, from \$14.1 million at December 31, 2020 to \$11.7 million at December 31, 2021. The decrease was primarily due to (i) a \$1.3 million decrease in inventories of Navios Logistics mainly attributable to the decrease in inventory in the liquid port terminal due to lower sales demand; and (ii) a \$1.2 million decrease in inventories on board of our dry bulk vessels.

Prepaid expenses and other current assets increased by \$2.2 million, from \$15.0 million at December 31, 2020 to \$17.1 million at December 31, 2021. The increase was primarily due to (i) a \$4.6 million increase in other assets mainly due to deferred financing costs related to a new secured credit facility, signed in December 2021, partially mitigated by (i) a \$1.2 million decrease in accrued income; (ii) a \$0.7 million decrease in prepaid voyage and operating costs; and (iii) a \$0.5 million decrease in prepaid expenses and other current assets of Navios Logistics.

Other long-term assets decreased by \$22.6 million, from \$61.9 million at December 31, 2020 to \$39.3 million at December 31, 2021. The decrease was primarily due to (i) a \$20.2 million decrease in deposits for vessels, port terminals and other fixed assets of Navios Logistics, mainly attributable to the delivery of six liquid barges, the Navios Logistics' 2020 Fleet, the completion of the two new tanks in the liquid port terminal and the completion of a crane in the grain port terminal; (ii) a \$2.4 million decrease in other long-term assets of Navios Logistics, mainly attributable to a settlement regarding a storage and transshipment contract in the grain port terminal recorded in December 2020; and (iii) a \$0.1 million decrease in long-term assets from dry bulk operations.

Accounts payable increased by \$7.4 million, from \$29.2 million at December 31, 2020 to \$36.6 million at December 31, 2021. The increase was primarily due to (i) a \$4.4 million increase in accounts payable of Navios Logistics; (ii) a \$3.1 million increase in accounts payable relating to brokers and other accounts payable; (iii) a \$1.5 million increase in accounts payable to bunkers, lubricants and other suppliers; and (iv) a \$0.1 million increase in port agents payable. The overall increase was partially mitigated by (i) a \$1.3 million decrease in accounts payable to headowners of the charter-in vessels; and (ii) a \$0.4 million decrease in accounts payable relating to utilities and other service providers, legal and audit services.

Accrued expenses and other liabilities decreased by \$8.1 million from \$72.5 million at December 31, 2020 to \$64.5 million at December 31, 2021. The decrease was primarily due to (i) \$10.2 million decrease in accrued interest mainly related to a decrease of \$7.2 million of the 2022 Notes and the 2022 Senior Secured Notes and \$3.0 million of the 2022 Logistics Senior Notes; and (ii) a \$0.3 million decrease in accrued voyage expenses. The overall decrease was partially mitigated by (i) a \$1.3 million increase in accrued payroll of Navios Logistics and (ii) a \$1.2 million increase in accrued audit fees and related services of Navios Logistics.

Deferred income and cash received in advance decreased by \$0.3 million from \$8.3 million at December 31, 2020 to \$8.1 million at December 31, 2021. Deferred income primarily reflects freight and charter-out amounts collected on voyages that have not been completed. The decrease was primarily due a \$1.3 million decrease in deferred income of Navios Logistics; partially mitigate by a \$1.1 million increase in deferred income of the Dey Bulk Vessel Operations.

Other long-term liabilities and deferred income increased by \$0.2 million from \$0.7 million at December 31, 2020 to \$0.9 million at December 31, 2021. The increase was primarily due to a \$0.3 million increase in other long-term liabilities of Navios Logistics.

Cash provided by investing activities for the year ended December 31, 2021 as compared to the year ended December 31, 2020:

Net cash provided by investing activities increased by \$118.2 million to \$118.8 million for the year ended December 31, 2021, as compared to \$0.6 million for the year ended December 31, 2020.

Cash provided by investing activities for the year ended December 31, 2021 was the result of: (i) \$167.0 million proceeds from sale of Navios Astra, Navios Centaurus, Navios Avior, Navios Serenity, Navios Ray, Navios Bonavis, Navios Koyo which was a previously chartered-in vessel and Navios Azimuth; (ii) \$0.3 million in collections of Navios Logistics' Note receivable; and (iii) \$0.2 million dividends received from Navios Acquisition; partially mitigated by (i) \$25.0 million in payments made by Navios Holdings for acquisition of additions to vessels; (ii) \$17.0 million in payments for the acquisition of Navios Logistics' three pushboats and 18 liquid barges, (iii) \$3.1 million for the construction of a crane, (iv) \$2.1 million in payments for the purchase of fixed assets, (v) \$1.2 million in payments for the construction of Navios Logistics' six new liquid barges and (vi) \$0.4 million in payments for the construction of Navios Logistics' two new tanks; and (vii) \$0.1 million in payments for the development of Navios Logistics' port operations in Port Murtinho region of Brazil.

Cash provided by investing activities for the year ended December 31, 2020 was the result of: (i) \$83.4 million proceeds from sale of Navios Hios, Navios Kypros, Navios Star, Navios Amitie, Navios Northern Star, Navios Gem and Navios Victory; (ii) \$18.6 million settlement of receivables in connection with Navios Europe II liquidation; (iii) \$5.8 million dividends received from Navios Acquisition; (iv) \$0.2 million in collections of Navios Logistics' Note receivable; (v) \$97.0 million in payments made by the Company for the acquisition of Navios Canary, Navios Corali, Jupiter N and Rainbow N and for additions to vessels; (vi) \$5.2 million in payments for the acquisition of three Navios Logistics' pushboats and 18 liquid barges, for the construction of Navios Logistics' six new liquid barges, two new tanks in Navios Logistics' liquid port terminal and a crane; (vii) \$3.3 million in payments for the purchase of Navios Logistics' other fixed assets; (viii) \$2.1 million in payments as deposits for options to acquire vessels under bareboat contracts.

Cash used in financing activities for the year ended December 31, 2021 as compared to cash provided by financing activities for the year ended December 31, 2020:

Cash used in financing activities was \$201.7 million for the year ended December 31, 2021, as compared to \$6.7 million cash provided by financing activities for the year ended December 31, 2020.

Cash used in financing activities for the year ended December 31, 2021 was the result of (i) \$168.6 million in payments for the repayment of the 2022 Notes and 2022 Senior secured Notes; (ii) \$130.7 million in payments made related to the loans from affiliate companies; (iii) \$76.2 million in payments made in connection with Navios Holdings' indebtedness; (iv) \$21.0 million in payments made in connection with the acquisition of the noncontrolling interest, including \$5.0 million relating to promissory note; (v) \$13.5 million in payments made in connection with Navios Logistics' outstanding indebtedness; (vi) \$5.3 million in payments for the repayment of Navios Logistics' Notes Payable (as defined below); (vii) \$3.9 million in payments of deferred financing costs; partially mitigated by (i) \$115.0 million proceeds from loan payable to affiliate companies; (ii) \$58.0 million proceeds from three Sale and Leaseback Agreements; and (iii) \$44.4 million in proceeds from the sale of shares, net of expenses.

Cash provided by financing activities for the year ended December 31, 2020 was the result of (i) \$487.5 million net proceeds from the 2025 Logistics Senior Notes (net of deferred financing costs of \$12.5 million); (ii) \$66.9 million proceeds from the Sale and Leaseback Agreements (net of deferred financing costs of \$1.1 million), (iii) \$50.0 million proceeds from loan payable to affiliate companies; (iv) \$13.6 million proceeds from Navios Logistics' long term debt; (v) \$375.0 million payments for the redemption of the 2022 Logistics Senior Notes (as defined below); (vi) \$97.5 million prepayments of the Navios Logistics' Term Loan B Facility; (vii) \$50.0 million prepayments of loan payable to affiliate companies; (viii) \$38.6 million prepayments of Navios Holdings' indebtedness; (ix) \$28.6 million scheduled repayments; (x) \$12.3 million dividend paid to common shareholders; and (xi) \$9.4 million payments for the repurchase of the 2022 Notes.

Cash provided by operating activities for the year ended December 31, 2020 as compared to the year ended December 31, 2019:

Net cash provided by operating activities decreased by \$70.9 million to \$25.2 million for the year ended December 31, 2020, as compared to \$96.1 million for the year ended December 31, 2019.

Accounts receivable, net, increased by \$2.4 million from \$51.9 million at December 31, 2019 to \$54.3 million at December 31, 2020. The movement of the year was primarily due to a \$4.7 million increase in accounts receivable of Navios Logistics, mainly attributable to an increase in receivable days as of December 31, 2020, compared to December 31, 2019; which was mitigated by (i) a \$2.2 million decrease in accounts receivable from charterers and other receivables in the Dry Bulk Vessel Operations; and (ii) a \$0.1 million decrease in accrued voyage income in the Dry Bulk Vessel Operations.

Amounts due from/(to) affiliate companies, including current and non-current portion, decreased by \$43.0 million from \$16.1 million receivable for the year ended December 31, 2019 to \$26.9 million payable for the year ended December 31, 2020. This decrease was due to (i) a \$26.1 million net increase in payable of management and administrative fees, drydocking and other expenses according to our management agreement with the Manager; (ii) a \$20.7 million decrease in receivable balances following Navios Europe II liquidation; (iii) a \$1.2 million decrease in receivable balances from Navios Acquisition in connection to dividend declared; partially mitigated by a \$5.0 million decrease in payable balances in connection to the Navios Partners Guarantee.

Inventories increased by \$3.6 million, from \$10.5 million at December 31, 2019 to \$14.1 million at December 31, 2020. The increase was primarily due to (i) a \$3.1 million increase in inventories of Navios Logistics mainly attributable to the increase in inventory in the liquid port terminal due to higher sales demand; and (ii) a \$0.6 million increase in inventories on board of our dry bulk vessels.

Prepaid expenses and other current assets increased by \$2.7 million, from \$12.1 million at December 31, 2019 to \$15.0 million at December 31, 2020. The increase was primarily due to (i) a \$1.4 million increase in accrued income; (ii) a \$1.2 million increase in prepaid expenses and other current assets of Navios Logistics; (iii) a \$0.5 million increase in prepaid voyage and operating costs; (iv) a \$0.1 million increase in claims receivables; and (v) a \$0.1 million increase in advances to agents and prepaid taxes; partially mitigated by a \$0.5 million decrease in other assets.

Other long-term assets increased by \$12.8 million, from \$49.1 million at December 31, 2019 to \$61.9 million at December 31, 2020. The increase was primarily due to (i) a \$3.2 million increase in other long-term assets of Navios Logistics, mainly attributable to a settlement regarding a storage and transshipment contract in the grain port terminal; (ii) a \$7.7 million increase in deposits for vessels, port terminals and other fixed assets of Navios Logistics, mainly attributable to the construction of six liquid barges; and (iii) a \$1.9 million increase in long-term assets from dry bulk operations mainly due to deposits for options to acquire vessels under bareboat contracts.

Accounts payable increased by \$7.5 million, from \$21.7 million at December 31, 2019 to \$29.2 million at December 31, 2020. The increase was primarily due to (i) a \$4.1 million increase in accounts payable relating to brokers and other accounts payable; (ii) a \$3.6 million increase in accounts payable of Navios Logistics; and (iii) a \$0.8 million increase in accounts payable to headowners. The overall increase was partially mitigated by (i) a \$0.5 million decrease in accounts payable relating to utilities and other service providers, legal and audit services; (ii) a \$0.4 million decrease in accounts payable to bunkers, lubricants and other suppliers; and (iii) a \$0.1 million decrease in port agents' payable.

Accrued expenses and other liabilities increased by \$21.4 million from \$51.2 million at December 31, 2019 to \$72.5 million at December 31, 2020. The increase was primarily due to (i) a \$19.3 million increase in accrued expenses of Navios Logistics, mainly attributable to an increase in the accrued interest from the 2025 Logistics Senior Notes; (ii) a \$1.5 million increase in accrued voyage expenses; (iii) a \$1.4 million increase in other accrued expenses and other liabilities. The overall increase was partially mitigated by a \$0.9 million decrease in accrued interest.

Deferred income and cash received in advance decreased by \$0.5 million from \$8.9 million at December 31, 2019 to \$8.3 million at December 31, 2020. Deferred income primarily reflects freight and charter-out amounts collected on voyages that have not been completed and the current portion of the deferred gain from the sale of various vessels to Navios Partners to be amortized over the next year. The decrease was primarily due to (i) \$1.2 million decrease in the current portion of deferred gain from the sale of assets to Navios Partners; and (ii) a \$1.1 million decrease in deferred income of Navios Logistics. The overall decrease was partially mitigated by a \$1.7 million decrease in deferred freight.

Other long-term liabilities and deferred income decreased by \$5.3 million from \$6.0 million at December 31, 2019 to \$0.7 million at December 31, 2020. The decrease was primarily due to (i) a \$5.1 million decrease in the non-current portion of deferred gain from the sale of vessels to Navios Partners; and (ii) a \$0.2 million decrease in other long-term liabilities of Navios Logistics.

Cash provided by investing activities for the year ended December 31, 2020 as compared to cash used in investing activities for the year ended December 31, 2019:

Cash provided by investing activities was \$0.6 million for the year ended December 31, 2020, as compared to \$56.5 million cash used in for the same period of 2019.

Cash provided by investing activities for the year ended December 31, 2020 was the result of: (i) \$83.4 million proceeds from sale of Navios Hios, Navios Kypros, Navios Star, Navios Amitie, Navios Northern Star, Navios Gem and Navios Victory; (ii) \$18.6 million settlement of receivables in connection with Navios Europe II liquidation; (iii) \$5.8 million dividends received from Navios Acquisition; (iv) \$0.2 million in collections of Navios Logistics' Note receivable; (v) \$97.0 million in payments made by the Company for the acquisition of Navios Canary, Navios Corali, Jupiter N and Rainbow N and for additions to vessels; (vi) \$5.2 million in payments for the acquisition of three Navios Logistics' pushboats and 18 liquid barges, for the construction of Navios Logistics' six new liquid barges, two new tanks in Navios Logistics' liquid port terminal and a crane; (vii) \$3.3 million in payments for the purchase of Navios Logistics' other fixed assets; (viii) \$2.1 million in payments as deposits for options to acquire vessels under bareboat contracts.

Cash used in investing activities for the year ended December 31, 2019 was the result of: (i) \$54.8 million in payments made from Navios Containers for the period from January 1, 2019 to August 30, 2019 (date of losing control) for the purchase of Navios Constellation and for additions to vessels; (ii) \$19.5 million in payments made by the Company for the purchase of Navios Victory and for additions to vessels; (iii) \$21.4 million impact to cash from deconsolidation/sale of business; (iv) \$15.5 million in payments as deposits for options to acquire vessels under bareboat contracts; (v) \$4.0 million in payments for the construction of Navios Logistics' six new liquid barges; (vi) \$4.0 million in payments for the purchase of Navios Logistics' other fixed assets; (vii) \$1.7 million in payments made by the Company for the purchase of other fixed assets; (viii) \$48.8 million proceeds from sale of Navios Meridian, Navios Vector, Navios Equator Prosper, Navios Mercator, Navios Arc and Navios Primavera; (ix) a \$8.0 million loan from affiliate company; (x) \$4.4 million dividends received from Navios Acquisition; (xi) \$3.0 million proceeds from sale of business; and (xii) \$0.2 million in collections of Navios Logistics' Note receivable.

Cash provided by financing activities for the year ended December 31, 2020 as compared to cash used in financing activities for the year ended December 31, 2019:

Cash provided by financing activities was \$6.7 million for the year ended December 31, 2020, as compared to \$111.7 million cash used in financing activities for the year ended December 31, 2019.

Cash provided by financing activities for the year ended December 31, 2020 was the result of (i) \$487.5 million net proceeds from the 2025 Logistics Senior Notes (net of deferred financing costs of \$12.5 million); (ii) \$66.9 million proceeds from the Sale and Leaseback Agreements (net of deferred financing costs of \$1.1 million), (iii) \$50.0 million proceeds from loan payable to affiliate companies; (iv) \$13.6 million proceeds from Navios Logistics' long term debt; (v) \$375.0 million payments for the redemption of the 2022 Logistics Senior Notes (as defined below); (vi) \$97.5 million prepayments of the Navios Logistics' Term Loan B Facility; (vii) \$50.0 million prepayments of loan payable to affiliate companies; (viii) \$38.6 million prepayments of Navios Holdings' indebtedness; (ix) \$28.6 million scheduled repayments; (x) \$12.3 million dividend paid to common shareholders; and (xi) \$9.4 million payments for the repurchase of the 2022 Notes.

Cash used in financing activities for the year ended December 31, 2019 was the result of (i) \$123.2 million proceeds from Navios Containers' long term debt (net of deferred financing costs of \$1.9 million); (ii) \$68.3 million of payments for the repurchase of the 2022 Notes; (iii) \$59.2 million related to scheduled repayment installments; (iv) \$53.1 million related to prepayment and refinance of indebtedness of Navios Containers for the period from January 1, 2019 to August 30, 2019 (date of losing control); (v) \$31.2 million related to prepayment of indebtedness of Navios Holdings; (vi) \$13.4 million related to repayment of loan payable to affiliate companies; (vii) \$10.2 million payments relating to the redemption of preferred stock; (viii) \$4.0 million proceeds from Navios Holdings' long term debt; and (ix) \$3.4 million related to prepayment of indebtedness of Navios Logistics.

Adjusted EBITDA: EBITDA represents net income/(loss) attributable to Navios Holdings' common stockholders before interest and finance costs, depreciation and amortization and income taxes. Adjusted EBITDA represents EBITDA before stock based compensation. We use Adjusted EBITDA as a liquidity measure and reconcile Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. Adjusted 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 financing costs and gains/(losses) on bond and debt extinguishment, net; (v) allowance for credit losses; (vi) earnings/(losses) in affiliate companies and joint ventures, net of dividends received; (vii) payments for drydock and special survey costs; (viii) noncontrolling interest; (ix) gain/ (loss) on sale of assets/ subsidiaries/businesses, on loss of control and bargain gain; (x) unrealized (loss)/gain on derivatives; (xi) loss on sale and reclassification to earnings of available-for-sale securities; and (xii) impairment losses. Navios Holdings believes that Adjusted EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Holdings' ability to service and/or incur indebtedness, pay capital expenditures and meet working capital requirements. Navios Holdings also believes that Adjusted 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.

Adjusted EBITDA has limitations as an analytical tool, and therefore, should not be considered in isolation or as a substitute for the analysis of Navios Holdings' results as reported under U.S. GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (ii) Adjusted 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. Adjusted EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, Adjusted EBITDA should not be considered as a principal indicator of Navios Holdings' performance. Furthermore, our calculation of Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

Adjusted EBITDA Reconciliation from Cash from Operations

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
(Expressed in thousands of U.S. dollars — except per share data)					
Net cash provided by operating activities	\$ 109,620	\$ 25,211	\$ 96,112	\$ 55,637	\$ 48,117
Net increase/(decrease) in operating assets	5,264	(6,757)	(6,249)	25,632	(22,385)
Net decrease/(increase) in operating liabilities	22,233	(41,348)	6,812	(6,662)	(20,814)
Payments for drydock and special survey costs	21,334	17,362	23,106	7,755	10,824
Interest expense and finance cost, net	135,883	128,439	125,094	122,492	108,389
Allowance for credit losses	(1,831)	(541)	(999)	(575)	(269)
Impairment loss/ loss on sale of vessels, net	(47,827)	(88,367)	(156,106)	(200,657)	(50,565)
Gain on sale of assets	—	—	—	894	1,064
Gain on sale of business	—	—	9,802	—	—
Gain on bond and debt extinguishment, net	951	7,047	47,430	6,464	185
Earnings/(losses) in affiliate companies and joint ventures, net of dividends received	68,752	17,309	(13,722)	(84,317)	(4,610)
Impairment loss on investment in affiliate companies	—	(20,018)	—	—	—
Impairment of loan receivable from affiliate company	—	(6,050)	—	—	—
(Loss on loss of control)/bargain gain upon obtaining control	—	—	(61,741)	58,313	—
Noncontrolling interest	24,785	(4,356)	(7,658)	(3,207)	(1,123)
Adjusted EBITDA	\$ 339,164	\$ 27,931	\$ 61,881	\$ (18,231)	\$ 68,813

Adjusted EBITDA for the years ended December 31, 2021 and 2020 was \$339.2 million and \$27.9 million, respectively. The \$311.2 million increase in Adjusted EBITDA was primarily due to (i) a \$169.1 million increase in revenue; (ii) a \$70.6 million increase in equity in net earnings from affiliate companies; (iii) a \$40.5 million decrease in impairment loss/ loss on sale of vessels, net; (iv) a \$29.1 million decrease in net income attributable to the noncontrolling interest; (v) a \$12.1 million decrease in time charter, voyage and logistics business expenses; (vi) \$6.1 million impairment loss of loan receivable from Navios Europe II recorded in the year ended December 31, 2020; and (vii) a \$1.7 million decrease in general and administrative expenses (excluding stock-based compensation expenses). This overall increase of \$329.2 million was partially mitigated by (i) a \$6.8 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); (ii) a \$6.1 million decrease in gain on bond and debt extinguishment; and (iii) a \$5.1 million increase in other expense.

Adjusted EBITDA for the years ended December 31, 2020 and 2019 was \$27.9 million and \$61.9 million, respectively. The \$34.0 million decrease in Adjusted EBITDA was primarily due to (i) a \$65.7 million decrease in revenue; (ii) a \$40.4 million decrease in bond extinguishment gains; (iii) a \$30.2 million decrease in other income; (iv) a \$29.9 million in EBITDA in the period from January 1 to August 30, 2019 from consolidating Navios Containers; (v) a \$9.8 million gain on sale of business recorded in the year ended December 31, 2019; (vi) a 6.1 million impairment loss of loan receivable from Navios Europe II recorded in the year ended December 31, 2020; and (vii) a \$4.1 million decrease in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items). This overall increase of \$186.1 million was partially mitigated by (i) a \$67.7 million decrease in impairment losses; (ii) a \$61.7 million in loss on loss of control of Navios Containers recorded in the year ended December 31, 2019; (iii) a \$10.6 million decrease in time charter, voyage and logistics business expenses; (iv) a \$7.9 million increase in equity in net losses of affiliate companies; (v) a \$3.3 million decrease in net loss attributable to the noncontrolling interest; and (vi) a \$0.9 million decrease in general and administrative expenses (excluding stock-based compensation expenses).

Long-Term Debt Obligations and Credit Arrangements:
Navios Holdings Debt
2022 Senior Secured Notes

On November 21, 2017, the Company and its wholly-owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Company, the “Co-Issuers”) issued \$305.0 million of 11.25% Senior Notes due 2022, at a price of 97%.

The 2022 Senior Secured Notes are secured by a first priority lien on certain capital stock owned by certain of the subsidiary guarantors of Navios Holdings in each of Navios GP L.L.C., Navios Logistics and Navios Partners (following the Mergers). The 2022 Senior Secured Notes are unregistered and guaranteed by all of the Company’s direct and indirect subsidiaries, except for certain subsidiaries designated as unrestricted subsidiaries, including Navios Logistics.

The subsidiary guarantees are “full and unconditional”, except that the indenture provides for an individual subsidiary’s guarantee to be automatically released in certain circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an “unrestricted subsidiary” for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Secured Notes.

The Co-Issuers have the option to redeem the 2022 Senior Secured Notes in whole or in part, at any time at par.

Upon occurrence of certain change of control events, the holders of the 2022 Senior Secured Notes may require the Co-Issuers to repurchase some or all of the 2022 Senior Secured Notes at 101% of their face amount. The 2022 Senior Secured Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliate companies, merging or consolidating or selling all or substantially all of the Co-Issuers’ properties and assets and creation or designation of restricted subsidiaries. The indenture governing the 2022 Senior Secured Notes includes customary events of default. The Co-Issuers were in compliance with the covenants as of December 31, 2021.

Under the terms of the 2022 Senior Secured Notes, Navios Holdings had an obligation to make a springing maturity offer in September 2021 to repurchase those notes at par unless certain conditions relating to the refinancing of our 2022 Notes were met.

On October 1, 2020, Navios Holdings entered into (1) the Sixth Supplemental Indenture to amend the terms of the indenture and related pledge agreements governing the 2022 Senior Secured Notes following its receipt of consents from bondholders representing a majority in aggregate principal amount (the “Consenting Noteholders”) of the 2022 Senior Secured Notes and (2) a consent agreement with the Consenting Noteholders (“Consent Agreement”). Pursuant to the Consent Agreement, the Consenting Noteholders agreed, subject to the satisfaction of certain conditions, to consent to the amendments contained in the form of supplemental indenture (“Form of Supermajority Supplemental Indenture”) which amendments required consent from 66 2/3% of the outstanding 2022 Senior Secured Notes affected.

The Sixth Supplemental Indenture, among other things, (i) clarifies that all past dividends paid in respect of equity pledged as collateral for the 2022 Senior Secured Notes and any future dividends paid in respect of equity pledged as collateral (other than equity of Navios Logistics) can be used by the Company for general corporate purposes, absent a Default or Event of Default; (ii) provides that future dividends paid in respect of equity of Navios Logistics pledged as collateral for the 2022 Senior Secured Notes may be used only to redeem or repurchase 2022 Senior Secured Notes (including, absent a Default or an Event of Default, at a discount to par); (iii) eliminates the Company’s obligation to make a springing maturity offer for the 2022 Senior Secured Notes; and (iv) states that the Company may agree to the cancellation of amounts it owes to Navios Logistics under that certain loan agreement in lieu of the receipt of pro rata cash dividends from Navios Logistics. The Sixth Supplemental Indenture became effective upon its execution by the Company and the Trustee, but the amendments and waivers contained therein will become operative only upon the occurrence of a Qualified IPO of Navios Logistics.

On November 17, 2020, the Company entered into the Seventh Supplemental Indenture to further amend the terms of the indenture governing the 2022 Senior Secured Notes, pursuant to which Wilmington Trust, National Association became the successor Trustee and successor Collateral Trustee in respect of the 2022 Senior Secured Notes.

On June 29, 2021, the Company entered into the Eighth Supplemental Indenture which eliminated the Company’s obligation to make a springing maturity offer for the 2022 Senior Secured Notes following the first redemption of an aggregate principal amount of \$100.0 million of the 2022 Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date (“First Redemption”). On July 23, 2021, the Company completed the First Redemption, which was funded through (i) the sale of a vessel pledged as collateral in respect of the 2022 Senior Secured Notes and (ii) the borrowing of \$75.3 million from an affiliate company of NSM.

The Eighth Supplemental Indenture also, among other things, (i) clarifies that all past dividends paid in respect of equity pledged as collateral for the 2022 Senior Secured Notes and any future dividends paid in respect of equity pledged as collateral (other than equity of Navios Logistics) can be used by the Company for general corporate purposes, absent a Default or Event of Default; (ii) provides that future dividends paid in respect of equity of Navios Logistics pledged as collateral for the 2022 Senior Secured Notes may be used only to redeem or repurchase 2022 Senior Secured Notes; and (iii) permits the lender under the \$115.0 million NSM Loan (as defined herein) to take a second lien on the pledged share collateral (which pledged share collateral secures the 2022 Senior Secured Notes on a first lien basis).

On September 3, 2021, the Company issued a notice of redemption with respect to an aggregate principal amount of \$20.0 million of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of September 13, 2021 (the “Second Redemption”).

On September 14, 2021, the Company issued a notice of redemption with respect to an aggregate principal amount of \$20.0 million of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of September 24, 2021 (the “Third Redemption”).

On October 1, 2021, the Company issued a notice of redemption with respect to an aggregate principal amount of \$10.0 million of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of October 11, 2021 (the “Fourth Redemption”).

As of December 31, 2021, the Company wrote-off \$1.8 million of deferred financing costs associated with the Redemptions discussed above and is included in the consolidated statement of comprehensive income/(loss) under the caption “Gain/(loss) on bond and debt extinguishment”.

On March 18, 2022, the Company issued a notice of redemption with respect to an aggregate principal amount of \$25.0 million of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of March 30, 2022 (the “Fifth Redemption”)

After the Fifth Redemption, \$130.0 million in aggregate principal amount of the 2022 Senior Secured Notes is currently outstanding, which mature in August 2022.

2022 Notes

On November 29, 2013, the Co-Issuers completed the sale of \$650.0 million of 7.375% First Priority Ship Mortgage Notes due 2022 (the “2022 Notes”). During 2019, Navios Logistics repurchased \$35.5 million in par value of the 2022 Notes in open market transactions for a cash consideration of \$17.6 million. During 2019, the Company repurchased \$81.2 million in par value of the 2022 Notes for a cash consideration of \$50.7 million. These transactions resulted in a gain on bond extinguishment of \$47.4 million, net of deferred financing costs written-off. (Refer to Note 16 “Transactions with Related Parties” to the consolidated financial statements included elsewhere in this Annual Report, “Secured credit facility with Navios Logistics”). During 2020, the Company repurchased \$20.8 million in par value of the 2022 Notes for a cash consideration of \$9.4 million resulting in a gain on bond extinguishment of \$11.2 million, net of deferred financing costs written-off. During 2021, the Company repurchased \$21.4 million in par value of the 2022 Notes for cash consideration of \$18.6 million resulting in a gain on bond extinguishment of \$2.7 million, net of deferred financing costs written-off. After these repurchases, the remaining amount of 2022 Notes was \$455.5 million as at December 31, 2021.

The 2022 Notes were senior obligations of the Co-Issuers and were originally secured by first priority ship mortgages on 23 dry bulk vessels owned by certain subsidiary guarantors and certain other associated property and contract rights. As of December 31, 2021, the 2022 Notes were secured by 14 drybulk vessels and \$84.3 million of cash collateral. The 2022 Notes were unregistered and fully and unconditionally guaranteed, jointly and severally by all of the Company’s direct and indirect subsidiaries, other than Navios Maritime Finance (US) Inc., Navios Logistics and its subsidiaries and Navios GP L.L.C.

The outstanding balance of \$455.5 million of the 2022 Notes as of December 31, 2021 was fully repaid in January 2022, using (i) \$206.7 million under two credit facilities with commercial banks; (ii) \$77.0 million under four sale and leaseback agreements; (iii) \$100.0 million of additional financing from NSM; and (iv) cash from operations. In addition, as of December 31, 2021, \$158.9 million of Ship Mortgage Notes held by the Company that had previously been pledged as collateral to NSM were cancelled.

2024 Notes

On March 21, 2019, Navios Holdings issued \$4.7 million of 9.75% Senior Notes due 2024 (as defined herein) as an exchange for a total of 10,930 Series H shares which were validly tendered as of that date (Refer to Note 17 “Preferred and Common Stock” to the consolidated financial statements included elsewhere in this Annual Report).

On April 21, 2019, Navios Holdings issued \$3.9 million of the 2024 Notes as an exchange for a total of 8,841 Series G shares which were validly tendered as of that date. (Refer to Note 17 “Preferred and Common Stock” to the consolidated financial statements included elsewhere in this Annual Report).

The 2024 Notes are Navios Holdings’ senior unsecured general obligations and rank senior in right of payment to any of Navios Holding’s existing and future debt that expressly provides that it is subordinated to the 2024 Notes, *pari passu* in right of payment with all of Navios Holding’s existing and future senior obligations, structurally subordinated in right of payment to the obligations of Navios Holding’s subsidiaries, and effectively subordinated in right of payment to any existing and future obligations of Navios Holdings that are secured by property or assets that do not secure the 2024 Notes, including the 2022 Senior Secured Notes and the 2022 Notes, to the extent of the value of any such property and assets securing such other obligations. The 2024 Notes are not guaranteed by any of Navios Holdings’ subsidiaries.

The indenture governing the 2024 Notes does not contain restrictive covenants but does include customary events of default. Navios Holdings has the option to redeem the 2024 Notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed, plus accrued interest.

Secured Credit Facilities

During the year ended December 31, 2021, the Company repaid \$70.1 million of debt, being (i) the \$11.1 million outstanding loan balance with Credit Agricole Corporate and Investment bank, (ii) the \$11.4 million outstanding loan balance with Credit Agricole Corporate and Investment bank, (iii) the \$9.9 million outstanding loan balance with Hamburg Commercial Bank AG, (iv) the \$4.5 million outstanding loan balance with DVB Bank S.E., (v) the \$20.2 million outstanding loan balance with Alpha Bank A.E., and (vi) the \$12.9 million outstanding loan balance with Alpha Bank A.E.

As of December 31, 2021, the Company had no secured bank credit facilities following their full repayment.

Credit Agricole (formerly Emporiki) Facilities: In December 2012, the Emporiki Bank of Greece's facilities were transferred to Credit Agricole Corporate and Investment Bank.

In August 2011, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece for an amount of up to \$23.0 million in order to partially finance the construction of one Panamax vessel. In May, 2019, the facility was refinanced. The facility was repayable in five semi-annual installments of \$0.8 million, with a final balloon payment of \$8.9 million on the last payment date. The loan bore interest at a rate of LIBOR plus 275 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

In December 2011, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece for an amount of up to \$23.0 million in order to partially finance the construction of one newbuilding bulk carrier. In May, 2019, the facility was refinanced. The loan facility was repayable in three semi-annual equal installments of \$0.8 million, with a final balloon payment of \$9.2 million on the last payment date. The loan bore interest at a rate of LIBOR plus 325 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021. On February 14, 2018, Navios Holdings entered into a facility with Credit Agricole Corporate and Investment Bank for an amount of up to \$28.7 million in order to: a) repay all amounts outstanding under the facility agreement dated September 2010 and b) repay all amounts outstanding under the facility agreement dated December 20, 2013. The loan bore interest at a rate of LIBOR plus 280 basis points. The loan facility required compliance with certain financial covenants. In the second quarter of 2019, the facility was repaid in full and there was no outstanding balance as of December 31, 2019.

Hamburg Commercial Bank AG Facility: On May 23, 2017, Navios Holdings entered into a facility agreement with Hamburg Commercial Bank AG for an amount of up to \$15.3 million in order to partially refinance the fourth tranche of the Commerzbank facility. The facility was repayable in three quarterly equal installments of \$0.4 million, with a final balloon payment of \$8.8 million on the last payment date. The loan bore interest at a rate of LIBOR plus 300 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021. *DVB Bank SE Facilities:* On March 23, 2012, Navios Holdings entered into a facility agreement with a syndicate of banks led by DVB Bank SE for an amount of up to \$42.0 million in two tranches: (i) the first tranche is for an amount of up to \$26.0 million in order to finance the acquisition of a Handysize vessel; and (ii) the second tranche is for an amount of up to \$16.0 million to refinance the outstanding debt of an Ultra-Handymax vessel. On June 27, 2014, Navios Holdings refinanced the existing facility, adding a new tranche for an amount of \$30.0 million in order to finance the acquisition of a Capesize vessel, which was delivered in June 2014. On November 12, 2019, Navios Holdings amended this facility agreement with DVB Bank SE in order to extend the maturity of the outstanding balance originally due in the first and second quarter of 2020 for one year, to June 2021 and released from collateral one Handysize vessel which was substituted by one Panamax vessel. The facility bore interest at a rate of LIBOR plus 293 basis points. During September 2020, the Company completed the sale of the Panamax vessel and the Capesize vessel which were released from collaterals and prepaid the amount of \$33.0 million for the satisfaction of the first and the third tranche of the facility. As of December 31, 2020, the second tranche was repayable in two quarterly installments of \$0.3 million, with a final balloon payment of \$4.0 million on the last repayment date. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

In September 2013, Navios Holdings entered into a facility agreement with DVB Bank SE for an amount of up to \$40.0 million in order to finance the acquisition of four Panamax vessels, delivered in August and September 2013. The facility bore interest at a rate of LIBOR plus 325 basis points. In December 2017, Navios Holdings entered into a facility agreement with DVB Bank SE in order to extend the maturity of the outstanding balance originally due by September 2018 for three years, to September 2021. During 2019, Navios Holdings partially prepaid the indebtedness originally maturing in the third quarter of 2021 and released from collateral two Panamax vessels. In the first quarter of 2020, the facility was repaid in full and there was no outstanding balance as of December 31, 2020.

Alpha Bank A.E.: On November 6, 2014, Navios Holdings entered into a facility agreement with Alpha Bank A.E. for an amount of up to \$31.0 million in order to finance part of the acquisition of a Capesize vessel. The loan bore interest at a rate of LIBOR plus 300 basis points. The facility was repayable in eight quarterly installments of \$0.5 million, with a final balloon payment of \$16.6 million on the last repayment date. The loan facility required compliance with certain financial covenants. In the second quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

On November 3, 2016, Navios Holdings entered into a facility agreement with Alpha Bank A.E. for an amount of up to \$16.1 million in order to refinance one Capesize vessel. The facility bore interest at a rate of LIBOR plus 300 basis points. The facility was repayable in eight quarterly installments of \$0.3 million each, with a final balloon payment of \$10.7 million payable on the last repayment date. In the second quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

Hamburg Commercial Bank AG: In December 2021, Navios Holdings entered into a loan agreement with Hamburg Commercial Bank AG (“HCOB”) for an amount of \$101.8 million, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 3.25% per annum to 4.50% per annum. In March 2022, Navios Holdings prepaid an amount of \$10.4 million and one dry bulk vessel was released. The remaining loan balance of \$91.3 million is repayable in eight quarterly installments of \$3.9 million, beginning three months from the date of the initial drawdown, with a final balloon payment of \$60.0 million on the last repayment date. The loan facility requires compliance with certain covenants, as described below.

Credit Agricole CIB/ BNP Paribas: In December 2021, Navios Holdings entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of \$105.0 million, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 2.85% per annum to 3.75% per annum. The loan is repayable in four quarterly installments of \$6.6 million, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4.8 million with a final balloon payment of \$41.0 million on the last repayment date. The loan facility requires compliance with certain covenants, as described below.

The facilities are secured by first priority mortgages on certain of Navios Holdings’ vessels and other collateral.

The credit facilities contain a number of restrictive covenants that limit Navios Holdings and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Navios Holdings’ vessels; changing the commercial and technical management of certain Navios Holdings’ vessels; selling or changing the ownership of certain Navios Holdings’ vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities require compliance with the covenants contained in the indentures governing the 2022 Senior Secured Notes and the 2024 Notes (as defined herein). Among other events, it will be an event of default under the credit facilities if the Company fails to maintain the financial covenants or if Angeliki Frangou and her affiliate companies own (in aggregate) less than 10% of the outstanding share capital of Navios Holdings.

The Company’s secured credit facilities, which were drawn in January 2022, require compliance with maintenance covenants. Depending on the facility, these covenants include: (i) value-to-loan ratio covenants, based on charter-free valuations, ranging from over 125% to 133%, (ii) minimum liquidity up to a maximum of \$10.0 million, (iii) total debt divided by total assets, as defined in each credit facility, of 75%; and (iv) net worth, as defined in the credit facility, of \$125.0 million.

NSM Loan

On August 29, 2019, Navios Holdings entered into a secured loan agreement of \$141.8 million (including post-closing adjustments) with a wholly owned subsidiary of NSM (the “NSM Loan”). In December 2021, the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility with the NSM Loan I. The refinancing was completed in January 2022. As of December 31, 2021, the total outstanding balance of this facility amounted to \$48.9 million, including \$0.3 million of accrued interest and is presented under the caption “Loans payable to affiliate companies, net of current portion”. For information on the NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements included in this Annual Report.

\$50.0 million NSM Loan

In June 2020, Navios Holdings entered into a secured loan agreement with a wholly-owned subsidiary of NSM (“\$50.0 million NSM Loan”) for a loan of up to \$50.0 million to be used for general corporate purposes. On July 12, 2021, the Company refinanced the outstanding balance of this facility through the \$115.0 million NSM Loan. For information on the \$50.0 million NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements included in this Annual Report.

\$115.0 million NSM Loan

In June 2021, Navios Holdings entered into a secured loan agreement with a wholly owned subsidiary of NSM (“\$115.0 million NSM Loan”) for a loan up to \$115.0 million in advances (i) to refinance the \$50.0 million NSM Loan, (ii) to redeem certain 2022 Senior Secured Notes and (iii) to be used for general corporate purposes. In July 2021, the amount of this facility was fully drawn. In December 31, 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan II (as defined herein). The refinancing was completed during January 2022. As of December 31, 2021, the total outstanding balance of this facility amounted to \$64.6 million, including \$0.6 million of accrued interest, and is presented under the caption “Loans payable to affiliate companies, net of current portion”. For information on the \$115.0 million NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements included in this Annual Report.

NSM Loan I

In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019 (the “NSM Loan I”). Pursuant to NSM Loan I, a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127.6 million, in two tranches. The first tranche of \$48.6 million represents borrowings already made available to the Company and the second tranche of \$79.1 million represents new borrowings to be made available in exchange for the release by NSM of certain existing collateral. On January 5, 2022, the amount under this facility was fully drawn. For information on the NSM Loan I, see Note 16 “Transactions with Related Parties” in the consolidated financial statements included in this Annual Report.

NSM Loan II

In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021 (the “NSM Loan II” and, together with NSM Loan I, the “NSM Loans”). Pursuant to NSM Loan II, a wholly-owned subsidiary of NSM made up to \$135.0 million available to the Company under a secured term loan in two tranches. The first tranche of \$64.1 million represents outstanding borrowings already made available and the second tranche of \$71.0 million represents new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. On January 5, 2022, the amount under this facility was fully drawn. For information on NSM Loan II, see Note 16 “Transactions with Related Parties” in the consolidated financial statements included in this Annual Report.

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24.0 million in the form of the Convertible Debenture. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

Convertible Debenture

In December 2021, Navios Holdings entered into the convertible debenture with NSM (the “Convertible Debenture”), covering an upfront fee of \$24.0 million, accrued interest on the NSM Loans, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% PIK, payable at maturity, if not earlier converted into shares of our common stock.

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the “Series I Preferred Stock”) on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 9,133,147 shares of Common Stock issuable as of April 4, 2022 upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

Sale and Leaseback Agreements

In the first quarter of 2020, the Company entered into two sale and leaseback agreements of \$68.0 million in total, with unrelated third parties for two Capesize vessels (the “Sale and Leaseback Agreements”). Navios Holdings has no purchase obligation to acquire the vessels at the end of the lease term, however, it is reasonably certain that respective purchase options will be exercised and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the Sale and Leaseback Agreements as a financial liability.

The Sale and Leaseback Agreements are repayable by 144 consecutive monthly payments of approximately \$0.2 million each, commencing as of January 2020 and March 2020, respectively. As of December 31, 2021, the outstanding balance under the Sale and Leaseback Agreements of the two Capesize vessels was \$57.4 million in total. The agreements mature in the fourth quarter of 2031 and first quarter of 2032, respectively, with a balloon payment of \$0.8 million per vessel on the last repayment date.

In December 2021, Navios Holdings entered into four new sale and leaseback agreements of \$77.0 million in total, with unrelated third parties, in order to finance four dry bulk vessels. In December 2021, three of the four new sale and leaseback agreements were drawn down amounting to \$58.0 million in total.

Two dry bulk vessels are repayable by 96 consecutive payments of approximately \$0.5 million each, commencing as of December 2021. One dry bulk vessel is repayable by 72 consecutive monthly payments of approximately \$0.7 million, commencing as of December 2021. Two of the agreements mature in the fourth quarter of 2029 and one in the fourth quarter of 2027, respectively, with a balloon payment of \$3.6 million each for two dry bulk vessels and \$3.5 million for one dry bulk vessel on the last repayment date. As of December 31, 2021, the outstanding balance under the new Sale and Leaseback Agreements of the three dry bulk vessels was \$57.4 million in total.

The fourth sale and leaseback agreement amounting to \$19.0 million was drawn down in January, 2022, and is repayable by 84 consecutive monthly payments of approximately \$0.6 million. The fourth sale and leaseback agreement matures in the first quarter of 2029 with a balloon payment of \$1.0 million.

In March 2022, Navios Holdings entered into a sale and leaseback agreement to finance one dry bulk vessel. The fifth sale and leaseback agreement amounting to \$12.0 million was drawn down in March 2022 and is repayable by 60 consecutive monthly payments of approximately \$0.5 million. The fifth sale and leaseback agreement matures in the first quarter of 2027 with a balloon payment of \$1.6 million.

The Sale and Leaseback Agreements have no financial covenants.

Navios Logistics Debt

2022 Logistics Senior Notes

On April 22, 2014, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and, together with Navios Logistics (the “Logistics Co-Issuers”) issued \$375.0 million in aggregate principal amount of its Senior Notes due on May 1, 2022 (the “2022 Logistics Senior Notes”), at a fixed rate of 7.25%. The 2022 Logistics Senior Notes were unregistered were fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics’ direct and indirect subsidiaries except for three subsidiaries, which were deemed to be immaterial, and Logistics Finance, which was the co-issuer of the 2022 Logistics Senior Notes. The 2022 Logistics Senior Notes were redeemed in full on July 16, 2020 at 100% of their face amount, plus accrued and unpaid interest to the redemption date with the proceeds of the 2025 Logistics Senior Notes. Following this transaction, Navios Logistics recognized a loss of \$2.7 million relating to the accelerated amortization of the unamortized deferred financing costs and is included in the consolidated statements of comprehensive income/(loss) under the caption “Gain on bond and debt extinguishment, net”.

Navios Logistics Term Loan B Facility

On November 3, 2017, Navios Logistics and Logistics Finance, as co-borrowers, completed the issuance of a \$100.0 million Term Loan B Facility (the “Navios Logistics Term Loan B Facility”). The Navios Logistics Term Loan B Facility bore an interest rate of LIBOR plus 475 basis points and has a four-year term with 1.0% amortization per annum. The Navios Logistics Term Loan B Facility was repaid in full on July 8, 2020 at par plus accrued and unpaid interest to the repayment date with the proceeds of the 2025 Logistics Senior Notes. Following this transaction, Navios Logistics recognized a loss of \$1.6 million relating to the accelerated amortization of the unamortized deferred financing costs and is included in the consolidated statements of comprehensive income/(loss) under the caption “Gain on bond and debt extinguishment, net”.

2025 Logistics Senior Notes

On July 8, 2020, Navios Logistics and its wholly-owned subsidiary Logistics Finance issued \$500.0 million in aggregate principal amount of senior secured Notes due on July 1, 2025, at a fixed rate of 10.75%. The net proceeds from the offering of the 2025 Logistics Senior Notes, amounting to \$487.5 million, were used to satisfy and discharge the indenture governing the 2022 Logistics Senior Notes, amounting to \$375.0 million, to repay all amounts outstanding under the Navios Logistics’ Term Loan B Facility, amounting to \$97.5 million and to pay certain fees and expenses related to the offering, with the balance to be used for general corporate purposes. Following this transaction, the Company recognized a loss of \$4.2 million in its consolidated statements of comprehensive income/(loss) under the caption “Gain on bond and debt extinguishment” for the year ended December 31, 2020, relating to the accelerated amortization of the unamortized deferred finance costs.

On or after August 1, 2022, the Logistics Co-Issuers may redeem some or all of the 2025 Logistics Senior Notes at the redemption prices set forth in the indenture governing the 2025 Logistics Senior Notes. In addition, before August 1, 2022, the Logistics Co-Issuers may redeem up to 35% of the aggregate principal amount of the 2025 Logistics Senior Notes at a price equal to 110.750% of the principal amount of the 2025 Logistics Senior Notes to be redeemed plus accrued and unpaid interest, if any, to the redemption date with an amount equal to the net cash proceeds of one or more equity offerings so long as at least 50% of the originally issued aggregate principal amount of the 2025 Logistics Senior Notes remains outstanding. Prior to August 1, 2022, the Logistics Co-Issuers may also redeem all or a part of the 2025 Logistics Senior Notes at a redemption price equal to the sum of: (a) 100% of the principal amount of the 2025 Logistics Senior Notes to be redeemed; plus (b) the applicable “make-whole” premium described in the Indenture governing the 2025 Logistics Senior Notes, plus (c) accrued and unpaid interest, if any, on the 2025 Logistics Senior Notes to be redeemed, to (but excluding) the applicable redemption date, subject to the right of holders of notes on the relevant record date to receive interest due on all the relevant interest payment dates. The Logistics Co-Issuers may also redeem all, but not less than all, of the 2025 Logistics Senior Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon certain changes in law that would trigger the payment of withholding taxes. Furthermore, upon the occurrence of certain change of control events, the Logistics Co-Issuers may be required to offer to purchase 2025 Logistics Senior Notes from holders at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any.

The 2025 Logistics Senior Notes are senior secured obligations of the Logistics Co-Issuers and rank equal in right of payment to all of their existing and future senior indebtedness and senior in right of payment to all of their future subordinated indebtedness. The 2025 Logistics Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of the Navios Logistics’ direct and indirect subsidiaries, other than the Logistics Co-Issuer. The 2025 Logistics Senior Notes are secured by (i) first priority ship mortgages on four tanker vessels servicing the Navios Logistics’ cabotage business (the (1) Elena H, (2) Makenita H, (3) Sara H and (4) He Man H) owned by certain subsidiary guarantors (such guarantors, the “Mortgaged Vessel Guarantors”) and related assignments of earnings and insurance together with a first priority lien on the capital stock of each Mortgaged Vessel Guarantor; and (ii) an assignment by way of security of the Vale port contract (collectively, the “Collateral”). The 2025 Logistics Senior Notes are effectively senior to all existing and future obligations of the subsidiary guarantors that own Collateral to the extent of the value of the Collateral but effectively junior to any existing and future secured obligations of the Logistics Co-Issuers and the subsidiary guarantors that are secured by assets other than the Collateral to the extent of the value of any assets securing such other obligations. The indenture governing the 2025 Logistics Senior Notes contains restrictive covenants that limit, among other things, the ability of the Logistics Co-Issuers and their restricted subsidiaries to incur additional indebtedness, pay dividends and make distributions on common and preferred stock, make other restricted payments, make investments, incur liens, consolidate, merge, sell or otherwise dispose of all or substantially all of their assets and enter into certain transactions with affiliate companies, in each case, subject to exclusions, and other customary covenants. The indenture governing the 2025 Logistics Senior Notes also contains customary events of default.

The Logistics Co-Issuers were in compliance with the covenants as of December 31, 2021.

As of December 31, 2021, and December 31, 2020, deferred financing costs associated with the 2025 Logistics Senior Notes amounted to \$15.9 million and \$19.4 million, respectively.

Navios Logistics Notes Payable

In connection with the purchase of mechanical equipment for the expansion of its dry port terminal, CNSA entered into an unsecured export financing line of credit for a total amount of \$42.0 million, including all related fixed financing costs of \$5.9 million, available in multiple drawings upon the completion of certain milestones (“Drawdown Events”). CNSA incurs the obligation for the respective amount drawn by signing promissory notes (“Navios Logistics Notes Payable”). Each drawdown is repayable in 16 consecutive semi-annual installments, starting six months after the completion of each Drawdown Event. Together with each Navios Logistics Notes Payable, CNSA shall pay interest equal to six-month LIBOR. The unsecured export financing line is fully and unconditionally guaranteed by Ponte Rio S.A. As of December 31, 2021, Navios Logistics had drawn the total available amount and the outstanding balance of Navios Logistics Notes Payable was \$12.5 million.

Navios Logistics New BBVA Facility

On February 28, 2020, Navios Logistics entered into a \$25.0 million loan facility with Banco Bilbao Vizcaya Argentaria (the “Navios Logistics New BBVA Facility”), which was drawn on July 8, 2020. The Navios Logistics New BBVA Facility was used to repay the then existed debt with the bank, and for general corporate purposes. The Navios Logistics New BBVA Facility bore interest at a rate of LIBOR (180 days) plus 325 basis points, was repayable in quarterly installments with final maturity on March 31, 2022 and was secured by assignments of certain receivables. As at December 31, 2021, the outstanding balance was \$12.0 million. On March 23, 2022, Navios Logistics entered into the Navios Logistics 2022 BBVA Facility with the bank in order to refinance the outstanding balance of Navios Logistics New BBVA Facility through the Navios Logistics 2022 BBVA Facility. Please refer to Recent Developments.

Navios Logistics was in compliance with the covenants set forth in the Navios Logistics New BBVA Facility as of December 31, 2021.

Navios Logistics Alpha Bank Loan

On May 18, 2017, Navios Logistics entered into a \$14.0 million term loan facility in order to finance the acquisition of two product tankers (“Navios Logistics Alpha Bank Loan”). The Navios Logistics Alpha Bank Loan bears interest at a rate of LIBOR (90 days) plus 315 basis points and is repayable in 20 quarterly installments with a final balloon payment of \$7.0 million on the last repayment date. In December 2021, Navios Logistics agreed to amend the Navios Logistics Alpha Bank Loan, extending its maturity and amending the repayment schedule. Following the amendment, the \$7.0 million final balloon payment of the Navios Logistics Alpha Bank Loan, which was due on May 18, 2022, is repayable in twelve quarterly installments, beginning on August 18, 2022, with a final balloon payment of \$2.8 million. As of December 31, 2021, the outstanding amount of the loan was \$7.7 million.

Navios Logistics was in compliance with the covenants set forth in the Navios Logistics Alpha Bank Loan as of December 31, 2021.

Seller’s Credit Agreement for the construction of six liquid barges

In December 2020, Navios Logistics entered into a \$13.5 million seller’s credit agreement for the construction of six liquid barges to be made available by way of credit in six equal tranches. Each drawdown is repayable in 20 quarterly installments starting from the delivery of each barge. The seller’s credit for the construction of the six liquid barges bears interest at a fixed rate of 8.5%. As of December 31, 2021, Navios Logistics had drawn the total available amount and the outstanding balance was \$11.2 million.

Seller’s Credit Agreement for the Navios Logistics’ 2020 Fleet

In the fourth quarter of 2020, Navios Logistics entered into a purchase agreement with an unrelated third party for the acquisition of three pushboats and 18 tank barges (the “Navios Logistics’ 2020 Fleet”). The acquisition was completed on March 22, 2021, and the Company entered into a \$15.0 million seller’s credit agreement for the acquisition of the Navios Logistics’ 2020 Fleet. The seller’s credit agreement bears interest at a fixed rate of 5.0% per annum and is payable in three equal annual installments of \$5.0 million. As of December 31, 2021, the outstanding balance was \$15.0 million.

Navios Logistics Other long-term loans

In connection with the acquisition of Hidronave S.A. on October 29, 2009, Navios Logistics assumed a \$0.8 million loan facility that was entered into by Hidronave S.A. in 2001, in order to finance the construction of the pushboat Nazira. The loan facility bore interest at a fixed rate of 600 basis points. The loan was repayable in monthly installments of less than \$0 million. In September 2021, this loan was repaid in full.

Navios Logistics was in compliance with all the covenants set forth in this facility as of December 31, 2021.

During the year ended December 31, 2021, the Company in relation to its secured credit facilities paid \$189.5 million related to scheduled repayment installments and \$36.2 million related to the prepayment of four of Navios Holdings' credit facilities. During the year ended December 31, 2021, the proceeds from the \$115.0 NSM Loan was \$115.0 million and from the three Sale and Leaseback Agreements for Navios Holdings were \$58.0 million.

The annual weighted average interest rates of the Company's total borrowings were 8.78%, 7.89% and 7.70% for the years ended December 31, 2021, 2020 and 2019, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of December 31, 2021, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

Year	Amount in millions of U.S. dollars
2022 (including total accrued interest of \$0.9 million of NSM Loan & \$50.0 million NSM Loan)	\$ 308.9
2023	87.0
2024	211.2
2025	561.1
2026	177.3
2027 and thereafter	60.3
Total	\$ 1,405.8

Working Capital Position and bond maturities:

As of December 31, 2021, Navios Holdings' current assets totaled \$229.4 million, while current liabilities excluding operating lease liabilities, current portion totaled \$442.7 million, resulting in a negative working capital position of \$213.3 million, primarily related to the classification as current of \$164.9 million of the 2022 Notes and \$105.0 million of the 2022 Senior Secured Notes as described below and in Note 11 "Borrowings" to the consolidated financial statements included in this Annual Report.

As of December 31, 2021, Navios Holdings had redeemed \$150.0 million at par of the 2022 Senior Secured Notes after issuing four notices of redemption, one in July 2021 for \$100.0 million, two in September for \$20.0 million each and one in October for \$10.0 million. After these redemptions, \$155.0 million in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding, which mature in August 2022.

As of December 31, 2021, Navios Holdings had repurchased \$21.4 million at par value of the 2022 Notes, which mature in January 2022. In January 2022, Navios Holdings fully repaid \$455.6 million that remained outstanding under its 2022 Notes and expects to repay the remaining amount of the 2022 Senior Secured Notes outstanding as of December 31, 2021, through a combination of (i) additional borrowing of \$150.0 million secured under the NSM I and NSM II Loans (as defined herein); (ii) a term loan facility with Credit Agricole CIB ("CACIB") and BNP Paribas ("BNPP") of \$105.0 million; (iii) a term loan facility with Hamburg Commercial Bank AG ("HCOB") of \$101.8 million; (iv) sale and leaseback agreements of \$77.0 million and (v) cash flows from operations and/or proceeds from sale of vessels and other assets. In March 2022, Navios Holdings issued a fifth notice of redemption with respect to an aggregate principal amount of \$25.0 million at par of the 2022 Senior Secured Notes with redemption date being March 30, 2022. After this redemption, \$130.0 million in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding, which mature in August 2022. For more information on the above-mentioned financing sources, see Note 11 "Borrowings" to the consolidated financial statements included in this Annual Report.

Based on internal forecasts and projections that take into account potential changes in Company's trading performance and the ability to sell vessels and other assets, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least twelve months from the date of issuance of the consolidated financial statements included in this Annual Report. Although internal forecasts and projections, and specifically the estimated daily time charter equivalent for the unfixed days, are driven by market data and are subject to future volatility along with other factors outside the control of the Company, with the existence of alternative liquidity sources and management's ability to utilize them if needed, management concludes that substantial doubt about the Company's ability to continue as a going concern has been alleviated as of the date of the issuance of the consolidated financial statements included in this Annual Report.

Capital Expenditures:

In December 2017, Navios Holdings agreed to charter-in, under a ten-year bareboat contract, from an unrelated third party the Navios Galaxy II, a newbuilding bulk carrier vessel of 81,789 dwt. On March 30, 2020, Navios Holdings took delivery of the Navios Galaxy II. The Company has agreed to pay in total \$5.4 million representing a deposit for the option to acquire the vessel, of which \$2.7 million was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$6.7 million, including expenses and interest, is presented under the caption "Other long-term assets".

In January 2018, Navios Holdings agreed to charter-in, under two ten-year bareboat contracts, from an unrelated third party the Navios Herakles I and the Navios Uranus, two newbuilding bulk carriers of 82,036 dwt and 81,516 dwt, respectively. On August 28, 2019, Navios Holdings took delivery of the Navios Herakles I. On November 28, 2019, Navios Holdings took delivery of the Navios Uranus. Navios Holdings has agreed to pay in total \$11.1 million, representing a deposit for the option to acquire these vessels, of which \$8.3 million was paid during the year ended December 31, 2018 and the remaining \$2.8 million was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$14.1 million, including expenses and interest, is presented under the caption "Other long-term assets".

In April 2018, Navios Holdings agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party the Navios Felicity I, a newbuilding bulk carrier of 81,946 dwt. On January 17, 2020 Navios Holdings took delivery of the Navios Felicity I. Navios Holdings has agreed to pay in total \$5.6 million, representing a deposit for the option to acquire this vessel, of which \$2.3 million was paid during the year ended December 31, 2018 and the remaining \$2.8 million was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$7.2 million, including expenses and interest, is presented under the caption "Other long-term assets".

In October 2018, Navios Holdings agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party the Navios Magellan II, a newbuilding bulk carrier of 82,037 dwt. On May 15, 2020, Navios Holdings took delivery of the Navios Magellan II. Navios Holdings has agreed to pay in total \$5.8 million, representing a deposit for the option to acquire this vessel, of which \$2.9 million was paid during the year ended December 31, 2018 and the remaining \$2.9 million was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$7.5 million, including expenses and interest, is presented under the caption "Other long-term assets".

Navios Logistics

During the first quarter of 2021, Navios Logistics completed the construction of six liquid barges and transferred a total of \$19.5 million to "Vessels, port terminals and other fixed assets, net" in the consolidated statement of financial position of which capitalized interest amounted to \$1.1 million.

During the first quarter of 2021, Navios Logistics completed the construction of two new tanks in its liquid port terminal and transferred a total of \$1.8 million to "Vessels, port terminals and other fixed assets, net" in the consolidated statement of financial position.

In the fourth quarter of 2020, Navios Logistics entered into a purchase agreement with an unrelated third party for the acquisition of the Navios Logistics 2020 Fleet, for a purchase price of \$30.0 million. The acquisition was completed on March 22, 2021. As of December 31, 2021, a total amount of \$32.0 million was transferred to the caption "Vessels, port terminals and other fixed assets, net".

During the second quarter of 2021, Navios Logistics completed the installation of a crane in its grain port terminal and a total of \$3.8 million was transferred to "Vessels, port terminals and other fixed assets, net" in the consolidated statement of financial position. Since 2018, Navios Logistics has acquired a total of approximately 9.0 hectares of undeveloped land located in the Port Murtinho. Navios Logistics plans to develop this land for its port operations. As of December 31, 2021, Navios Logistics had paid \$2.3 million for the land acquisition and capitalized expenses for the development of its port operations and its planned investment for this project is approximately \$35 million (Navios Logistics currently has no material commitments for this project).

Navios Containers

During the period from January 1, 2019 to August 30, 2019 (date of loss of control), expansion capital expenditures of \$53.1 million related to the acquisition of one containership which Navios Containers took delivery of during the above-mentioned period.

Dividend Policy

In November 2015, Navios Holdings announced that the Board of Directors decided to suspend the quarterly dividend to its common stockholders in order to conserve cash and improve its liquidity. In February 2016, in furtherance of its efforts to reduce its cash requirements, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G and Series H, until market conditions improve. The Board of Directors and Navios Holdings' management believe such a decision is in the best long-term interests of the Company and its stakeholders. The Board of Directors will reassess the Company's distribution policy as the environment changes. The reinstatement, declaration and payment of any further dividend remains subject to the discretion of the Board of Directors and will depend on, among other things, market conditions, Navios Holdings' cash requirements after taking into account market opportunities, restrictions under its equity instruments, credit agreements, indentures and other debt obligations and such other factors as the Board of Directors may deem advisable.

Dividends from Navios Logistics—Acquisition of noncontrolling interest

On July 30, 2021, Navios Logistics declared and paid a pro rata dividend to the holders of its common equity in shares of Grimaud Ventures S.A. ("Grimaud"). All transactions were eliminated on consolidated level as of that date. Immediately thereafter, Grimaud agreed to redeem the equity interests held by its non-controlling shareholder in full at fair market value. Please see also Note 17 included elsewhere in this Annual Report.

Concentration of Credit Risk:

Accounts receivable

Concentration of credit risk with respect to accounts receivables is limited due to Navios Holdings' large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in Navios Holdings' trade receivables. For the year ended December 31, 2021, two customers accounted for 10.7% each, of the Company's revenue. For the year ended December 31, 2020, two customers accounted for 16.4% and 11.2%, respectively, of the Company's revenue. For the year ended December 31, 2019, two customers accounted for 17.1% and 14.4%, respectively, of the Company's revenue.

Cash deposits with financial institutions

Cash deposits in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Holdings does maintain cash deposits in excess of government-provided insurance limits. Navios Holdings also reduces exposure to credit risk by dealing with a diversified group of major financial institutions.

Effects of Inflation:

Navios Holdings does not consider inflation to be a significant risk to the cost of doing business in the foreseeable future. The Company considered various factors in assessing the impact of Argentina's highly inflationary economy on Navios Logistics, among which, the sales, the financing arrangements, the working capital, the employee salaries and taxes. The Company does not consider inflation to be a significant risk factor to the cost of doing business in the foreseeable future as the functional currency of the Company's Argentinian subsidiary is the U.S. dollar and the day-to-day operations of the Company's Argentinian subsidiary are dependent on the economic environment of the Company's U.S. dollar currency. As a result, the Company concluded that the determination that the fact that the Argentine economy is highly inflationary did not have a material impact on Navios Logistics' financial statements and as such, did not result in the remeasurement of its financial statements.

C. Research and development, patents and licenses, etc.

Not applicable.

D. Trend information

Our results of operations depend primarily on the charter hire rates that we are able to realize for our vessels, which depend on the demand and supply dynamics characterizing the dry bulk market at any given time. For other trends affecting our business, please see other discussions in Item 5. “Operating and Financial Review and Prospects”.

E. Critical Accounting Estimates

Critical Accounting Policies

Navios Holdings’ consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Navios Holdings to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of its financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. Navios Holdings has described below what it believes are its most critical accounting policies that involve a high degree of judgment and the methods of their application. For a description of all of Navios Holdings’ significant accounting policies, see Note 2 “Summary of Significant Accounting Policies” to the consolidated financial statements, included herein.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates the estimates and judgments. Estimates and judgements management evaluates relate to, among other things, uncompleted voyages, future drydock dates, the assessment of other-than-temporary impairment related to the carrying value of investments in affiliate companies, the selection of useful lives for tangible and intangible assets, expected future cash flows from long-lived assets and operating lease assets to support impairment tests, impairment test for goodwill, allowance for credit losses necessary for accounts receivables and demurrages, provisions for legal disputes, pension benefits, contingencies and guarantees. Management bases its estimates and judgments on historical experience and on various other factors that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The spread of the COVID-19 pandemic, which the World Health Organization declared a pandemic in 2020, has caused substantial disruptions in the global economy and the shipping industry, as well as significant volatility in the financial markets, the severity and duration of which remains uncertain

The impact of the COVID-19 pandemic continues to unfold and may continue to have negative effect on our business, financial performance and the results of our operations, including due to decreased demand for global seaborne dry bulk trade and charter rates, the extent of which will depend largely on future developments. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods. Actual results could differ from those estimates under different assumptions and/or conditions.

Stock-Based Compensation: In December 2021, December 2020, February and December 2019, the Company authorized the grant of restricted common stock. In December 2017, the Company authorized the grant of restricted common stock and restricted stock units. These awards of restricted share units, share appreciation rights, restricted common stock, restricted stock units and stock options are based on service conditions only and vest over three and four years. See also Note 13 “Employee Benefit Plans” to the consolidated financial statements included in this Annual Report.

The fair value of share appreciation rights and stock option grants is determined with reference to option pricing model and principally adjusted Black-Scholes models. The fair value of restricted share units, restricted stock and restricted stock units is determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Compensation expense for the awards that vest upon achievement of the performance criteria is recognized when it is probable that the performance criteria will be met and are being accounted for as equity.

Impairment of Long Lived Assets: Vessels, other fixed assets and other long-lived assets held and used by the Company are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Holdings' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value.

Navios Holdings

Navios Holdings determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, the unamortized portion of ballast water treatment system and the unamortized portion of other capitalized items, if any related to the vessel or the carrying value of deposits for newbuildings. The loss recognized either on impairment (or on disposition) will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

Where the undiscounted projected net operating cash flows for each asset group do not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeds to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determines the fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations performed on an individual vessel basis.

As of December 31, 2021, the Company considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook, and concluded for the Dry Bulk Vessel Operations that no events and circumstances occurred, which could trigger the existence of potential impairment of the Company's vessels. As a result, no step one of impairment assessment was performed, as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that events occurred, and circumstances had changed, which indicated that potential impairment of the Company's long-lived assets could exist. These indicators included continued volatility in the spot market, and the related impact of the current dry bulk sector on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for each vessel and compared it to the vessel's carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to the vessel. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and 10-year average historical one-year time charter rates) over the remaining economic life of each vessel, net of brokerage and address commissions excluding days of scheduled off-hires, management fees for vessel operating expenses fixed until 2021 and thereafter assuming an annual increase of 3.0% every second year and a utilization rate of 99.3% based on the fleet's historical performance.

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for two of our dry bulk vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value for such vessels. As a result, the Company recorded an impairment loss of \$52.8 million for the two dry-bulk vessels, representing the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to these vessels. The impairment is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

As of December 31, 2019, the Company recorded an impairment loss of \$84.6 million for two dry bulk vessels, representing the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs and ballast water treatment system costs, if any, related to these vessels. The impairment is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

Navios Logistics

As of December 31, 2021, management concluded that for the Logistics Business that operates tanker vessels in its cabotage business, certain events and circumstances had changed as of December 31, 2021, indicating a potential impairment of two of the Logistics Business's tanker vessels. These events and circumstances included the extended period in which its tanker vessels operating in the cabotage business have been without a long-term time charter contract. The extended delay is the result of the status of the current tanker market and the vessels' capacity. Vessels' capacity appears to be limited to trading in the markets of Argentina and Uruguay.

Navios Logistics recorded an impairment loss of \$21,966 for two of its tanker vessels operating in its cabotage business, representing the difference between the carrying value of the vessels including the carrying value of deferred drydock and special survey costs related to these vessels, and their respective fair values. Navios Logistics determined the fair value of its assets on the basis of evaluations provided by third-party independent shipbrokers and compared them to the carrying value of the vessels including the unamortized portion of deferred drydock and special survey costs. The impairment loss recognized reflected the excess of carrying value over fair value for the vessel asset group. The impairment loss is included under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss). See Note 7 "Vessels, Port Terminals and Other Fixed Assets, Net" in the consolidated financial statements included in this Annual Report.

No impairment loss was recorded as of December 31, 2020 and 2019, respectively.

Dry Bulk Vessels, Port Terminals, Tanker Vessels, Barges, Pushboats and Other Fixed Assets, net:

Dry bulk vessels, port terminals, tanker vessels, barges, pushboats and other fixed assets acquired as parts of business combinations are recorded at fair value on the date of acquisition, and if acquired as an asset acquisition, are recorded at cost (including transaction costs). Vessels constructed by the company would be stated at historical cost, which consists of the contract price, capitalized interest and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capability or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying consolidated statements of comprehensive income/(loss).

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the useful life of the vessels, port terminals, tanker vessels, barges, pushboats and other fixed assets, after considering the estimated residual value.

Annual depreciation rates used, which approximate the useful life of the assets are:

Dry bulk vessels	25 years
Port terminals	5 to 49 years
Tanker vessels, barges and pushboats	15 to 45 years
Furniture, fixtures and equipment	3 to 10 years
Computer equipment and software	5 years
Leasehold improvements	shorter of lease term or 6 years

Management estimates the residual values of the Company's dry bulk vessels based on a scrap value cost of steel times the weight of the ship noted in lightweight tons ("LWT"). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or for other reasons. Revisions of residual values affect the depreciable amount of the vessels and the depreciation expense in the period of the revision and future periods. Management estimates the residual values of the Company's vessels based on a scrap rate of \$340 per LWT after considering current market trends for scrap rates and ten-year average historical scrap rates of the residual values of the Company's vessels.

Management estimates the useful life of its dry bulk vessels to be 25 years from the vessel's original construction. However, when regulations place limitations on the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

Deferred Drydock and Special Survey Costs:

The Company's vessels, barges and pushboats are subject to regularly scheduled drydocking and special surveys which are carried out every 30 and 60 months, respectively, for ocean-going vessels, and up to every 72 to 96 months for pushboats and barges, to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained (in rare cases) and under certain other conditions. The costs of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined. Unamortized drydocking or special survey costs of vessels, barges and pushboats sold are written-off to income in the year the vessel, barge or pushboat is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period.

Goodwill and Other Intangibles:

(i) Goodwill: Goodwill is tested for impairment at the reporting unit level at least annually.

The Company evaluates impairment of goodwill using a single step process following the adoption of ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350)" as of January 1, 2020. The aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. The Company determines the fair value of the reporting unit based on a combination of the income approach (i.e. discounted cash flows) and market approach (i.e. comparative market multiples) and believes that the combination of these two approaches is the best indicator of fair value for its individual reporting units. Goodwill impairment loss is measured as the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

As of December 31, 2021, the Company performed its impairments test for its reporting units within: the Dry Bulk Vessel Operations and the Logistics Business. The Company additionally considered that its market capitalization continued to remain at a level well below the carrying amount.

As of December 31, 2021, the Company performed the impairment test for the Dry Bulk Vessel Operations reporting unit, which is allocated goodwill of \$56.2 million. The impairment test revealed that the fair value of the Dry Bulk Vessel Operations reporting unit exceeded its carrying amount.

The fair value of the Dry Bulk Vessel Operations reporting unit was estimated using a combination of income and market approaches. For the income approach, the expected present value of future cash flows used judgments and assumptions that management believes were appropriate in the circumstances. The significant factors and assumptions the Company used in its discounted cash flow analysis included: EBITDA, the discount rate used to calculate the present value of future cash flows and future capital expenditures. EBITDA assumptions included revenue assumptions, general and administrative expense growth assumptions and direct vessel expense growth assumptions. The future cash flows were determined by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average of historical one-year time charter rates). The Company believes this approach to be objective for forecasting charter rates over an extended time period for long-lived assets and consistent with the cyclical nature of the industry. In addition, a weighted average cost of capital ("WACC") was used to discount future estimated cash flows to their present values. The WACC was based on externally observable data considering market participants' and the Company's cost of equity and debt, optimal capital structure and risk factors specific to the Company. The market approach estimated the fair value of the Company's business based on comparable publicly-traded companies in its industry. In assessing the fair value, the Company utilized the results of the valuations and considered the range of fair values determined under all methods which indicated that the fair value exceeded the carrying amount.

As of December 31, 2021, the Company performed the impairment test for the Logistics Business, which is allocated goodwill of \$104.1 million. The impairment test used the income method and revealed that the fair value substantially exceeded the carrying amount of its net assets. The significant factors and assumptions used by management in the discounted cash flow analysis for the Logistics Business included a combination of revenues from existing contracts and estimated revenues based on the historical performance of the segment, including utilization rates and actual storage capacity.

No impairment loss was recorded for any of the periods presented for both the Dry Bulk Vessel Operations and the Logistics Business.

(ii) Intangibles Other Than Goodwill: Navios Holdings' intangible assets and liabilities consist of trade name, customer relationships, port terminal operating rights, favorable lease terms and unfavorable lease terms. The fair value of the trade name was determined based on the "relief from royalty" method, which values the trade name based on the estimated amount that a company would have to pay in an arm's length transaction to use that trade name. The trade name is amortized under the straight-line method over 32 years. Navios Logistics' trade name is amortized under the straight-line method over 10 years, and was fully amortized as of December 31, 2019.

The fair value of customer relationships of Navios Logistics was determined based on the "excess earnings" method, which relies upon the future cash flow generating ability of the asset. Customer relationships are amortized using the straight-line method.

The Company reviews its other intangibles, such as trade name, customer relationships, port terminal operating rights, favorable lease terms and unfavorable lease terms periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Intangibles other than goodwill would be considered impaired if their carrying value is not recovered from the future undiscounted cash flows associated with the asset (step one). Measurement of the impairment loss is determined as the difference between the carrying amount and the fair value of the intangible asset. The Company determines the fair value of its intangible assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of intangible assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires the Company to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of the Company's vessels and the Company's weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on the Company's financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense is included in the statements of comprehensive income/(loss) under the caption "Depreciation and amortization" in the consolidated financial statements.

The amortizable value of favorable leases would be considered impaired if the carrying value of such leases could not be recovered from the future undiscounted cash flows associated with the asset. Vessel purchase options that have not been exercised, which are included in favorable lease terms, would be considered impaired if the carrying value of an option, when added to the option price of the vessel, exceeded the fair value of the vessel.

Vessel purchase options that are included in favorable leases are not amortized and when the purchase option is exercised, the asset is capitalized as part of the cost of the vessel and depreciated over the remaining useful life of the vessel and if not exercised, the intangible asset is written off. Vessel purchase options that are included in unfavorable lease terms are not amortized and when the purchase option is exercised by the charterer and the underlying vessel is sold, it will be recorded as part of gain/loss on sale of the assets. If the option is not exercised at the expiration date, it is written-off in the consolidated statements of comprehensive income/(loss).

No favorable and unfavorable lease terms have been identified for the years ended December 31, 2021 and 2020.

As of December 31, 2021, the Company concluded that no events and circumstances occurred that could trigger the existence of potential impairment of the Navios Holdings trade name, and the Company's other intangible assets such as port terminal operating rights and customer relationships. As a result, step one of impairment assessment was not required as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that certain events occurred and circumstances had changed indicating a potential impairment of the Navios Holdings trade name.

These changes in events and circumstances included continued volatility in the spot market, and the impact of the current dry bulk sector on management's expectation for future revenues. As a result, an impairment assessment for trade name (step one) was performed.

The significant factors and assumptions the Company used in the undiscounted cash flow analysis of its trade name included: revenue assumptions, specifically the future cash flows were determined by considering the charter revenues of the Dry Bulk Vessel Operations from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average historical one-year time charter rates) and the respective "relief from royalty" rate applied to the future cash flows of the Dry Bulk Vessel Operations.

No impairment loss was recorded for the Company's intangible assets as of December 31, 2021, 2020 and 2019.

The weighted average amortization periods for intangibles are:

Intangible assets	Years
Trade name	32
Port terminal operating rights	47
Customer relationships	20

See also Note 3 "Sale of Management & Consolidation/Deconsolidation of Navios Containers" and Note 8 "Intangible Assets other than Goodwill" to the consolidated financial statements included in this Annual Report.

Leases: Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases. In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the consolidated balance sheets and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a gross investment in the lease.

The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease.

For charters classified as operating leases where Navios Holdings is deemed the lessor, refer to Note 2(r) "Summary of Significant Accounting Policies - Revenue and Expense Recognition" to the consolidated financial statements included in this Annual Report. The Company acts as a lessor under operating leases in connection with all of its charter out arrangements.

In cases of lease agreements where the Company acts as lessee, the Company recognizes an operating lease asset and a corresponding lease liability on the consolidated balance sheet. For charters classified as operating leases where Navios Holdings is or is deemed the lessee, the expense is recognized on a straight-line basis over the rental periods of such charter agreements. The expense is included under the caption "Time charter, voyage and logistics business expenses". During the transition to ASC 842, the operating leases assets were adjusted for the carrying amount of the straight-line liabilities on that date.

In cases of sale and leaseback agreements, if the transfer of the asset to the lessor does not qualify as a sale, then the agreement constitutes a failed sale and leaseback and is accounted for as a financial liability. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset.

Impairment of operating lease assets:

Operating lease assets used by Navios Holdings are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value of the asset group. Navios Holdings determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest (asset group). If the step two of the impairment analysis is required, the analysis includes the use of discounted cash flows which includes various assumptions, including the Company's WACC.

If management determines that step two of the impairment analysis is required for any of our asset groups, a discounted cash flow analysis using the Company's WACC is performed. The WACC is based on externally observable data considering market participants' and the Company's cost of equity and debt, optimal capital structure and risk factors specific to the Company.

Where the undiscounted projected net operating cash flows for each asset group do not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeds to perform step two of the impairment assessment.

As of December 31, 2021, the Company concluded that no events or circumstances occurred that would trigger the existence of potential impairment of its operating lease assets. As a result, no step-one impairment assessment was performed, as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that events occurred, and certain circumstances had changed, such that potential impairment of the Company's operating lease assets could exist. These events and circumstances included continued volatility in the spot market, the impact of such volatility on the current dry bulk sector, and the resulting effect on management's expectation for future revenues. As a result, an impairment assessment of operating lease assets (step one) was performed. The Company determined undiscounted projected net operating cash flows for each charter-in and bareboat-in vessel and compared those cash flows to each operating lease asset's carrying value together with the carrying value of deposits for the option to acquire a vessel including expenses and interest.

Factors and assumptions used in the undiscounted projected net operating cash flow analysis included a determination of the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed-fleet days (the Company's remaining charter agreement rates), an estimated daily time charter equivalent for the unfixed days (based on three-year average historical time charter rates) over the remaining lease term, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat-in vessels), and management fees for vessel operating expenses in accordance with the terms of the Management Agreement. The determination process assumed an annual increase of 3.0% every second year for the bareboat-in vessels.

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for two asset groups, which involved a discounted cash flow analysis using the Company's WACC. As a result, the Company recorded an impairment loss of \$1.4 million, representing the difference between the fair value of the operating lease asset and its carrying value. The impairment loss is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

As of December 31, 2019, our assessment concluded that step two of the impairment analysis was required for certain charter-in vessels, which involves a discounted cash flow analysis using the Company's WACC. As a result, the Company recorded an impairment loss of \$38.6 million, being the difference between the fair value of the operating lease asset and its carrying value. The impairment loss is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

Investment in Equity Securities:

Navios Holdings evaluates its investment in Navios Partners, and evaluated its investment in Navios Containers and Navios Acquisition (through their NMCI Merger and NNA Merger in March 2021 and September 2021, respectively), and Navios Europe I and Navios Europe II (through their liquidation in December 2019 and June 2020, respectively) for OTTI on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than the carrying value, (ii) the financial condition and near-term prospects of Navios Partners, and (iii) the intent and ability of the Company to retain its investment in Navios Partners for a period of time sufficient to allow for any anticipated recovery in fair value.

Navios Holdings considers whether the fair values of its equity method investments have declined below their carrying values whenever adverse events or changes in circumstances indicate that the carrying value may not be recoverable. If we consider any such decline to be “other-than-temporary” (based on various factors, including historical financial results, economic and industry events resulting in changes in the affiliate’s trading performance and the overall health of the affiliate’s industry), then we would write down the carrying amount of the investment to its estimated fair value.

As of December 31, 2021, the Company did not recognize any “other-than-temporary” loss in its investment in Navios Partners since we concluded that the decline in fair value of its investment in Navios Partners below its carrying value is temporary.

As of December 31, 2020, the Company did not recognize any “other-than-temporary” loss in its investments in both Navios Partners and Navios Containers. As of December 31, 2020, the Company recognized an OTTI loss of \$13.4 million relating to its investment in Navios Acquisition and the amount was included under the caption “Equity in net earnings/(losses) of affiliate companies”. During the first quarter of 2020, the Company considered the decline in fair value of its investment in Navios Europe II as OTTI and therefore recognized a loss of \$6.7 million in the accompanying consolidated statement of comprehensive income/(loss) included under the caption “Equity in net earnings/(losses) of affiliate companies”.

As of December 31, 2019, the Company did not recognize any “other-than-temporary” loss in its investment in both Navios Partners and Navios Containers. During the year ended December 31, 2019, the Company recognized an OTTI loss of \$13.5 million relating to its investment in Navios Acquisition and the amount was included under the caption “Equity in net earnings/(losses) of affiliate companies”.

Recent Accounting Pronouncements

For a description of Navios Holdings' recent accounting pronouncements, see Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements, included herein.

G. Safe Harbor

Applicable to the extent the disclosures in Item 5.E and 5.F above are eligible for the statutory safe harbor protections provided to forward-looking statements.

Item 6. Directors, Senior Management and Employees**A. Directors and Senior Management**

The current board of directors, executive officers and significant employees are as follows:

Name	Age	Position
Angeliki Frangou	57	Chairwoman of the Board and Chief Executive Officer
Georgios Akhniotis	57	Chief Financial Officer
Ted C. Petrone*	67	Vice Chairman of Navios Corporation
Vasiliki Papaefthymiou	53	Executive Vice President—Legal and Director
Anna Kalathakis	52	Chief Legal Risk Officer
Shunji Sasada*	64	President of Navios Corporation and Director
Efstratios Desypris	49	Chief Financial Controller
Ioannis Karyotis	46	Senior Vice President—Strategic Planning
Erifili Tsironi	48	Senior Vice President – Credit Management
Spyridon Magoulas	68	Director
John Stratakis	57	Director
Efstathios Loizos	60	Director
George Malanga	64	Director
Michael Pearson	45	Director

* Significant employee

Angeliki Frangou has been our Chairwoman of the Board of Directors and Chief Executive Officer since August 2005. In addition, Ms. Frangou has been the Chairwoman and Chief Executive Officer of Navios Maritime Partners L.P. (NYSE: NMM), an affiliated limited partnership, since its inception in August 2007. Ms. Frangou has also been the Chairwoman and a Member of the Board of Directors of Navios South American Logistics Inc. since its inception in December 2007. Ms. Frangou is also a Member of the Board of the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. Since 2015, Ms. Frangou has been a Member of the Board of Trustees of Fairleigh Dickinson University. Ms. Frangou also acts as Vice Chairwoman of the China Classification Society Mediterranean Committee, and is a member of the International General Committee and of the Hellenic and Black Sea Committee of Bureau Veritas, and is also a member of the Greek Committee of Nippon Kaiji Kyokai. Ms. Frangou received a Bachelor's Degree in Mechanical Engineering, summa cum laude, from Fairleigh Dickinson University and a Master's Degree in Mechanical Engineering from Columbia University.

Georgios Akhniotis has been Navios Holdings' Chief Financial Officer since April 12, 2007. Prior to being appointed Chief Financial Officer of Navios Holdings, Mr. Achniotis served as Senior Vice President-Business Development of Navios Holdings from August 2006 to April 2007. Before joining Navios Holdings, Mr. Achniotis was a partner at PricewaterhouseCoopers ("PwC") in Greece, heading the Piraeus office and the firm's shipping practice. He became a partner at PwC in 1999 when he set up and headed the firm's internal audit services department from which all SOX implementation and consultation projects were performed. Mr. Achniotis is currently a Director and Executive Vice President-Business Development of Navios Partners; a New York Stock Exchange traded limited partnership, which is an affiliate company of Navios Holdings. He has more than 20 years' experience in the accounting profession with work experience in England, Cyprus and Greece. Mr. Achniotis qualified as a Chartered Accountant in England and Wales in 1991, and holds a Bachelor's degree in Civil Engineering from the University of Manchester.

Ted C. Petrone became Vice Chairman of Navios Corporation in January 2015 having previously served as a director of Navios Holdings from May 2007 to January 2015 and President of Navios Corporation from September 2006 to January 2015. Mr. Petrone has served in the maritime industry for 45 years, 41 of which he has spent with Navios Holdings. After joining Navios Holdings as an assistant vessel operator, Mr. Petrone worked in various operational and commercial positions. Mr. Petrone was previously responsible for all aspects of the daily commercial activity, encompassing the trading of tonnage, derivative hedge positions and cargoes. Mr. Petrone is currently also a director of Navios Acquisition, a New York Stock Exchange listed company, and an affiliate company of Navios Holdings; and has served in such capacity since June 2008. Mr. Petrone graduated from New York Maritime College at Fort Schuyler with a Bachelor of Science degree in maritime transportation. He has served aboard U.S. Navy (Military Sealift Command) tankers.

Vasiliki Papaefthymiou has been Executive Vice President — Legal and a member of Navios Holdings’ board of directors since its inception, and prior to that was a member of the board of directors of ISE. Ms. Papaefthymiou has served as general counsel for Maritime Enterprises Management S.A. since October 2001, where she has advised the Company on shipping, corporate and finance legal matters. Ms. Papaefthymiou provided similar services as general counsel to Franser Shipping from October 1991 to September 2001. Ms. Papaefthymiou received her undergraduate degree from the Law School of the University of Athens and a Master’s Degree in Maritime Law from Southampton University in the United Kingdom. Ms. Papaefthymiou is admitted to practice law before the Bar in Piraeus, Greece.

Anna Kalathakis has been Chief Legal Risk Officer since November 2012, and Senior Vice President — Legal Risk Management of Navios Maritime Holdings Inc. from December 2005 until October 2012. Before joining Navios Holdings, Ms. Kalathakis was the General Manager of the Greek office of A. Bilbrough & Co. Ltd. and an Associate Director of the Company (Managers of the London Steam-Ship Owners’ Mutual Insurance Association Limited). She has previously worked for a U.S. maritime law firm in New Orleans, was admitted to practice law in the state of Louisiana in 1995, and has also worked in a similar capacity at a London maritime law firm. She qualified as a solicitor in England and Wales in 1999 and was admitted to practice law before the Bar in Piraeus, Greece in 2003. She has studied International Relations at Georgetown University, Washington D.C. (1991). She holds an MBA from European University at Brussels (1992) and a J.D. from Tulane Law School (1995).

Shunji Sasada became a director of Navios Holdings and President of Navios Corporation in January 2015. Mr. Sasada has also served as a director in Navios Maritime Partners L.P. since August 2007. Previously, as Chief Operating Officer of Navios Corporation and Senior Vice President of Fleet Development, he headed Navios Holdings’ program for the growth and development of the Company’s long-term charter-in and owned tonnage. Mr. Sasada started his shipping career in 1981 in Japan with Mitsui’s O.S.K. Lines, Ltd. (“MOSK”). Mr. Sasada’s first position with MOSK was in steel products in the Tokyo branch as a salesman for exporting steel products to worldwide destinations. Two years later, Mr. Sasada moved to the tramp section in Mitsui’s bulk carrier division and was in charge of operations and then of chartering 20-40 smaller Handysize vessels between 21,000 dwt and 35,000 dwt. In 1991, Mr. Sasada moved to Norway to join Trinity Bulk Carriers as its chartering manager as well as subsidiary board member, representing MOSK as one of the shareholders. After an assignment in Norway, Mr. Sasada moved to London and started MOSK’s own Ultra Handymax operation as its General Manager. Mr. Sasada joined Navios Holdings in May 1997. Mr. Sasada is the member of the North American Committee of Nippon Kaiji Kyokai (Class NK). He is a graduate of Keio University, Tokyo, with a B.A. Degree in Business and he is a member of the Board of Trustees of Keio Academy of New York.

Efstratios Desypris has been our Chief Financial Controller since February 2011. Mr. Desypris has previously served as Financial Controller since May 2006. Mr. Desypris is also the Chief Financial Officer of Navios Maritime Partners since November 2021 and the Chief Financial Officer of N Shipmanagement Acquisition since September 2019. In addition, Mr. Desypris served as Chief Financial Officer of Navios Maritime Partner L.P. from 2010 to November 2021. He also serves as Senior Vice President — Strategic Planning and Director of Navios Logistics. Before joining Navios Group, Mr. Desypris worked for 9 years in the accounting profession, most recently as manager of the audit department at Ernst & Young in Greece. Mr. Desypris started his career as an auditor with Arthur Andersen & Co. in 1997. He holds a Bachelor of Science Degree in Economics from the University of Piraeus.

Ioannis Karyotis has been our Senior Vice President — Strategic Planning since February 2011. Mr. Karyotis is also Chief Financial Officer of Navios Logistics since March 2011. Prior to joining the Company, from 2006 until 2011, Mr. Karyotis was Consultant and later Project Leader at The Boston Consulting Group (BCG), an international management consulting firm. From 2003 until 2005, Mr. Karyotis was Senior Equity Analyst at Eurocorp Securities, a Greek brokerage house, and in 2003, he was Senior Analyst in the Corporate Finance Department at HSBC Pantelakis Securities, a subsidiary of HSBC Bank. Mr. Karyotis began his career in 2002 with Marfin Hellenic Securities as Equity Analyst. He received his Bachelor’s Degree in Economics from the Athens University of Economics and Business (1998). He holds a Master’s of science in Finance and Economics from the London School of Economics (1999) and an MBA from INSEAD (2006).

Erifyli Tsironi has been our Senior Vice President – Credit Management since October 2014. Furthermore Mrs. Tsironi is the Chief Financial Officer of Navios Maritime Partners L.P. since November 2021. Prior to that, Ms. Tsironi served as Chief Financial Officer of Navios Maritime Containers L.P. since 2019 until completion of the merger with Navios Maritime Partners L.P. and as Chief Financial Officer of Navios Maritime Midstream Partners L.P since its inception in 2014 until completion of the merger with Navios Maritime Acquisition Corporation in 2018. Ms. Tsironi has 25 years experience in shipping. Before joining us, she was Global Dry Bulk Sector Coordinator and Senior Vice President at DVB Bank SE focusing on ship finance. Ms. Tsironi joined the Bank in 2000 serving as Assistant Local Manager and Senior Relationship Manager. Previously, she served as account manager/shipping department in ANZ Investment Bank/ANZ Grindlays Bank Ltd from May 1997 until December 1999. Ms. Tsironi holds a BSc. in Economics, awarded with Honours, from the London School of Economics and Political Science and a MSc in Shipping, Trade and Finance, awarded with Distinction, from Bayes (ex Cass) Business School of City University in London.

Spyridon Magoulas has been a member of Navios Holdings’ Board of Directors since its inception, and prior to that was a member of the board of directors of ISE. Mr. Magoulas is the co-founder and director of Doric Shipbrokers S.A., a chartering firm based in Athens, Greece, and has served as the managing director of Doric Shipbrokers S.A. since its formation in 1994. From 1982 to 1993, Mr. Magoulas was chartering director and shipbroker for Nicholas G. Moundreas Shipping S.A., a company located in Piraeus, Greece, and from 1980 to 1982, Mr. Magoulas served at Orion and Global Chartering Inc. in New York. Mr. Magoulas received a Bachelor’s Degree in Economics (honors) from the City University of New York, New York, a Master’s Degree in Transportation Management from the Maritime College in New York and a Master’s Degree in Political Economy from the New School for Social Research in New York. In addition to his role on the Board of Directors, Mr. Magoulas also serves as a member of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. Mr. Magoulas is an independent director.

John Stratakis has been a member of Navios Holdings’ Board of Directors since its inception, and prior to that was a member of the board of directors of ISE. Since 1994, Mr. Stratakis has been a partner with the law firm of Poles, Tublin, Stratakis & Gonzalez, LLP, in New York, New York, where he specializes in all aspects of marine finance law and general corporate law. He serves on the Advisory Board of the Center for Corporate Governance at Drexel University LeBow College of Business. Mr. Stratakis also has been a director and the President of the Hellenic-American Chamber of Commerce in New York. He serves on the board of New York Maritime Inc., an association that promotes the New York region as a maritime business center. Mr. Stratakis received a Bachelor of Arts (cum laude) from Trinity College and a Juris Doctor Degree from Washington College of Law at American University. Mr. Stratakis is admitted to practice law in the State of New York and in the courts of the Southern and Eastern Districts of New York. In addition to his role on the Board of Directors, Mr. Stratakis also serves as chairman of the Nominating and Governance Committee and a member of the Compensation Committee. Mr. Stratakis is an independent director.

Efstathios Loizos was appointed to our Board of Directors in July 2010. Mr. Loizos was also director of Navios Partners from October 2007 until June 2010. In October 2008, Mr. Loizos joined the Managing Team of ION S.A., a leading Greek chocolate and cocoa group of companies, with the responsibility of supervising MABEL S.A., one of the affiliate companies of the group. In June 2010, Mr. Loizos was appointed to the Board of Directors of ION S.A. and assumed enlarged executive responsibilities within the group. Since March 2014, Mr. Loizos serves as the CEO of the affiliate company INTERION S.A., which operates in Bulgaria and since 2018 as the Vice President of the ION group of companies. In May 2010, Mr. Loizos was elected as a member of the Board of Directors of IOBE (Foundation of Economic and Industrial Research). Between 2001 and 2008, Mr. Loizos served as the General Manager and a member of the Board of Directors of ELSA S.A., a Greek steel packaging company, and also as the Vice Chairman of the Board of Directors of its affiliate company ATLAS S.A. From 2005 to 2007, Mr. Loizos served as the President of the International Packaging Association and as the Vice President of the Greek Association of Steel Packaging Manufacturers. Mr. Loizos received a Maitrise en Sciences Economiques from the University of Strasbourg and an M.B.A. in Finance from Stern Business School—New York University. Mr. Loizos also serves as Chairman of the Audit Committee and chairman of the Compensation Committee. Mr. Loizos is an independent director.

George Malanga has been a member of our Board of Directors since April 2010. He is currently serving as the Chief Credit Officer of BNY Mellon. Mr. Malanga has held a variety of positions during his 34 year tenure with the bank. He began his banking career in various relationship management roles before moving to risk management in 2000. Mr. Malanga has served in roles with increased responsibility in credit risk management over the past 21 years. His credit risk experience includes head of asset recovery, head of domestic corporate credit and currently as Chief Credit Officer of BNY Mellon. Mr. Malanga holds a Bachelor’s Degree in Business Administration from Rutgers College and an M.B.A. in Finance from New York University. Mr. Malanga also serves as a member of the Audit Committee and the Nominating and Governance Committee. Mr. Malanga is an independent director.

Michael Pearson has been a director of the Company since April 2021, and is based in the Cayman Islands. He is a qualified accountant (UK) and worked at EY, PwC and Deloitte. In 2012, he founded FFP, a fiduciary services firm based in the Cayman Islands and British Virgin Islands. Mr. Pearson is also a qualified insolvency practitioner (UK) and has been appointed by Caribbean Courts in a protective or investigative capacity. He graduated from the University of Bath in 1999 with an Honours Degree in Business Administration. Mr. Pearson is an independent director.

There are no family relationships between any of our directors, executive officers or significant employees.

B. Compensation of Directors

The aggregate annual compensation (bonus) paid to our current executive officers was approximately \$3.4 million for the year ended December 31, 2021. Through August 2019, Navios Holdings provided administrative services to Navios Partners, Navios Acquisition, Navios Logistics, Navios Containers, Navios Europe I and Navios Europe II. Navios Holdings was reimbursed for reasonable costs and expenses, incurred in connection with the provision of these services. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Annual Report, these services are currently provided by the Manager.

On December 13, 2017, December 10, 2018, February 1, 2019, December 18, 2019, December 21, 2020 and December 15, 2021 the Company authorized the granting of restricted share units and share appreciation rights and the issuance of shares of restricted common stock, restricted stock units and stock options under Navios Holdings 2015 Equity Incentive Plan, as amended in December 2018 (the "2015 Equity Incentive Plan") for its employees, officers and directors. These awards of restricted share units, share appreciation rights, restricted common stock units, restricted common stock and stock options to its employees, officers and directors, vest over three and four years.

Details of options granted (post Reverse Stock Split)

As of the filing of this Annual Report on Form 20-F, 770,558 stock options to purchase the Company's common stock and 250,000 share appreciation rights have been granted of which 350,000 have vested, 611,852 have expired, 0 remain unvested and 58,706 have been exercised in total, of which 41,141 were granted at an exercise price of \$31.80 per share, 3,058 at an exercise price of \$58.70 per share, 6,315 at an exercise price of \$51.50 per share, 5,953 at an exercise price of \$38.10 per share, and 2,239 at an exercise price of \$34.40 per share.

Out of the 770,558 stock options granted and 250,000 share appreciation rights granted, 28,800 options were granted at an exercise price of \$167.50 per share; 57,124 options were granted at an exercise price of \$31.80 per share; 40,531 options were granted at an exercise price of \$58.70 per share; 95,479 options were granted at an exercise price of \$51.50 per share; 134,429 options were granted at an exercise price of \$38.10 per share; 134,427 options were granted at an exercise price of \$34.40 per share; 67,475 options were granted at an exercise price of \$86.30 per share; 112,293 options were granted at an exercise price of \$36.4 per share; and 100,000 options were granted at an exercise price of \$12.00 per share. A total of 250,000 share appreciation rights were granted at an exercise price of \$12.00 per share.

Details of restricted stock and restricted stock units issued (post Reverse Stock Split)

As of the filing of this Annual Report on Form 20-F, 1,712,203 restricted share units, shares of restricted stock and restricted stock units have been granted and 254,000 share appreciation rights have been granted, of which 1,740,478 have vested and in the aggregate 14,314 were forfeited during the years from 2007 until 2021. See Note 13 "Employee Benefit Plans" to the consolidated financial statements, included herein.

Non-employee directors receive annual fees in the amount of \$80,000 each plus reimbursement of their out-of-pocket expenses. In addition, as of January 1, 2020, the non-executive serving as chairman of the Audit Committee receives an annual fee of \$25,000, the two members of the Audit Committee (other than the Chairman) receive an annual fee of \$20,000 each, the chairman of the Nominating and Governance Committee receives an annual fee of \$20,000, and the chairman of the Compensation Committee receives an annual fee of \$20,000, plus reimbursement of their out-of-pocket expenses. As of January 1, 2022, each Member of the Nominating and Governance Committee (other than the Chairman) receive an annual fee of \$10,000.

C. Board Practices

Board classes

The board of directors of Navios Holdings is divided into three classes with only one class of directors being elected in each year and each class serving a three-year term. The term of office of the first class of directors, consisting of Efstathios Loizos, George Malanga and John Stratakis will expire in 2024. The term of office of the second class of directors, consisting of Shunji Sasada, Spyridon Magoulas and Michael Pearson will expire in 2022. The term of office of the third class of directors, consisting of Angeliki Frangou and Vasiliki Papaefthymiou, will expire in 2023. No directors are entitled to any benefits upon termination of their term.

Audit Committee

The board of directors has established an audit committee of three independent directors. The audit committee is governed by a written charter, which was approved by the board of directors. One of the members of the audit committee is an “audit committee financial expert” for purposes of SEC rules and regulations. The audit committee, among other things, reviews our external financial reporting, engages our external auditors, approves all fees paid to auditors and oversees our internal audit activities and procedures and the adequacy of our internal accounting controls. Our audit committee is comprised of Messrs. George Malanga, Efstathios Loizos and Spyridon Magoulas, and our audit committee financial expert is Mr. Efstathios Loizos.

Nominating and Governance Committee

The board of directors has established a nominating and governance committee of three independent directors, Messrs. John Stratakis, who serves as a Chairman, Spyridon Magoulas and George Malanga. This committee is governed by a written charter, which was approved by the board of directors. The nominating and governance committee is responsible for providing assistance to the board of directors in fulfilling its responsibility to the Company’s stockholders relating to the Company’s nominating procedures and practices for appointing officers and directors as well as the Company’s oversight, analysis and recommendations with respect to corporate governance and best practices, and the Company’s process for monitoring compliance with laws and regulations.

Compensation Committee

The board of directors has established a compensation committee of three independent directors, Messrs. Efstathios Loizos, who serves as a Chairman, Spyridon Magoulas and John Stratakis. The compensation committee is governed by a written charter, which was approved by the board of directors. The compensation committee is responsible for reviewing and approving the compensation of the Company’s executive officers, for establishing, reviewing and evaluating, in consultation with senior management, the long-term strategy of any employee compensation and approving any material change to existing compensation plans.

Special Committees

The board of directors, from time to time, establishes special conflicts committees to review specific matters that the board believes may involve potential conflicts of interest. The conflicts committees determine if the resolution of the conflict of interest is fair and reasonable to us. The members of the conflicts committees may not be our officers or employees or directors, officers or employees of our affiliate companies, and must meet the independence standards established by the New York Stock Exchange to serve on an audit committee of a board of directors and certain other requirements.

D. Employees

See “Crewing and Shore Employees” under Item 4. B. Business overview.

E. Share Ownership (post Reverse Stock Split)

The following table sets forth information regarding the beneficial ownership of the common stock of Navios Holdings as of March 31, 2022 based on 22,824,591 shares of common stock outstanding as of such date (excluding 2,414,263 shares of common stock held as of March 31, 2022 by Navios Corporation, a wholly-owned subsidiary of the Issuer, that are considered treasury shares) by each of Navios Holdings’ executive officers and directors.

Unless otherwise indicated based upon Schedules 13D filed with the SEC and the Company’s knowledge, Navios Holdings believes that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock
Angeliki Frangou ⁽¹⁾⁽²⁾	13,188,483	40.8 %
George Akhniotis	*	*
Ted C. Petrone	*	*
Vasiliki Papaefthymiou	*	*
Anna Kalathakis	*	*
Shunji Sasada	*	*
Leonidas Korres	*	*
Efstratios Desypris	*	*
Ioannis Karyotis	*	*
Erifili Tsironi	*	*
Spyridon Magoulas	*	*
John Stratakis	*	*
Efstathios Loizos	*	*
George Malanga	*	*

* Less than 1%

- (1) Angeliki Frangou has filed a Schedule 13D amendment indicating that she intends, subject to market conditions, to purchase up to \$20.0 million of Navios Holdings' common stock. As of April 4, 2022, she had purchased approximately \$10.0 million in value of our common stock.
- (2) The amount and nature of beneficial ownership and the percentage of outstanding common stock includes 350,000 options, each for one share, vested but not yet exercised and 9,133,147 shares of common stock issuable as of April 4, 2022 upon conversion of the Convertible Debenture (as defined herein).

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders (post Reverse Stock Split)

The following table sets forth information regarding the beneficial ownership of the common stock of Navios Holdings as of April 4, 2022 based on shares of common stock outstanding as of such date by each person known by Navios Holdings to be the beneficial owner of more than 5% of its outstanding shares of common stock based upon the amounts and percentages as are contained in the public filings of such persons. All such stockholders have the same voting rights with respect to their shares of common stock.

Unless otherwise indicated, based upon Schedules 13D and 13G filed with the SEC and the Company's knowledge, Navios Holdings believes that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock
Angeliki Frangou ⁽¹⁾⁽²⁾	13,188,483	40.8 %

- (1) The amount and nature of beneficial ownership and the percentage of outstanding common stock includes 350,000 options, each for one share, vested but not yet exercised and 9,133,147 shares of common stock issuable as of April 4, 2022 upon conversion of the Convertible Debenture (as defined herein).
- (2) As disclosed in a 13D Amendment dated August 30, 2019, Ms. Frangou has disclosed that she and her affiliate companies have pledged 14,511,171 (before the Reverse Stock Split) of the shares of common stock disclosed in the table above.

As of March 31, 2021, we had 8 stockholders of record, approximately 15 of which were located in the United States and held an aggregate of approximately 21,886,767 shares of our common stock, representing 87% of our outstanding common stock. However, one of the U.S. stockholders of record is CEDE & CO., a nominee of The Depository Trust Company, which held 19,873,104 shares of our common stock as of that date. Accordingly, we believe that the shares held by CEDE & CO. include common stock beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

B. Related Party Transactions

Sale of Management: In August 2019, Navios Holdings sold its ship management division, the general partnership interests in Navios Partners (except for the incentive distribution rights) and Navios Containers GP LLC to NSM, which is affiliated with Company's Chairwoman and Chief Executive Officer, Angeliki Frangou. The Company received aggregate consideration of \$20.0 million (including assumption of liabilities) and five-year service agreements under which the Manager provides technical and commercial management services at a fixed rate of \$3,700 per day per vessel until August 2021 and \$3,811 per day per owned/bareboat-in vessel until August 2022. Thereafter, the rate will increase by 3% annually, unless otherwise agreed. Administrative services under the agreements will be reimbursed at allocable cost. As a result of the sale of the management division the Company is a holding company owning dry bulk vessels and various investments in entities owning maritime and infrastructure assets. NSM owns all entities providing ship management services and employs all associated people. NSM owns the general partner interests in Navios Partners. The Company simultaneously entered into a secured credit facility with NSM whereby the Company agreed to repay NSM a loan of \$141.8 million (including post-closing adjustments). See also "NSM Loan" below.

Office Rent: The Company had entered into lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki Xenodohiaki Anonimos Eteria, Emerald Ktimatiki-Ikodomiki Touristiki Xenodohiaki Anonimos Eteria and Infraco Limited, all of which are Greek corporations that are currently majority-owned by Angeliki Frangou, Navios Holdings' Chairwoman and Chief Executive Officer. The lease agreements provided for the leasing of facilities located in Piraeus, Greece to house the operations of most of the Company's subsidiaries. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Annual Report, Navios Holdings has no office lease obligations.

Purchase of Services: The Company utilized its former affiliate company, Acropolis, as a broker until the sale of its investment on December 6, 2018. Commissions charged from Acropolis for the year ended December 31, 2019 was \$0. Included in the trade accounts payable at both December 31, 2021 and 2020 was an amount due to Acropolis of \$0.1 million.

Vessel Operating Expenses (management fees): Prior to the sale of the management division effected on August 30, 2019, Navios Holdings provided commercial and technical management services to the owned vessels of Navios Partners, Navios Acquisition and Navios Containers for certain contracted daily fixed fees under the existing management agreements. Drydocking and special survey expenses were reimbursed at cost. In addition, Navios Holdings provided commercial and technical management services to Navios Europe I's and Navios Europe II's owned vessels, which were reimbursed at cost pursuant to the management agreements in place. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Annual Report, these services are provided by the Manager. For the period from January 1, 2019 to August 30, 2019, certain extraordinary fees and costs related to regulatory requirements under the management agreements in place amounted to \$15.8 million and are presented under the caption "Other income". Total management fees for vessel operating expenses for the period from January 1, 2019 to August 30, 2019, amounted to \$149.2 million, and are presented net under the caption "Direct vessel expenses".

Following the sale of the management division effected on August 30, 2019, outlined in Note 3, and pursuant to the Management Agreement, the Manager provides commercial and technical management services to Navios Holdings' vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination is received by either party. The ship management services fees provided by the Manager is a daily fee of \$3,700 per day per owned vessel. This rate was fixed until August 2021, increasing thereafter by 3% annually, unless otherwise agreed. As of August 31, 2021, this daily fee is at \$3,800 per day per owned vessel. The fee for the ship management services provided by the Manager is a daily fee of \$25 per day per charter-in vessel. Drydocking expenses under this agreement are reimbursed by Navios Holdings at cost. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Management Agreement is terminated on or before August 29, 2024. Total management fees for vessel operating expenses for the years ended December 31, 2021 and 2020 and for the period from August 30, 2019 to December 31, 2019 amounted to \$37.8 million, \$45.5 million and \$14.4 million, respectively, and are presented under the caption "Direct vessel expenses".

Navios Partners Guarantee: In November 2012 (as amended in March 2014), the Company entered into an agreement with Navios Partners (the "Navios Partners Guarantee") to provide Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. In April 2021, the Company paid the amount of \$5.0 million to Navios Partners as the final settlement of the outstanding balance of the claim.

General and Administrative Expenses incurred on behalf of affiliate companies/Administrative fee revenue from affiliate companies: Navios Holdings provided administrative services to Navios Partners, Navios Acquisition, Navios Containers, Navios Europe I and Navios Europe II. Navios Holdings was reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Annual Report, these services are provided by the Manager. Total general and administrative fees incurred on behalf of affiliate companies for the period from January 1, 2019 to August 30, 2019 amounted to \$17.0 million.

Navios Holdings provided administrative services to Navios Logistics. In April 2016, Navios Holdings extended the duration of its existing administrative services agreement with Navios Logistics until December 2021, pursuant to its existing terms. Navios Holdings was reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Annual Report, these services are provided by the Manager. Total general and administrative fees for the period from January 1, 2019 to August 30, 2019 amounted to \$0.8 million. The general and administrative fees for that period have been eliminated upon consolidation. Total general and administrative fees charged for the years ended December 31, 2021 and 2020 and for the period from August 30, 2019 to December 31, 2019 amounted to \$1.1 million, \$1.1 million and \$0.4 million, respectively.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 and pursuant to the Administrative Services Agreement, the Manager provides administrative services to Navios Holdings. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Administrative Services Agreement is terminated on or before August 29, 2024. Total general and administrative expenses attributable to this agreement for the years ended December 31, 2021 and 2020 and for the period from August 30, 2019 to December 31, 2019, amounted to \$8.6 million, \$9.4 million and \$3.0 million, respectively.

Balance due to/from affiliate companies (excluding Navios Europe I and Navios Europe II): Balance due to NSM as of December 31, 2021 amounted to \$21.0 million (December 31, 2020: \$22.1 million). Balance due to Navios Partners as of December 31, 2021 amounted to \$0 (December 31, 2020: \$5.0 million related to the Navios Partners Guarantee). Balance due from Navios Acquisition as of December 31, 2021 amounted to \$0 (December 31, 2020: \$0.2 million and related to declared dividend).

As of December 31, 2021, the balance mainly consisted of management fees for vessel operating expenses, payments to the Manager in accordance with the Management Agreement and other amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels.

Omnibus Agreements: Navios Holdings has entered into an omnibus agreement with Navios Partners (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain dry bulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize dry bulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Holdings entered into an omnibus agreement with Navios Acquisition and Navios Partners (the “Acquisition Omnibus Agreement”) in connection with the closing of Navios Acquisition’s initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containership vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter dry bulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its dry bulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliate companies to compete with Navios Midstream under specified circumstances.

Navios Holdings entered into an omnibus agreement with Navios Containers, Navios Acquisition, and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have granted a right of first refusal to Navios Containers over any container vessels to be sold or acquired in the future, subject to significant exceptions. The right of first refusal would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliate companies to compete with Navios Containers under specified circumstances.

Midstream General Partner Option Agreement: Navios Holdings entered into an option agreement, with Navios Acquisition under which Navios Acquisition, which owns and controls Navios Maritime Midstream Partners GP LLC (“Midstream General Partner”), granted Navios Holdings the option to acquire a minimum of 25% of the outstanding membership interests in Midstream General Partner and the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. The purchase price for the acquisition for all or part of the option interest shall be an amount equal to its fair market value. As of December 31, 2021, Navios Holdings had not exercised any part of that option.

Sale of Vessels and Sale of Rights to Navios Partners: Upon the sale of vessels to Navios Partners, Navios Holdings recognized the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and deferred recognition of the gain to the extent of its own ownership interest in Navios Partners (the “deferred gain”). Subsequently, the deferred gain was amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain was accelerated in the event that (i) the vessel was subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company’s ownership interest in Navios Partners was reduced. In connection with the public offerings of common units by Navios Partners and the sale of Navios Partners general partnership interest effected on August 30, 2019, referred in Note 3 included elsewhere in this Annual Report, a pro rata portion of the deferred gain was released to income upon dilution of the Company’s ownership interest in Navios Partners. As of January 1, 2020 the unamortized deferred gain of \$6.3 million was recorded as other adjustments within accumulated deficit. For the years ended December 31, 2021, 2020, and 2019, Navios Holdings recognized \$0 million, \$0 million and \$1.8 million of the deferred gain, respectively, in “Equity in net losses of affiliate companies”.

In March 2021, Navios Holdings completed the sale to Navios Partners of the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, and the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, for a sale price of \$39.3 million, including working capital adjustments. In June 2021, Navios Holdings completed the sale to Navios Partners of the Navios Ray, a 2012 built Capesize vessel of 179,515 dwt, and the Navios Bonavis, a 2009 built Capesize vessel of 180,022 dwt, for a sale price of \$58.0 million and the sale of the Navios Koyo, a 2011-built Capesize vessel, previously chartered-in by Navios Holdings, for a sale price of \$28.5 million. In July 2021, Navios Holdings completed the sale to Navios Partners of the Navios Azimuth, a 2011 built Capesize vessel of 179,169 dwt, for a sale price of \$30.0 million.

In September 2020, Navios Holdings completed the sale of the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt, and of the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, to Navios Partners for a sale price of \$51.0 million in total including net liabilities of \$4.4 million.

Participation in Offerings of Affiliate Companies: Refer to “Item 4.—Information on the Company” and “Item 5.—Operating and Financial Review and Prospects” for Navios Holdings’ participation in Navios Acquisition’s and Navios Partners’ offerings. On February 4, 2015, Navios Holdings entered into a share purchase agreement with Navios Partners pursuant to which Navios Holdings made an investment in Navios Partners by purchasing common units, and general partnership interests, in order to maintain its 20.0% partnership interest in Navios Partners following its equity offering in February 2015. In connection with this agreement, Navios Holdings entered into a registration rights agreement with Navios Partners pursuant to which Navios Partners provided Navios Holdings with certain rights relating to the registration of the common units. Navios Holdings has entered into additional share purchase agreements on December 30, 2016, March 3, 2017, March 23, 2017, March 31, 2017, January 11, 2018, February 21, 2018, December 20, 2018 and February 1, 2019 for the purchase up to a total of 1,754,981 general partnership units.

Balance due from Navios Europe I: Following the liquidation, the balance due from Navios Europe I as of December 31, 2021 and 2020 was \$0 million. As a result of this liquidation, Navios Holdings received the outstanding receivable of \$13.4 million, in December 2019.

The Navios Revolving Loans I and the Navios Term Loans I earned interest and an annual preferred return, respectively, at 1,270 basis points per annum, on a quarterly compounding basis. There were no covenant requirements or stated maturity dates. As of December 31, 2019 the loan was fully received and there was no outstanding balance.

Balance due from Navios Europe II: Navios Holdings, Navios Acquisition and Navios Partners had made available to Navios Europe II revolving loans of up to \$43.5 million to fund the Navios Revolving Loans II. In March 2017, the availability under the Navios Revolving Loans II was increased by \$14.0 million (see Note 9 “Investments in Affiliate Companies and Investments in Available-for-Sale Securities” to the consolidated financial statements included elsewhere in this Annual Report).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the Junior Loan II for \$5.0 million. Navios Europe II owned seven containership vessels and seven drybulk vessels.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiration date. The transaction was completed on June 29, 2020.

As a result of this liquidation, Navios Holdings received the total outstanding balance due from Navios Europe II, representing the Navios Revolving Loans II, the Navios Term Loans II and accrued interest thereof directly owed to Navios Holdings, previously presented under the captions “Due from affiliate companies” and “Loans receivable from affiliate companies” and acquired two Panamax vessels of Navios Europe II (see Note 5 “Accounts Receivable, net” to the consolidated financial statements included elsewhere in this Annual Report).

Following the Liquidation of Navios Europe II, the balance due from Navios Europe II as of December 31, 2020 was \$0 million. As of December 31, 2019, Navios Holdings’ balance due from Navios Europe II, amounted to \$20.7 million, which included the net current receivable amount mainly consisting of \$13.2 million, of accrued interest income earned under the Navios Revolving Loans II (as defined in Note 9 included elsewhere in this Annual Report) and the net non-current amount receivable of \$7.6 million related to the accrued interest income earned under the Navios Term Loans II (as defined in Note 9 included elsewhere in this Annual Report). The outstanding amount relating to Navios Holdings’ portion under the Navios Revolving Loans II was \$16.9 million as of December 31, 2019, under the caption “Loan receivable from affiliate companies”.

The Navios Revolving Loans II and the Navios Term Loans II earned interest and an annual preferred return, respectively, at 1,800 basis points per annum, on a quarterly compounding basis and were repaid from free cash flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There were no covenant requirements or stated maturity dates.

The decline in the fair value of the investment during the first quarter of 2020 was considered as other-than-temporary and, therefore, a loss of \$6.1 million was recognized and included in the accompanying consolidated statements of comprehensive income/(loss) for the year ended December 31, 2020, under the caption “Impairment of loan receivable from affiliate company”. The fair value was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

Secured credit facility with Navios Logistics (Grimaud Loan): On April 25, 2019, Navios Holdings entered into a secured credit facility of up to \$50.0 million with Navios Logistics on a secured basis to be used for general corporate purposes, including the repurchase of 2022 Notes. This credit facility was secured by any 2022 Notes purchased by Navios Holdings with these funds. The secured credit facility included an arrangement fee of \$0.5 million and initially bore

a fixed interest rate of 12.75% for the first year and 14.75% for the second year. On December 2, 2019, Navios Holdings and Navios Logistics agreed to increase the secured credit facility by \$20.0 million. Following this amendment, as a result of the redemption of the 2022 Logistics Senior Notes, repayment of the Term Loan B Facility and the issuance of 2025 Logistics Senior Notes, (a) the interest rate on the secured credit facility decreased to 10.0%, and (b) the maturity of the secured credit facility was extended to December 2024.

On June 24, 2020, Navios Logistics assigned its legal and beneficial right, title and interest in the credit facility to its wholly owned subsidiary Grimaud.

On June 25, 2020, Navios Holdings and Grimaud amended the Grimaud Loan to allow a portion of the total interest payable to be effected in common shares of Navios Holdings. On July 10, 2020, Navios Holdings issued 2,414,263 shares of common stock to Navios Logistics and paid Navios Logistics \$2.3 million in satisfaction of the interest payable in respect of this facility.

Effective as of May 2021, and upon the release of certain collateral, the facility bore interest of 13.0% per annum.

On June 30, 2021, the Company entered into a supplemental agreement to the Grimaud Loan (the “Supplemental Grimaud Loan Agreement”) with Grimaud, whereby the Company and Grimaud agreed to amend the Grimaud Loan. Pursuant to the amendment, the Grimaud Loan could be repaid or prepaid in full by the issuance of shares of common stock of Navios Holdings. The effectiveness of the Supplemental Grimaud Loan Agreement was subject to, and contingent upon, prepayment of the Grimaud Loan in the amount of \$7.5 million in cash and the effectiveness of a registration statement registering the resale of Navios Holdings shares, among other conditions.

On July 13, 2021, the Grimaud Loan plus accrued interest was repaid by the Company in full through the issuance of 9,301,542 shares (the “Shares”) of the Company’s common stock and \$7.5 million in cash plus accrued and unpaid interest. Please see also Note 17 “Preferred and Common Stock” to the consolidated financial statements included elsewhere in this Annual Report.

As of December 31, 2021, the total amount of this facility was repaid in full, as described above.

NSM Loan: On August 29, 2019, Navios Holdings entered into a secured credit facility of \$141.8 million (including post-closing adjustments) with a wholly owned subsidiary of NSM. In general, the amount owed reflects the excess of (i) the liabilities of the ship management business (including liabilities for advances previously made by affiliate companies to the Company for ongoing operating costs, including technical management services, supplies, dry-docking and related expenses) other than liabilities the assumption of which forms part of the consideration for the sale of the management division over (ii) the short term assets of the ship management business. The Company’s obligations under the NSM Loan are guaranteed by substantially the same subsidiaries that guarantee the 2022 Notes and secured by assets of the Company that do not secure the Ship Mortgage Notes or the 2022 Senior Secured Notes. The credit facility was repayable over a five-year period; of the initial amount, \$47.0 million was repayable in 2020 in equal quarterly installments, with the remaining principal repayment in equal quarterly installments over the following 48 months. In certain cases, principal payments can be deferred provided that no more than \$20.0 million of deferral may be outstanding during the first or second year and \$10.0 million outstanding in the third year. The loan agreement provides for interest at 5.0% annually, and 7.0% annually for deferred principal amounts.

In December 31, 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of December 31, 2021, the outstanding balance was \$48.6 million (December 31, 2020: \$78.4 million) and the accrued interest was \$0.6 million (December 31, 2020: \$0.5 million). The accrued interest of \$0.3 million (December 31, 2020: \$10.3 million related to current portion of NSM Loan including accrued interest) is included under the caption “Current portion of loans payable to affiliate companies”. Please also refer below to the audited consolidated financial statements included in this Annual Report for discussion on refinancing completed during January 2022.

The Company’s obligations under the NSM Loan were guaranteed by 2,072,121 common units in Navios Partners, first priority share pledges on two companies, that have entered into sale and leaseback agreements and five companies that hold the rights to certain bareboat contracts.

\$50.0 million NSM Loan: In June 2020, the Company entered into a secured loan agreement with a wholly owned subsidiary of NSM for a loan of up to \$50.0 million to be used for general corporate purposes. The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. The loan agreement was repayable in up to 18 equal consecutive quarterly installments. Principal payments that fall due during the first year following the initial drawdown may be deferred, at the Company’s election, in whole or in part. The loan agreement provides for interest at a rate of 5.0% annually (and 7.0% annually for deferred principal amounts).

The Company’s obligations under the \$50.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain First Priority Ship Mortgage Notes due 2022 owned by Navios Holdings and 40,587 common units in Navios Partners.

On July 12, 2021, the Company refinanced the total outstanding balance of \$39.7 million under this facility through the \$115.0 million NSM Loan described below.

\$115.0 million NSM Loan: In June 2021, the Company entered into a senior secured term loan facility with a wholly owned subsidiary of NSM, for a loan up to \$115.0 million (i) to refinance \$39.7 million being the outstanding balance under the \$50.0 million NSM Loan described above (“Tranche A”), (ii) to redeem amount of \$70.0 million of 2022 Senior Secured Notes and (iii) to be used for general corporate purposes (“Tranche B”). The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. Tranche A is repayable in 14 quarterly installments of \$2.8 million and matures on November 30, 2024. Tranche B is repayable in seven quarterly installments with the first two being of an amount of \$22.6 million each and the remaining of an amount of \$6.0 million each and matures on February 28, 2023.

Both tranches bear interest at a rate of 10.5% per annum, payable quarterly. The Company may elect to defer one scheduled amortization payment by 90 days and interest payments, in which case the applicable interest rate will be 12.0% per annum, compounded quarterly.

On July 12, 2021, the amount under this facility was fully drawn.

In December 31, 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of December 31, 2021, the outstanding balance was \$64.1 million and the accrued interest was \$0.6 million. The accrued interest of \$0.6 million is included under the caption “Current portion of loans payable to affiliate companies” and the remaining amount of \$64.1 million is included under the caption “Loans payable to affiliate companies, net of current portion, net of deferred financing fees of \$0.9 million. Please also refer below to the audited consolidated financial statements included in this Annual Report for discussion on refinancing completed during January 2022.

The Company’s obligations under the \$115.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain First Priority Ship Mortgage Notes due 2022 owned by Navios Holdings and 40,587 common units in Navios Partners and a second priority pledge in the Navios Logistics’ shares, 1,070,491 Navios Partners’ common units and second priority pledge over the collaterals securing the NSM Loan.

NSM Loan I: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019, whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127.6 million (the “NSM Loan I”), in two tranches: (i) the first tranche of \$48.6 million represents borrowings already made available and (ii) the second tranche of \$79.1 million represents new borrowings to be made available in exchange of the release by NSM of certain existing collateral. The NSM Loan I is repayable in quarterly installments of \$5.0 million with the first installment falling due in the third quarter of 2023. The NSM Loan I has a four-year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter when paid in the form of Convertible Debenture for the first 18 months (“PIK Interest”) and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan I will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. On January 5, 2022, \$79.1 million available under this facility was fully drawn.

The Company’s obligations under the NSM Loan I are guaranteed by 2,072,121 common units in Navios Partners.

NSM Loan II: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021, whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$135.0 million (the “NSM Loan II”) in two tranches (i) the first tranche of \$64.1 million represents outstanding borrowings already made available and (ii) the second tranche of \$71.0 million represents new borrowings to be made available, in exchange of the release by NSM of certain existing collateral. The NSM Loan II is repayable in quarterly installments of \$5.0 million with the first installment falling due in the third quarter of 2023. The NSM Loan II has a four year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter, when paid in PIK Interest and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan II will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. On January 5, 2022, \$71.0 million available under this facility was fully drawn.

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24.0 million in the form of a Convertible Debenture. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

The Company’s obligations under the NSM Loan II are guaranteed by 40,587 common units in Navios Partners, a second priority pledge in the Navios Logistics’ shares and 1,070,491 Navios Partners’ common units and second priority pledge over the collaterals securing the NSM Loan I.

Convertible Debenture: In December 2021, Navios Holdings entered into the Convertible Debenture with NSM, covering an upfront fee of \$24.0 million, accrued interest on the NSM Loans, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% PIK, payable at maturity, if not earlier converted into shares of our common stock.

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the “Series I Preferred Stock”) on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 9,133,147 shares of Common Stock issuable as of April 4, 2022 upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

Navios Logistics’ Shareholders Agreement: On November 19, 2019, Navios Holdings entered into a shareholder agreement with Peers Business Inc. granting certain protections to minority shareholders in certain events.

Promissory note: On July 30, 2021, Navios Logistics issued a \$20.0 million promissory note to Grimaud. The promissory note is payable in four semi-annual equal installments commencing on August 15, 2021. The Company has the ability to defer payment of one of the first three installments subject to certain conditions. On August 15, 2021, the first installment was paid. On July 30, 2021, Grimaud entered into an assignment agreement with Peers Business Inc., whereby the promissory note was assigned to Peers Business Inc. Please refer to Note 17 “Preferred and Common Stock” to the consolidated financial statements included in this Annual Report.

C. Interests of experts and counsel.

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements: See Item 18.

Legal Proceedings: Navios Holdings is not involved in any legal proceedings that it believes will have a material adverse effect on its business, financial position, results of operations or liquidity.

From time to time, Navios Holdings may be subject to legal proceedings and claims in the ordinary course of business. It is expected that these claims would be covered by insurance if they involve liabilities such as arise from a collision, other marine casualty, damage to cargoes, oil pollution, death or personal injuries to crew, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Refer also to Note 14 to the Consolidated Financial Statements, included herein.

Dividend Policy: Navios Holdings announced the suspension of dividends to its common stock shareholders in November 2015 and its preferred shareholders, including holders of the Series G and Series H, in February 2016. Navios Holdings intends to retain most of its available earnings generated by operations to conserve cash and improve liquidity. The reinstatement, declaration and payment of any dividend remains subject to the discretion of the Board of Directors, and will depend on, among other things, Navios Holdings' cash requirements after taking into account market opportunities, debt obligations, market conditions, and restrictions contained in its equity and debt instruments, including limitations on dividends under its preferred stock. In addition, the terms and provisions of our current secured credit facilities and indentures limit our ability to declare and pay dividends in excess of certain amounts or if certain covenants are not met. (See also Item 5.B. "Long-term Debt Obligations and Credit Arrangements").

B. Significant Changes

Not applicable.

Item 9. Listing Details

The principal trading market for our common stock has been the NYSE under the symbol "NM". Our Series G and Series H preferred stock trade on the NYSE under the symbols "NMPrg." and "NMPrH."

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum of articles of association

Please refer to Exhibit 3.1 of Form F-1, filed with the SEC on November 2, 2005 with file number 333-129382; Exhibit 99.1 of Form 6-K, filed on January 17, 2007 with file number 000-51047, which the Company hereby incorporates by reference and the following filings on Form 6-K or Form 8-A, as applicable, (file number 001-33311) filed with the SEC : Exhibit 99.2 of Form 6-K filed on October 6, 2008; Exhibit 3.1 of Form 6-K filed on July 7, 2009; Exhibit 3.1 of Form 6-K filed on September 22, 2009; Exhibit 3.1 of Form 6-K filed on September 24, 2009; Exhibit 3.1 of Form 6-K filed on February 4, 2010; Exhibit 1.1 of Form 6-K filed on November 15, 2010; Exhibit 1.1 of Form 6-K filed on December 22, 2010; Exhibit 3.3 of Form 8-A filed on January 24, 2014 and Exhibit 3.3 of Form 8-A filed on July 7, 2014, each of which the Company hereby incorporates by reference; Exhibit 1.1 of Form 6-K, filed on December 27, 2018.

C. Material Contracts

Refer to “Item 4. – Information on the Company” for a discussion of various agreements relating to our business and certain vessel transactions, including Item 4.B. for a discussion of our option agreements to purchase 13 charter-in vessels and five bareboat-in vessels, and to Item 5. – Operating and Financial Review and Prospects” for a discussion of our long-term debt, including Item 5.F for a discussion of the long-term debt, the operating lease obligations and the rent obligations. Other than these agreements, there are no material contracts, other than the contracts entered into in the ordinary course of business, to which the Company or any of its subsidiaries is a party.

D. Exchange controls

Under the laws of the Republic of the Marshall Islands, Uruguay, Liberia, Panama, Belgium, Luxembourg, Malta, Brazil, Paraguay, Cayman Islands, Hong Kong and the British Virgin Islands, the countries of incorporation of the Company and its subsidiaries, there are currently no restrictions on the export or import of capital, including foreign exchange controls, or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common stock.

On September 1, 2019 the Argentine government reinstated exchange controls and restrictions on transfers abroad that are currently in force. These new controls and restrictions apply to, among other things, the free access to the foreign exchange market for savings and investments, payments of debts in foreign currency, payment of dividends in foreign currency abroad, payment for imports of goods and services, and the obligation to settle the proceeds of exports of goods and services in the Argentina local exchange market.

E. Taxation

Marshall Islands Tax Considerations

Navios Holdings is incorporated in the Republic of the Marshall Islands. Under current Marshall Islands law, Navios Holdings will not be subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments.

Shipping Tax Jurisdictions

Marshall Islands, Liberia, Panama and Malta do not impose a tax on international shipping income. Under the laws of the Republic of the Marshall Islands, Malta, Liberia and Panama, the countries of incorporation of the Company and its subsidiaries and the vessels’ registration, the companies are subject to registration and tonnage taxes, in the accompanying consolidated statements of comprehensive income/(loss).

In accordance with the currently applicable Greek law, ship owning companies of foreign-flagged vessels that are managed by Greek or foreign ship management companies having established an office/branch in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state which is calculated on the basis of the relevant vessel’s tonnage. . A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece. The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign-flagged vessel outside Greece.

In Belgium, taxation on ocean shipping is based on the tonnage of the sea-going vessels from which the profit is obtained (“tonnage tax”).

The income tax (expense)/ benefit reflected in the Company's consolidated financial statements for the years ended December 31, 2020, 2019, and 2018 is mainly attributable to Navios Holdings' subsidiaries in South America, which are subject to the Argentinean, Brazilian and Paraguayan income tax regime.

CNSA and Corporacion Navios Granos S.A. ("CNGSA") are located in a tax free zone and are not liable to income tax. Navios Logistics' current port operations in Uruguay are exempted from income taxes.

As a result of the Law 27,630, voted by the Argentinian Parliament in June 2021, income tax rates and scales were modified. Income tax liabilities of the Argentinean subsidiaries for the current period is measured at the amount expected to be paid to the taxation authorities using a tax rate of 35% on any taxable profit above 50 million Argentinean pesos or \$487, 30% on any taxable profit between 5 million pesos or \$49 and 50 million pesos or \$487, and 25% on any taxable profit below 5 million pesos or \$49. The enacted Law 27,630 replaced the income tax rates and scales of the tax reform previously voted by the Argentinean Parliament in December 2017, and the Law 27,541 voted in December 2019, in which the corporate income tax rate had decreased from 35% in 2017 to 30% for the period from 2018 to 2021 and would further decrease to 25% for the period from 2022 onwards. Tax rates and tax laws used to assess the income tax liability are those that are effective on the close of the fiscal period.

Under the tax laws of Argentina, the subsidiaries of the Company in that country are subject to taxes levied on gross revenues. Rates differ depending on the jurisdiction where revenues are earned for tax purposes. Average rates were approximately 2.0% for the year ended December 31, 2021 (2.0% for 2020 and 2.0% for 2019, respectively).

Until the fiscal year ended December 31, 2019, there were two possible options to determine the income tax liability of Paraguayan subsidiaries. Under the first option, income tax liabilities for the current and prior periods were measured at the amount expected to be paid to the taxation authorities, by applying the tax rate of 10% on the fiscal profit and loss. 50% of revenues derived from international freights were considered Paraguayan sourced (and therefore taxed) if carried between Paraguay and Argentina, Bolivia, Brazil or Uruguay, with destination Paraguay. Alternatively, only 30% of revenues derived from international freights carried between other countries with destination Paraguay were considered Paraguayan sourced. Companies whose operations were considered international freights could choose to pay income taxes on their revenues at an effective tax rate of 1% on such revenues, without considering any other kind of adjustments. Fiscal losses, if any, were neither deducted nor carried forward.

As per the tax reform in Paraguay that is in force since January 1, 2020 (Law 6,380 from September 25, 2019 confirmed by Decree 3182 from December 30, 2019), there are still two possible options to determine the income tax liability of Paraguayan companies. Under the first option income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authorities, by applying the tax rate of 10% on the fiscal profit and loss. The 100% of revenues derived from freights carried between other countries with destination Paraguay are considered Paraguayan sourced, and therefore taxed. The tax reform also states that any fiscal losses generated as of the fiscal year starting January 1, 2020, will be carried forward for up to five years, with the possibility to deduct each year the 20% from future fiscal years taxable income. Companies whose operations are considered international freights can alternatively choose to pay income taxes on their revenues at an effective tax rate of 3% of such revenues, without considering any other kind of adjustments. Once the methodology is chosen, the Paraguayan companies have to keep it for at least five years.

The corporate income tax rate in Argentina, Paraguay, Brazil, and Uruguay is 35%, 10%, 34%, and 25%, respectively for the year ended December 31, 2021.

The Company's deferred taxes as of December 31, 2021 and 2020, relate primarily to deferred tax liabilities on acquired intangible assets recognized in connection with Navios Logistics.

As of January 1, 2007, the Company adopted the provisions of FASB for Accounting for Uncertainty in Income Taxes. This guidance requires application of a more likely than not threshold to the recognition and derecognition of uncertain tax positions. This guidance permits the Company to recognize the amount of tax benefit that has a greater than 50% likelihood of being ultimately realized upon settlement. It further requires that a change in judgment related to the expected ultimate resolution of uncertain tax positions be recognized in earnings in the quarter of such change. Kleimar's open tax years are 2019 and onwards. Argentinean companies have open tax years ranging from 2014 and onwards and Paraguayan and Brazilian companies have open tax years ranging from 2016 and onwards. In relation to these open tax years, the Company believes that there are no material uncertain tax positions.

Material U.S. Federal Income Tax Considerations

The following discussion addresses certain U.S. federal income tax considerations applicable to us and to the purchase, ownership and disposition of our common stock. The discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the U.S. Treasury (the "Treasury Regulations"), all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below.

We have not sought, nor do we intend to seek, any rulings from the U.S. Internal Revenue Service (the “IRS”) with respect to the U.S. federal income tax consequences discussed below. The discussion below is not in any way binding on the IRS or the courts or in any way an assurance that the U.S. federal income tax consequences discussed herein will be accepted by the IRS or the courts.

The U.S. federal income tax consequences to a beneficial owner of our common stock may vary depending on such beneficial owner’s particular situation or status. This discussion is limited to beneficial owners of our common stock who hold our common stock as capital assets, and it does not address aspects of U.S. federal income taxation that may be relevant to persons who are subject to special treatment under U.S. federal income tax laws, including but not limited to: dealers in securities; banks and other financial institutions; insurance companies; tax-exempt entities, plans or accounts; persons holding our common stock as part of a “hedge,” “straddle” or other risk reduction transaction; partnerships or other pass-through entities (or investors in such entities); U.S. persons whose functional currency is not the U.S. dollar; persons that actually or constructively own 10.0% or more (by voting power or value) of our outstanding stock; U.S. expatriates; persons that are accrual method taxpayers required to accelerate the recognition of any item of gross income for U.S. federal income tax purposes as a result of such income being recognized on an applicable financial statement; and persons subject to alternative minimum tax. The following discussion is for general information purposes only and does not address any U.S. state or local tax matters, any non-U.S. tax matters, or any U.S. federal taxes other than income taxes (such as estate and gift taxes or the Medicare tax on certain investment income).

U.S. holders (as defined below) that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain applicable financial statements. The application of this rule may require the accrual of income earlier than would be the case under the general U.S. federal income tax rules described below. U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

We encourage U.S. holders and non-U.S. holders (as defined below) to consult their own tax advisor regarding the particular U.S. federal, state and local and non-U.S. income and other tax consequences applicable to us and to the purchase, ownership and disposition of our common stock that may be applicable to them.

U.S. Federal Income Taxation of the Company

Taxation of Our Shipping Income

Navios Holdings is incorporated under the laws of the Marshall Islands. Accordingly, we take the position that Navios Holdings is taxed as a foreign corporation by the U.S., and the remainder of this discussion assumes the correctness of this position. If Navios Holdings were taxed as a U.S. corporation, it could be subject to substantially greater U.S. federal income tax than contemplated below. See “Risk Factors—Tax Risks— Navios Maritime Holdings Inc. may be taxed as a U.S. corporation.”

Subject to the discussion of “effectively connected” income below, unless exempt from U.S. federal income tax under the rules contained in Section 883 of the Code and the Treasury Regulations promulgated thereunder, a non-U.S. corporation is subject to a 4.0% U.S. federal income tax in respect of its U.S.-source gross shipping income (without allowance for deductions). For this purpose, U.S.-source gross shipping income includes 50.0% of the shipping income that is attributable to transportation that begins or ends (but that does not both begin and end) in the U.S. Shipping income attributable to transportation that both begins and ends in the U.S. is considered to be 100.0% U.S.-source. Shipping income attributable to transportation exclusively between non-U.S. destinations is considered to be 100.0% non-U.S. source and generally is not subject to U.S. federal income tax. “Shipping income” means income that is derived from the use of vessels, the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, the participation in a pool, partnership, strategic alliance, joint operating agreement, code sharing agreement or other joint venture it directly or indirectly owns or participates in that generates such income, or the performance of services directly related to these uses.

Under Section 883 of the Code and the Treasury Regulations promulgated thereunder, a non-U.S. corporation will be exempt from U.S. federal income tax on its U.S.-source shipping income if the following three requirements are satisfied:

- It is organized in a jurisdiction outside the United States that grants an “equivalent exemption” from tax to corporations organized in the United States with respect to the types of U.S.-source shipping income that we earn;
- Either (i) its stock is “primarily traded” and “regularly traded” on an “established securities market” in the United States, in its country of organization, or in another country that grants an “equivalent exemption” to U.S. corporations or (ii) more than 50.0% of the value of its stock is owned, directly or indirectly, by (a) individuals who are “residents” of foreign countries that grants an “equivalent exemption,” (b) non-U.S. corporations organized in foreign countries that grant an “equivalent exemption” and that meet the test described in (i), and/or (c) certain other qualified shareholders described in the Treasury Regulations promulgated under Section 883; and
- It meets certain substantiation and reporting requirements.

We believe that we and each of our subsidiaries qualifies and will continue to qualify for the foreseeable future for this statutory tax exemption under Section 883 with respect to our U.S.-source shipping income, provided that our common stock continues to be listed on the NYSE and represents more than 50.0% of the total combined voting power of all classes of our stock entitled to vote and of the total value of our stock, and less than 50.0% of our common stock is owned, actually or constructively under specified stock attribution rules, on more than half the number of days in the relevant year by persons who each own 5.0% or more of the vote and value of our common stock. However, no assurance can be given that we will satisfy these requirements or qualify for this exemption.

If we or our subsidiaries are not entitled to this exemption under Section 883 for any taxable year, we or our subsidiaries would be subject for those years to the 4.0% U.S. federal income tax on our gross U.S.-source shipping income described above, subject to the discussion of “effectively connected” income below. We expect that no more than a small portion of our gross shipping income would be treated as U.S.-source and we expect that the effective rate of U.S. federal income tax on our gross shipping income would be significantly below 1.0%.

To the extent exemption under Section 883 is unavailable, our U.S.-source gross shipping income that is considered to be “effectively connected” with the conduct of a U.S. trade or business (net of applicable deductions) would be subject to the U.S. federal corporate income tax currently imposed at a flat rate of 21.0%, but would not be subject to the 4.0% tax discussed above. In addition, we may be subject to the 30.0% U.S. “branch profits” tax on any earnings and profits effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid that is attributable to the conduct of such U.S. trade or business.

Our U.S.-source shipping income attributable to time or voyage charters (which currently represent, and are expected to continue to represent, substantially all of our shipping income) would be considered “effectively connected” with the conduct of a U.S. trade or business only if:

- we had, or were considered to have, a fixed place of business in the U.S. involved in the earning of such shipping income; and
- Substantially all of our U.S.-source shipping were attributable to regularly scheduled transportation.

We do not have, or intend to have or permit circumstances that would result in us having, such a fixed place of business in the U.S. or any vessel sailing to or from the U.S. on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and activities, we believe that none of our U.S.-source shipping income will be “effectively connected” with the conduct of a U.S. trade or business.

In addition, income attributable to transportation that both begins and ends in the U.S. is not subject to the tax rules described above. Such income is subject to either a 30.0% gross-basis tax or to U.S. federal corporate income tax on net income at a flat rate of 21.0% (and the branch profits tax discussed above). Although there can be no assurance, we do not expect to engage in transportation that produces shipping income of this type.

Taxation of Gain on Our Sale of Vessels

On the sale of a vessel that has produced “effectively connected” income (as discussed above), we could be subject to net basis U.S. federal corporate income tax as well as branch profits tax with respect to the gain recognized up to the amount of certain prior deductions for depreciation that reduced effectively connected income. Otherwise, we should not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the sale is considered to occur outside of the U.S. (as determined under U.S. tax principles) and the gain is not attributable to an office or other fixed place of business maintained by us in the U.S. under U.S. federal income tax principles.

Taxation of U.S. Holders of our Common Stock

The following discussion is limited to persons that are “U.S. holders” of our common stock. For purposes of this discussion, a “U.S. holder” is a beneficial owner of our common stock that is:

- an individual U.S. citizen or resident (as determined for U.S. federal income tax purposes);
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S. or any of its political subdivisions;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons (as determined for U.S. federal income tax purposes) have the authority to control all substantial decisions of that trust, or if the trust has validly elected to be treated as a U.S. trust.

If an entity treated for U.S. federal income tax purposes as a partnership holds our common stock, the tax treatment of a partner in such a partnership will generally depend upon the status of the partner, upon the activities of the partnership and certain determinations made at the partner level. Partners in a partnership that is considering an investment in our common stock should consult their tax advisors.

Distributions on Our Common Stock

Subject to the discussion of “passive foreign investment companies” below, any distributions that a U.S. holder receives with respect to our common stock generally will constitute dividends, which may be taxable as ordinary income or “qualified dividend income” as described below, to the extent of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. holder’s tax basis in our common stock and thereafter as gain from the sale of such stock. We do not maintain calculations of earnings and profits under U.S. federal income tax principles. Therefore, U.S. holders of our common stock should expect that a distribution with respect to such common stock generally will be treated as dividend income, even if that distribution might otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Because we are not a U.S. corporation, a U.S. holder that is a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) will not be entitled to claim a dividends-received deduction with respect to any distributions received from us. Dividends paid with respect to our common stock will generally be treated as “passive category income” for purposes of computing allowable foreign tax credits for U.S. foreign tax credit purposes.

Dividends received by a U.S. holder that is an individual, trust or estate from us should be treated as “qualified dividend income,” provided that: (i) our common stock is readily tradable on an established securities market in the U.S., which we expect to be the case, provided that our common stock continues to be listed on the NYSE; (ii) we are not a “passive foreign investment company” for the taxable year during which the dividend is paid or the immediately preceding taxable year (see the discussion below under “—Passive Foreign Investment Company Status”); (iii) the U.S. holder owned our common stock for more than 60 days in the 121-day period beginning 60 days before the date on which the common stock become ex-dividend (and have not entered into certain risk limiting transactions with respect to such common stock); (iv) the U.S. holder is not under an obligation to make related payments with respect to positions in substantially similar or related property; and (v) the U.S. holder does not treat the dividends as “investment income” for purposes of the investment interest deduction.

Qualified dividend income is taxed at the preferential rates applicable to long-term capital gain, depending on the income level of the taxpayer. Dividends a U.S. holder receives from us that are not eligible for the preferential rates will be taxed at the ordinary income rates.

Special rules may apply to any amounts received in respect of our common stock that are treated as “extraordinary dividends.” Generally, an extraordinary dividend is a dividend with respect to a share of our common stock in an amount that is equal to or in excess of 10.0% of a U.S. holder’s adjusted tax basis (or fair market value in certain circumstances) in such share of common stock. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20.0% of the U.S. holder’s adjusted tax basis (or fair market value in certain circumstances). If we pay an extraordinary dividend on any shares of our common stock that is treated as “qualified dividend income,” and a U.S. holder is an individual, estate or trust, then any loss derived from a subsequent sale or exchange of such shares of our common stock will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or Other Disposition of Common Stock

Provided that we are not a passive foreign investment company for any taxable year during which a U.S. holder holds our common stock, the U.S. holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our common stock in an amount equal to the difference, if any, between the amount realized by the U.S. holder from such sale, exchange or other disposition and the U.S. holder's tax basis in such common stock. Any such gain or loss will be treated as long-term capital gain or loss if the U.S. holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Any such capital gain or loss will generally be treated as U.S. source income or loss, as applicable, for U.S. foreign tax credit purposes. For a U.S. holder who is an individual, trust or estate, its long-term capital gains are currently subject to tax at preferential rates. The ability of a U.S. holder to deduct capital losses against ordinary income is subject to limitations.

Passive Foreign Investment Company Status

Special U.S. federal income tax rules apply to U.S. holders who hold stock in a non-U.S. corporation that is classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. In general, we will be a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75.0% of our gross income for such taxable year consists of "passive income" (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- at least 50.0% of the quarterly average value of our assets during such taxable year consists of "passive assets" (i.e., assets that produce, or are held for the production of, passive income).

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary corporations in which we own at least 25.0% of the value of the subsidiary's stock. Income we earn, or are deemed to earn, in connection with the performance of services will not constitute passive income. By contrast, rental income will generally constitute passive income (unless we are treated under certain special rules as deriving our rental income in the active conduct of a trade or business).

Based upon our actual and projected income, assets and activities, we believe that we should not be a PFIC for our taxable year ended December 31, 2021 or for subsequent taxable years. However, no assurance can be given as to our current and future PFIC status, because such status requires an annual factual determination based upon the composition of our income and assets for the entire taxable year. The PFIC determination also depends on the application of complex U.S. federal income tax rules concerning the classification of our income and assets for this purpose, and there are legal uncertainties involved in determining whether the income derived from our chartering activities and from our logistics activities constitutes rental income or income derived from the performance of services. In *Tidewater Inc. v. United States*, 565 F.2d 299 (5th Cir. 2009), the Fifth Circuit held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Code. The IRS has announced, in an Action on Decision (AOD 2010-001), its nonacquiescence with the court's holding in the *Tidewater* case and, at the same time, announced the position of the IRS that the vessel time charter agreements at issue in that case should be treated as service contracts. The IRS' AOD, however, is an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers. We have not sought, and we do not expect to seek, an IRS ruling on this issue. As a result, the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, we cannot provide any assurance that the nature of our operations, or the nature or composition of our income or assets, will not change in the future, or that we can avoid PFIC status in the future.

As discussed below, if we are a PFIC for a taxable year during which a U.S. holder actually or constructively owns our common stock, the U.S. holder generally would be subject to one of three different U.S. federal income tax regimes, depending on whether or not the taxpayer makes certain elections. Additionally, for each year during which we are treated as a PFIC and a U.S. holder actually or constructively owns common stock the U.S. holder generally will be required to file IRS Form 8621 with its U.S. federal income tax return to report certain information concerning its ownership of our common stock. In the event that a person that is required to file IRS Form 8621 does not file such form, a substantial penalty may apply and, in addition, the statute of limitations on the assessment and collection of U.S. federal income taxes of such person for the related tax year may not close until three years after the date that the required information is filed.

The PFIC rules are complex, and U.S. holders are encouraged to consult their own tax advisors regarding the PFIC rules, including the annual PFIC reporting requirement.

Taxation of U.S. Holders That Make a Timely QEF Election

If we were treated as a PFIC for any taxable year during which a U.S. holder actually or constructively holds our common stock, and if such U.S. holder makes a timely election to treat us as a “Qualifying Electing Fund” for U.S. tax purposes (a “QEF Election”), such U.S. holder would be required to report each year its pro rata share of our ordinary earnings (as ordinary income) and our net capital gain (as long-term capital gain), if any, for our taxable year that ends with or within the individual’s taxable year, regardless of whether we make any distributions to that U.S. holder. Such income inclusions would not be eligible for the preferential tax rates applicable to qualified dividend income. Adjusted tax basis in our common stock would be increased to reflect such taxed but undistributed earnings and profits. Distributions of earnings and profits that had previously been taxed would result in a corresponding reduction in a U.S. holder’s adjusted tax basis in our common stock and would not be taxed again once distributed. A U.S. holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common stock. Even if an individual U.S. holder makes a QEF Election for one of our taxable years, if we were a PFIC for a prior taxable year during which the U.S. holder held our common stock and for which a timely QEF Election was not made, the U.S. holder would also be subject to the more adverse rules described below under “—Taxation of U.S. Holders That Make No Election.” Additionally, to the extent any of our subsidiaries is a PFIC, an election to treat us as a “Qualifying Electing Fund” would not be effective with respect to a deemed ownership of the stock of such subsidiary and a separate QEF Election with respect to such subsidiary would be required.

A U.S. holder would make a QEF Election by completing and filing IRS Form 8621 with your U.S. federal income tax return for the year for which the election is made in accordance with the relevant instructions. If we were to become aware that we were a PFIC for any taxable year, we would notify all U.S. holders of such treatment and would provide all necessary information to any U.S. holder who requests such information in order to make the QEF Election described above with respect to us and the relevant subsidiaries.

A QEF Election generally will not have any effect with respect to any taxable year for which we are not a PFIC, but will remain in effect with respect to any subsequent taxable year for which we are a PFIC. It should be noted that the beneficial effect of a QEF Election may be substantially diminished if such election is not made in the first year of a U.S. holder’s holding period in which we are a PFIC. In some instances, a U.S. holder may be permitted to make a QEF election that is retroactive to the beginning of your holding period if we unexpectedly are treated as a PFIC.

Taxation of U.S. Holders That Make a Timely “Mark-to-Market” Election

Alternatively, if we were to be treated as a PFIC for any taxable year during which a U.S. holder actually or constructively owns our common stock and, our common stock is treated as “marketable stock,” such U.S. holder would be allowed to make a “mark-to-market” election with respect to our common stock, provided that such U.S. holder completes and file IRS Form 8621 with its U.S. federal income tax return for the year for which the election is made in accordance with the relevant instructions. If that election is made, such U.S. holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of our common stock at the end of the taxable year over your adjusted tax basis in our common stock. Such a U.S. holder also would be permitted an ordinary loss in respect of the excess, if any, of its adjusted tax basis in our common stock over the fair market value of such common stock at the end of the taxable year (but only to the extent of the net amount of gain previously included in income as a result of the mark-to-market election). Such a U.S. holder’s tax basis in our common stock would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our common stock would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains that such U.S. holder previously included. However, to the extent any of our subsidiaries is a PFIC, a U.S. holder’s “mark-to-market” election with respect to our common stock would not apply to the U.S. holder’s deemed ownership of the stock of such subsidiary. This may significantly limit the beneficial effect of making a mark-to-market election.

It should be noted that the beneficial effect of a “mark-to-market” election may be substantially diminished if such election is not made in the first year of your holding period in which we are a PFIC.

Taxation of U.S. Holders That Make No Election

Finally, if we were treated as a PFIC for any taxable year during which a U.S. holder actually or constructively owns our common stock, and the U.S. holder does not make either a QEF Election or a “mark-to-market” election for that year, such U.S. holder would be subject to special rules with respect to (a) any excess distribution (that is, the portion of any distributions that such U.S. holder receives on our common stock in a taxable year in excess of 125.0% of the average annual distributions that such U.S. holder received in the three preceding taxable years, or, if shorter, such U.S. holder’s holding period for our common stock) and (b) any gain realized on the sale, exchange or other disposition of our common stock. Under these special rules: (i) the excess distribution or gain would be allocated ratably over such U.S. holder’s aggregate holding period for our common stock (ii) the amount allocated to the U.S. holder’s current taxable year would be taxed as ordinary income; (iii) the amount allocated to each of the other taxable years of the U.S. holder would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and (iv) an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

If a U.S. holder died while owning our common stock, such U.S. holder’s successor generally would not receive a step-up in tax basis with respect to such shares for U.S. tax purposes.

If we are treated as a PFIC during any taxable year during a U.S. holder's holding period, unless the U.S. holder makes a timely QEF Election, or a timely "mark-to-market" election, for the first taxable year in which the U.S. holder holds our common stock, we will continue to be treated as a PFIC for all succeeding years during which the U.S. holder is treated as a direct or indirect U.S. holder, even if we are not a PFIC for such years. Each U.S. holder is encouraged to consult its own tax advisor with respect to any available elections that may be applicable in such a situation, as well as the IRS information and filing obligations that may arise as a result of the ownership of shares in a PFIC.

Taxation of Non-U.S. Holders

A "non-U.S. holder" is a beneficial owner of our common stock that is not an entity or arrangement treated as a partnership for U.S. federal income tax purposes and not a U.S. holder.

Distributions on Our Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income or withholding taxes on a distribution with respect to our common stock, unless the income arising from such distribution is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States. If a non-U.S. holder is entitled to the benefits of an applicable income tax treaty with respect to that income, such income generally is taxable in the U.S. only if it is attributable to a permanent establishment maintained by the non-U.S. holder in the United States.

Sale, Exchange or Other Disposition of Our Common Stock

A non-U.S. holder of our common stock generally will not be subject to U.S. federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common stock, unless:

- the gain is effectively connected with the conduct of a trade or business in the United States (and, if the non-U.S. holder is entitled to the benefits of an applicable income tax treaty with respect to that gain, that gain is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition (but is not considered a resident of the U. S. under specific rules) and certain other conditions are met.

Gain that is effectively connected with a non-U.S. holder's conduct of a trade or business in the U.S. (or so treated) generally will be subject to United States federal income tax, net of certain deductions, at regular U.S. federal income tax rates. A corporate non-U.S. holder's earnings and profits that are attributable to the effectively connected income (subject to certain adjustments) may be subject to an additional U.S. branch profits tax at a rate of 30.0% (or such lower rate as may be specified by an applicable income tax treaty).

Gain described in clause the second bullet point above (net of certain U.S.-source losses) will be taxed at a flat rate of 30.0% (or such lower rate as may be specified by an applicable tax treaty).

U.S. Backup Withholding and Information Reporting

In general, a non-corporate U.S. holder's distributions and proceeds from the disposition of our common stock may be subject to information reporting requirements. These payments to a non-corporate U.S. holder may also be subject to backup withholding tax if the non-corporate U.S. holder: (i) fails to provide an accurate taxpayer identification number; (ii) is notified by the IRS that it has become subject to backup withholding due to a prior failure to report all interest or distributions required to be shown on its federal income tax returns; or (iii) fails to comply with applicable certification requirements.

A non-U.S. holder, may be required to establish your exemption from information reporting and backup withholding by certifying your non-U.S. status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.

Backup withholding tax is not an additional tax. Rather, a U.S. holder or non-U.S. holder generally may obtain a refund of any amounts withheld under backup withholding rules that exceed its income tax liability by accurately completing and timely filing a refund claim with the IRS.

Tax Return Disclosure Requirements

Individual U.S. holders (and to the extent specified in applicable Treasury Regulations, certain individual non-U.S. holders and certain U.S. holders that are entities) that hold certain specified foreign assets with values in excess of certain dollar thresholds are required to report such assets on IRS Form 8938 with their U.S. federal income tax return, subject to certain exceptions (including an exception for foreign assets held in accounts maintained with U.S. financial institutions). Stock in a foreign corporation, including our common stock is a specified foreign asset for this purpose, unless such stock is held in an account maintained with a U.S. financial institution. Substantial penalties apply for failure to properly complete and file Form 8938. You are encouraged to consult your own tax advisor regarding the filing of this form. Additionally, in the event that an individual U.S. holder (and to the extent specified in applicable Treasury Regulations, an individual non-U.S. holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, a substantial penalty may apply and, in addition, the statute of limitations on the assessment and collection of U.S. federal income taxes of such person for the related tax year may not close until three years after the date that the required information is filed. U.S. holders (including U.S. entities) and non-U.S. holders should consult their own tax advisors regarding their reporting obligations with respect to specified foreign assets.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on display

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

We also make available on our website, free of charge, our Annual Report and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is www.navios.com. The information contained on our website is not incorporated by reference in this Annual Report.

I. Subsidiary information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risks

Navios Holdings is exposed to certain risks related to interest rate, foreign currency and charter rate risks.

Interest Rate Risk:

Debt Instruments — On December 31, 2021 and 2020, Navios Holdings had a total of \$1,405.8 million and \$1,612.7 million, respectively, of long-term indebtedness. All of the Company's debt is U.S. dollar-denominated. The 2022 Senior Secured Notes, the 2022 Notes, the 2024 Notes, the NSM Loan, the \$115.0 million NSM Loan, the 2025 Logistics Senior Notes, and two Navios Logistics' loans bear interest at a fixed rate; the balance of Navios Holdings' debt bears interest at a floating rate as discussed in "Item 5.B Liquidity and Capital Resources".

Changes in interest rates for our floating-rate loan facilities would affect their interest rate and related interest expense. As of December 31, 2021, the outstanding amount of the Company's floating rate loan facilities was \$147.0 million. A change in the LIBOR rate of 100 basis points would increase interest expense for the year ended December 31, 2021, by \$1.2 million. The interest rate on the 2022 Senior Secured Notes, the 2022 Notes, the 2024 Notes, the NSM Loan, the \$115.0 million NSM Loan, the 2025 Logistics Senior Notes, and two Navios Logistics' loans are fixed and, therefore, changes in interest rates affect their fair value, which as of December 31, 2021 was \$1,282.3 million, but do not affect their related interest expense.

For a detailed discussion of Navios Holdings' debt instruments refer to section "Long-Term Debt Obligations and Credit Arrangements" included in Item 5.B. of this Annual Report.

Inflation:

Inflation has had a minimal impact on vessel operating expenses and general and administrative expenses. Our management does not consider inflation to be a significant risk to direct expenses in the current and foreseeable economic environment.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on the Company's Series G and Series H preferred shares. On July 15, 2017, the Company reached six quarterly dividend payments in arrears relating to its Series G and Series H and as a result the respective dividend rate increased by 0.25%. As of the date of this Annual Report, the Company has reached 13 quarterly dividend payments in arrears relating to its Series G and Series H preferred shares.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

A. Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, conducted an evaluation, pursuant to Rule 13a-15 (e) promulgated under the Exchange Act, of the effectiveness of our disclosure controls and procedures as of December 31, 2021. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2021.

Disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

B. Management's Annual Report on Internal Control over Financial Reporting

The management of Navios Holdings is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Navios Holdings' internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the U.S.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Navios Holdings' management assessed the effectiveness of Navios Holdings' internal control over financial reporting as of December 31, 2021. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on its assessment, management concluded that, as of December 31, 2021, Navios Holdings' internal control over financial reporting is effective based on those criteria.

Navios Holdings' independent registered public accounting firm has issued an attestation report on Navios Holdings' internal control over financial reporting.

C. Attestation Report of the Registered Public Accounting Firm

Navios Holdings' independent registered public accounting firm has issued an audit report on Navios Holdings' internal control over financial reporting. This report appears on Page F-2 of the Consolidated Financial Statements.

D. Changes in Internal Control over Financial Reporting

There have been no changes in internal controls over financial reporting (identified in connection with management's evaluation of such internal controls over financial reporting) that occurred during the year covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, Navios Holdings' internal controls over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee financial expert

Navios Holdings' Audit Committee consists of three independent directors, Spyridon Magoulas, Efstathios Loizos and George Malanga. The Board of Directors has determined that Efstathios Loizos qualifies as "an audit committee financial expert" as defined in the instructions of Item 16A of Form 20-F. Mr. Loizos is independent under applicable NYSE and SEC standards.

Item 16B. Code of Ethics

Navios Holdings has adopted a code of ethics, the Navios Code of Corporate Conduct and Ethics, applicable to officers, directors and employees of Navios Holdings that complies with applicable guidelines issued by the SEC. The Navios Code of Corporate Conduct and Ethics is available for review on Navios Holdings' website at www.navios.com.

Item 16C. Principal Accountant Fees and Services

Audit Fees

Our principal accountants for fiscal years 2021 and 2020 were PricewaterhouseCoopers S.A. The audit fees for the audit of the years ended December 31, 2021 and 2020 were \$1.4 million and \$1.5 million, respectively.

The Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of the independent auditors. As part of this responsibility, the audit committee pre-approves the audit and non-audit services performed by the independent auditors in order to assure that they do not impair the auditors' independence from the Company. The Audit Committee may delegate, to one or more of its designated members, the authority to grant such pre-approvals. The decision of any member to whom such authority is delegated is presented to the full Committee at each of its scheduled meetings.

All audit services and other services provided by PricewaterhouseCoopers S.A. were pre-approved by the Audit Committee.

Audit-Related Fees

There were no audit-related fees billed in 2021 and 2020.

Tax Fees

There were no tax fees billed in 2021 and 2020.

All Other Fees

There were no other fees billed in 2021 and 2020.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In March and April of 2019, Navios Holdings repurchased 10,930 Series H for a total of approximately \$4.2 million of cash consideration and a total of approximately \$4.7 million in aggregate principal amount of 2024 Notes, and 8,841 Series G for a total of approximately \$4.4 million of cash consideration and a total of approximately \$3.9 million principal amount of 2024 Notes, pursuant to tender offers. Please refer also to Note 17 “Preferred and Common Stock” to the consolidated financial statements included herein.

Item 16F. Changes in Registrant’s Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Pursuant to an exception for foreign private issuers, we are not required to comply with the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, we have voluntarily adopted all of the NYSE required practices, except that, as permitted under Marshall Islands law, we do not need or intend to obtain prior shareholder approval to adopt or re-use equity compensation plans, including our 2015 Equity Incentive Plan.

Item 16H. Mine Safety disclosures

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

The financial information required by this Item is set forth on pages F-1 to F-71 and are filed as part of this Annual Report.

Item 19. Exhibits

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- [1.1 Amended and Restated Articles of Incorporation of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form F-1 \(File No. 333-129382\), filed on November 2, 2005\).](#)
- [1.2 Amended and Restated Bylaws of Navios Maritime Holdings Inc \(Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form F-1 \(File No. 333-129382\), filed on November 2, 2005\).](#)
- [1.3 Articles of Amendment of Articles of Incorporation of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 99.1 to the Registrant's Form 6-K, filed on January 17, 2007\).](#)
- [1.4 Articles of Amendment of Articles of Incorporation of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 1.1 to the Registrant's Form 6-K, filed on December 28, 2018\).](#)
- [2.1 Specimen Common Stock Certificate. \(Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form F-1 \(File No. 333-129382\)\).](#)
- [2.2 Certificate of Designations of Rights, Preferences and Privileges of Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 99.2 to the Registrant's Form 6-K, filed on October 6, 2008\).](#)
- [2.3 Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.1 to the Registrant's Form 6-K, filed on July 7, 2009\).](#)
- [2.4 Certificate of Designation, Preferences and Rights of Series B Convertible Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.1 to the Registrant's Form 6-K, filed on September 22, 2009\).](#)
- [2.5 Certificate of Designation, Preferences and Rights of Series C Convertible Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.1 to the Registrant's Form 6-K, filed on September 24, 2009\).](#)
- [2.6 Certificate of Designation, Preferences and Rights of Series D Convertible Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.1 to the Registrant's Form 6-K, filed on February 4, 2010\).](#)
- [2.7 Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of November 21, 2017, among Navios Maritime Holdings Inc., Navios Logistics Finance II \(US\) Inc., the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee and collateral trustee \(Incorporated by reference to Exhibit 99.2 to the Registrant's Form 6-K, filed on November 21, 2017\).](#)
- [2.7.1 First Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of March 12, 2018 \(Incorporated by reference to Exhibit 10.3 to the Registrant's Form 6-K, filed on December 20, 2018\).](#)
- [2.7.2 Second Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of October 31, 2018 \(Incorporated by reference to Exhibit 10.4 to the Registrant's Form 6-K, filed on December 20, 2018\).](#)
- [2.7.3 Sixth Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of October 1, 2020 \(Incorporated by reference to Exhibit 99.2 to the Registrant's Form 6-K, filed on October 1, 2020\).](#)
- [2.7.4 Consent Agreement relating to the 11.25% Senior Secured Notes due 2022, dated October 1, 2020, among Navios Maritime Holdings Inc., Navios Maritime Finance II \(US\) Inc. and the Consenting Noteholders \(Incorporated by reference to Exhibit 99.1 to the Registrant's Form 6-K, filed on October 1, 2020\).](#)
- [2.7.5 Seventh Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of November 17, 2020, \(Incorporated by reference to Exhibit 10.2 to the Registrant's Form 6-K, filed on November 17, 2020\).](#)
- [2.7.6 Eighth Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of June 30, 2021 \(Incorporated by reference to Exhibit 99.1 to the Registrant's Form 6-K filed on June 30, 2021\).](#)
- [2.8 Indenture relating to the 9.75% Senior Notes due 2024, dated as of March 1, 2019, among Navios Maritime Holdings Inc., the issuer party thereto, and Wilmington Trust, National Association, as trustee \(Incorporated by reference to Exhibit 4.43 to the Registrant's Form 20-F, filed on April 21, 2020\).](#)
- [2.8.1 First Supplemental Indenture relating to the 9.75% Senior Notes due 2024, dated as of April 18, 2019 \(Incorporated by reference to Exhibit 4.44 to the Registrant's Form 20-F, filed on April 21, 2020\).](#)
- [2.9 Form of Amended and Restated Deposit Agreement, by and among Navios Maritime Holdings Inc., Citibank, N.A., and the holders from time to time of the American Depositary Shares described therein, relating to the 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock \(Incorporated by reference to Exhibit 99.\(a\) to the Registrant's Registration Statement on Form F-6, filed on March 26, 2021\).](#)

- [2.10 Certificate of Designation of 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form 8-A \(File No. 001-33311\), filed on January 24, 2014\).](#)
- [2.11 Form of American Depositary Receipt representing the American Depositary Shares \(Incorporated by reference to Exhibit A to Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A \(File No. 001-33311\), filed on January 24, 2014\).](#)
- [2.12 Form of Certificate representing the 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock \(Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form 8-A \(File No. 001-33311\), filed on January 24, 2014\).](#)
- [2.13 Form of Amended and Restated Deposit Agreement, by and among Navios Maritime Holdings Inc., Citibank, N.A., and the holders from time to time of the American Depositary Shares described therein, relating to the 8.625% Series H Cumulative Redeemable Perpetual Preferred Stock \(Incorporated by reference to Exhibit 99.\(a\) to the Registrant's Registration Statement on Form F-6, filed on March 26, 2021\).](#)
- [2.14 Certificate of Designation of 8.625% Series H Cumulative Redeemable Perpetual Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form 8-A \(File No. 001-33311\), filed on July 7, 2014\).](#)
- [2.15 Form of Certificate representing the 8.625% Series H Cumulative Redeemable Perpetual Preferred Stock \(Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form 8-A \(File No. 001-33311\), filed on July 7, 2014\).](#)
- [2.16 Stockholders Rights Agreement dated as of February 19, 2019 by and between Navios Maritime Holdings Inc. and Continental Stock Transfer & Trust Company \(Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form 8-A \(File No. 001-33311\), filed on February 19, 2019\).](#)
- [2.17 Description of the rights of each class of securities registered under Section 12 of the Exchange Act.](#)
- [2.18 Certificate of Designation, Preferences and Rights of Series I Non-Economic Preferred Stock of Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 99.2 to the Registrant's Thirteenth Amendment to its Schedule 13D, filed on January 3, 2022\).](#)
- [2.19 Convertible Debenture between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation \(Incorporated by reference to Exhibit 99.3 to the Registrant's Form 6-K, filed on December 15, 2021\).](#)
- [4.1 Amendment to Omnibus Agreement, dated June 29, 2009, by and among Navios Maritime Holdings Inc., Navios GP L.L.C., Navios Maritime Operating L.L.C. and Navios Maritime Partners L.P. \(Incorporated by reference to Exhibit 10.2 to the Registrant's Form 6-K, filed on July 7, 2009\).](#)
- [4.2 Administrative Services Agreement, dated April 12, 2011, between Navios South American Logistics Inc. and Navios Maritime Holdings Inc. \(Incorporated by reference to Exhibit 10.3 to the Registrant's Form 6-K, filed on May 25, 2011\).](#)
- [4.3 Management Agreement, dated August 29, 2019, by and between Navios Maritime Holdings Inc and Navios Shipmanagements Inc \(Incorporated by reference to Exhibit 99.2 to the Registrant's Form 6-K, filed September 4, 2019\).](#)
- [4.4 Administrative Services Agreement, dated August 29, 2019, by and between Navios Maritime Holdings Inc. and Navios Shipmanagement Inc. \(Incorporated by reference to Exhibit 99.3 to the Registrant's Form 6-K, filed September 4, 2019\).](#)
- [4.5 Shareholders' Agreement, dated as of June 17, 2010, between Navios South American Logistics Inc., Navios Corporation and Grandall Investment S.A \(Incorporated by reference to Exhibit 4.1 to Navios South American Logistics Inc.'s Registration Statement on Form F-4 \(Registration No. 333-179250\), filed on January 31, 2012\).](#)
- [4.6 Shareholders' Agreement, dated as of November 19, 2019, between Navios South American Logistics Inc., Navios Maritime Holdings Inc. and Peers Business S.A \(Incorporated by reference to Exhibit 4.45 to the Registrant's Form 20-F, filed on April 21, 2020\).](#)
- [4.7 Facility Agreement No. 242 in respect of a loan up to \\$23.0 million, dated August 19, 2011, between Solange Shipping Ltd. and Credit Agricole Corporate and Investment Bank \(formerly Emporiki Bank of Greece S.A.\) \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on August 25, 2011\).](#)

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- [4.8 Facility agreement in respect of a loan of up to \\$23.0 million, dated December 29, 2011, between Mandora Shipping Ltd. and Credit Agricole Corporate and Investment Bank \(formerly Emporiki Bank of Greece S.A.\) \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on January 26, 2012\).](#)
- [4.9 Facility agreement for a \\$42.0 million term loan facility, dated March 23, 2012, by and between Astra Maritime Corporation, Serenity Shipping Enterprises Inc., DVB Bank SE, Credit Agricole Corporate and Investment Bank \(formerly Emporiki Bank of Greece S.A.\) and Norddeutsche Landesbank Girozentrale \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on April 6, 2012\).](#)
- [4.10 Facility Agreement for a \\$40.0 million term loan facility, dated September 19, 2013, between Kleimar NV and DVB Bank SE \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on October 8, 2013\).](#)
- [4.11 Facility Agreement relating to a facility of up to \\$18,253,968.25, dated December 21, 2017, between Kleimar NV. and DVB Bank SE \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on January 17, 2018\).](#)
- [4.12 Loan Agreement in respect of a loan of up to \\$31.0 million, dated November 6, 2014, between Lavender Shipping Corporation and Alpha Bank A.E. \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on December 8, 2014\).](#)
- [4.13 Loan Agreement for a Loan of up to \\$16.125 million, dated as of November 3, 2016, by and between Nostos Shipmanagement Corp. and Alpha Bank A.E \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on December 1, 2016\).](#)
- [4.14 Facility Agreement dated May 23, 2017 for a loan facility of up to \\$15.3 million, between Red Rose Shipping Corp. and HSH Nordbank AG \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on December 20, 2018\).](#)
- [4.15 Secured Loan Agreement, dated August 29, 2019, by and between Navios Maritime Holdings Inc, as borrower and Navios Shipmanagement Holdings Corporation, as lender \(Incorporated by reference to Exhibit 99.5 to the Registrant's Form 6-K, filed September 4, 2019\).](#)
- [4.16 Loan Agreement for a Loan of up to \\$50.0 million, dated as of June 3, 2020, by and between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation. \(Incorporated by reference to Exhibit 4.46 to the Registrant's Form 6-K, filed on June 12, 2020\).](#)
- [4.17 Second Amendment to the Navios Maritime Holdings Inc. 2015 Equity Incentive Plan \(Incorporated by reference to Exhibit 99.1 to the Registrant's Form 6-K, filed on December 4, 2018\).](#)
- [4.18 Purchase Agreement, dated August 30, 2019, by and among N Shipmanagement Acquisition Corp., Alegria Shiptrade Co., Olympos Maritime Ltd, Navios Maritime Holdings Inc. and Navios GP L.L.C. \(Incorporated by reference to Exhibit 99.6 to the Registrant's Form 6-K, filed September 4, 2019\).](#)
- [4.19 Bareboat Charter and Memorandum of Agreement, dated November 27, 2019, among Anchor Trans Inc., and Vernazza Shiptrade Inc, being a wholly owned subsidiary of Navios Maritime Holdings Inc., providing for the sale and leaseback of Dream Canary \(Incorporated by reference to Exhibit 4.40 to the Registrant's Form 20-F, filed on April 21, 2020\).](#)
- [4.20 Bareboat Charter and Memorandum of Agreement, dated February 13, 2020, between Lua Line S.A. and Okino Kaiun Co. and Roselite Shipping Corporation, being a wholly owned subsidiary of Navios Maritime Holdings Inc., providing for the sale and leaseback of Navios Corali \(Incorporated by reference to Exhibit 4.41 to the Registrant's Form 20-F, filed on April 21, 2020\).](#)
- [4.21 Amendment agreement, dated as of April 24, 2020, by and between Navios Maritime Holdings Inc. and Navios South American Logistics Inc. \(Incorporated by reference to Exhibit 10.1 to the Registrant's Form 6-K, filed on July 10, 2020\).](#)
- [4.22 Deed of Assignment and Assumption, dated as of June 24, 2020, by and among Navios Logistics, Grimaud Ventures S.A., and Anemos Maritime Holdings Inc. \(Incorporated by reference to Exhibit 10.2 to the Registrant's Form 6-K, filed on July 10, 2020\).](#)
- [4.23 Amendment agreement dated as of June 25, 2020, by and between Navios Maritime Holdings Inc. and Grimaud Ventures S.A. \(Incorporated by reference to Exhibit 10.3 to the Registrant's Form 6-K, filed on July 10, 2020\).](#)
- [4.24 Secured Loan Agreement, dated as of August 29, 2019, as amended and restated on December 13, 2021, between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation \(Incorporated by reference to Exhibit 99.1 to the Registrant's Form 6-K filed on December 15, 2021\).](#)
- [4.25 Secured Loan Agreement, dated as of June 29, 2021, as amended and restated on December 13, 2021, between Navios Maritime Holdings Inc. and Navios Shipmanagement Holdings Corporation. \(Incorporated by reference to Exhibit 99.2 to the Registrant's Form 6-K filed on December 15, 2021\).](#)

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- [4.26 Loan Agreement, dated December 14, 2021, among Kleimar NV, White Narcissus Marine S.A., Faith Marine Ltd., Red Rose Shipping Corporation and Moonstone Shipping Corporation, and Hamburg Commercial Bank AG. \(Incorporated by reference to Exhibit 99.4 to the Registrant's Form 6-K filed on December 15, 2021\).](#)
- [4.27 Loan Agreement, dated December 13, 2021, among Ducale Marine Inc., Kleimar NV, Opal Shipping Corporation, Iris Corporation, Highbird Management Inc. and Corsair Shipping Ltd., and Credit Agricole Corporate and Investment Bank and BNP Paribas. \(Incorporated by reference to Exhibit 99.5 to the Registrant's Form 6-K filed on December 15, 2021\).](#)
- [4.28 Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Shikar Ventures S.A. and Batanagar Shipping Corporation, providing for the sale and leaseback of Navios Stellar. \(Incorporated by reference to Exhibit 99.6 to the Registrant's Form 6-K filed on December 15, 2021\)](#)
- [4.29 Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Pueblo Holdings Ltd. and K.T.M. Corporation S.A., providing for the sale and leaseback of Navios Lumen. \(Incorporated by reference to Exhibit 99.7 to the Registrant's Form 6-K filed on December 15, 2021\).](#)
- [4.30 Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Pharos Navigation S.A. and ASL Navigation S.A., providing for the sale and leaseback of the Navios Phoenix. \(Incorporated by reference to Exhibit 99.8 to the Registrant's Form 6-K filed on December 15, 2021\).](#)
- [4.31 Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Rumer Holding Ltd. and Juno Maritime Corp., providing for the sale and leaseback of Navios Antares. \(Incorporated by reference to Exhibit 99.9 to the Registrant's Form 6-K filed on December 15, 2021\).](#)
- [4.32 Bareboat Charter and Memorandum of Agreement, dated February 21, 2022, between Kotobuki Kaiun Co. Ltd., Yutoku Kinkai Kisen Co., Ltd., Kotobuki Kaiun Corporation S.A., Kleimar NV and White Narcissus Marine S.A., providing for the sale and leaseback of the Navios Asteriks \(filed herewith\).](#)
- [8.1 List of subsidiaries \(filed herewith\).](#)
- [12.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act \(filed herewith\).](#)
- [12.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act \(filed herewith\).](#)
- [13.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act \(filed herewith\).](#)
- [13.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act \(filed herewith\).](#)
- [15.1 Consent of PricewaterhouseCoopers S.A \(filed herewith\).](#)
- [15.2 Consent of Ernst & Young \(Hellas\) Certified Auditors Accountants S.A. \(filed herewith\).](#)
- [15.3 Consolidated Financial Statements of Navios Maritime Partners L.P. for the years ended December 31, 2021, December 31, 2020, and December 31, 2019 \(filed herewith\).](#)
- 101 The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, formatted in eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets at December 31, 2021 and 2020; (ii) Consolidated Statements of Comprehensive Income/(Loss)/ for each of the years ended December 31, 2021, 2020 and 2019; (iii) Consolidated Statements of Cash Flows for each of the years ended December 31, 2021, 2020 and 2019; (iv) Consolidated Statements of Changes in Equity for each of the years ended December 31, 2021, 2020 and 2019; and (v) the Notes to Consolidated Financial Statements.

SIGNATURE

Navios Maritime Holdings Inc. hereby certifies that it meets all of the requirements for filing its Annual Report on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Navios Maritime Holdings Inc.

By: /s/ Angeliki Frangou

Name: Angeliki Frangou

Title:
Chairwoman and Chief Executive Officer

Date: April 14, 2022

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NAVIOS MARITIME HOLDINGS INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Navios Maritime Holdings Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Navios Maritime Holdings Inc. and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income/(loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting, appearing under Item 15B. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Emphasis of matter

As discussed in Note 2 to the consolidated financial statements, as of December 31, 2021, the Company has negative working capital position of \$213.3 million (excluding operating lease liabilities, current portion). Management's evaluation of the events and conditions and management's actions and plans to mitigate this matter are also described in Note 2. This matter is also described in the "Critical Audit Matters" section of our report.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Going concern assessment

As described above and in Note 2 to the consolidated financial statements, the Company prepared its consolidated financial statements on a going concern basis. As of December 31, 2021, the Company's current assets totaled \$229.5 million, while current liabilities (excluding operating lease liabilities, current portion) totaled \$442.7 million, resulting in a negative working capital position of \$213.3 million, primarily related to the classification as current of \$164.9 million of the 7.375% First Priority Ship Mortgage Notes due in January 2022 (the "2022 Notes") and \$105.0 million of the 11.25% Senior Secured Notes due in August 2022 (the "2022 Senior Secured Notes"). Based on internal forecasts and projections, that take into account potential changes in Company's trading performance and the ability to sell vessels and other assets, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to, capital expenditures and debt service obligations for a period of at least 12 months from the date of issuance of the consolidated financial statements. Although internal forecasts and projections, and specifically the estimated daily time charter equivalent for the unfixed days, are driven by market data and are subject to future volatility along with other factors outside the control of the Company, with the existence of alternative liquidity sources and management's ability to utilize them if needed, substantial doubt about the Company's ability to continue as a going concern has been alleviated as of the date of the issuance of these financial statements.

The principal considerations for our determination that performing procedures relating to the going concern assessment is a critical audit matter are (i) the significant judgment by management in developing internal forecasts and projections used in the Company's going concern analysis; and (ii) a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating management's significant assumptions related to the internal forecasts and projections, specifically the estimated daily time charter equivalent for the unfixed days.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's going concern assessment. These procedures also included, among others, (i) evaluating the appropriateness of the significant assumptions that impact cash flows in management's going concern assessment which include assumptions relating to the internal forecasts and projections; (ii) testing the completeness, accuracy and relevance of underlying data used in the analysis; and (iii) assessing the adequacy of the Company's going concern disclosures included in Note 2 to the consolidated financial statements. Evaluating management's assumptions relating to the internal forecasts and projections involved evaluating whether the assumptions used by management were reasonable considering (i) the estimated daily time charter equivalent for the unfixed days in the Company's projected cash flows; (ii) current and past performance of the Company; (iii) the consistency with external market and industry data; and (iv) whether the assumptions were consistent with evidence obtained in other areas of the audit.

Goodwill impairment assessment in the dry bulk vessel operations

As disclosed in Notes 2 and 19 to the consolidated financial statements, the carrying amount of the Company's goodwill is approximately \$160.3 million as of December 31, 2021 which includes \$56.2 million allocated to the dry bulk vessel operations and \$104.1 million allocated to the logistics business. Goodwill is tested for impairment at the reporting unit level at least annually. Management compares the aggregate fair value of the reporting unit to its carrying amount, including goodwill. Goodwill impairment loss is measured as the amount by which a reporting unit's carrying amount exceeds its fair value. Management determines the fair value of a reporting unit based on a combination of the income approach (i.e. discounted cash flows) and market approach (i.e. comparative market multiples). The significant factors and assumptions used by management in its discounted cash flow analysis for the dry bulk vessel operations include EBITDA, the discount rate used to calculate the present value of future cash flows and future capital expenditures. EBITDA assumptions included revenue assumptions, general and administrative expense growth assumptions and direct vessel expense growth assumptions. The future cash flows are determined by considering the charter revenues from existing time charters for the fixed fleet days (the remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average historical one-year time charter rates). The WACC is based on externally observable data considering market participants' and the Company's cost of equity and debt, optimal capital structure and risk factors specific to the Company. The market approach estimates the fair value of the Company's business based on comparable publicly-traded companies in its industry. In assessing the fair value, management utilizes the results of the valuations and considers the range of fair values determined under all methods which indicates that the fair value exceeds the carrying amount.

The principal considerations for our determination that performing procedures relating to goodwill impairment assessment in the dry bulk vessel operations is a critical audit matter are (i) the significant judgment by management when developing the fair value of the reporting units; (ii) a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating management's significant assumptions related to the estimated daily time charter equivalent for the unfixed days and the WACC; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment in the dry bulk vessel operations, including controls over the fair value estimate of the reporting unit. These procedures also included, among others, (i) evaluating the appropriateness of the discounted cash flows and market approach utilized by management; (ii) testing management's process for determining the fair value of the reporting unit, (iii) testing the completeness, accuracy and relevance of underlying data used in the models; and (iv) evaluating the significant assumptions used by management related to the estimated daily time charter equivalent for the unfixed days and the WACC. Evaluating management's assumptions related to the fair value of the reporting unit involved evaluating whether the assumptions used by management were reasonable considering (i) the historical average time charter rates of the vessels; (ii) the current and past performance of the reporting unit; (iii) the consistency with external market and industry data; and (iv) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management's discounted cash flow and market approach models, evaluating the reasonableness of the estimated daily time charter equivalent for the unfixed days used in the discounted cash flow model and developing an independent estimate of the discount rate.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece
April 14, 2022

We have served as the Company's (or its predecessor) auditor since 2002.

NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars — except share data)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	4, 12	\$ 53,591	\$ 94,881
Restricted cash	4, 11, 12	84,260	16,303
Accounts receivable, net	5	62,839	54,328
Due from affiliate companies	16	—	243
Inventories		11,663	14,121
Prepaid expenses and other current assets	6	17,094	14,981
Total current assets		229,447	194,857
Vessels, port terminals and other fixed assets, net	7	950,002	1,139,539
Deferred dry dock and special survey costs, net		37,587	31,180
Investments in affiliate companies	9	125,744	56,988
Other long-term assets	9, 12, 14	39,255	61,900
Operating lease assets	15	173,426	227,962
Intangible assets other than goodwill	8	92,981	98,563
Goodwill	2, 19	160,336	160,336
Total non-current assets		1,579,331	1,776,468
Total assets		\$ 1,808,778	\$ 1,971,325
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable		\$ 36,622	\$ 29,185
Accrued expenses and other liabilities	8, 10, 16	64,459	72,535
Deferred income and cash received in advance	16	8,141	8,342
Operating lease liabilities, current portion	15	54,747	81,415
Due to affiliate companies	16	21,028	27,114
Current portion of loans payable to affiliate companies	11, 12, 16	877	26,595
Current portion of long-term debt, net	11, 12	37,916	48,219
Current portion of promissory note	16	5,000	—
Current portion of senior and ship mortgage notes, net	11, 12	268,658	299,377
Total current liabilities		497,448	592,782
Senior and ship mortgage notes, net of current portion	11, 12	833,273	964,189
Long-term debt, net of current portion	11, 12	134,003	143,417
Long term portion, promissory note	16	10,000	—
Loans payable to affiliate companies, net of current portion	11, 12, 16	111,757	102,632
Other long-term liabilities and deferred income	16	927	660
Operating lease liabilities, net of current portion	15	144,239	193,351
Deferred tax liability	21	10,487	8,577
Total non-current liabilities		1,244,686	1,412,826
Total liabilities		1,742,134	2,005,608
Commitments and contingencies	14	—	—
Stockholders' equity			
Preferred Stock — \$0.0001 par value, authorized 1,000,000 shares, 23,032 issued and outstanding as of December 31, 2021 and 2020.	17	—	—
Common stock — \$0.0001 par value, authorized 250,000,000 shares, 25,198,620 and 15,881,147 issued and outstanding as of December 31, 2021 and 2020, respectively.	17	2	1
Additional paid-in capital		679,301	643,033
Accumulated deficit		(667,906)	(784,592)
Total Navios Holdings stockholders' equity/(deficit)		11,397	(141,558)
Noncontrolling interest		55,247	107,275
Total stockholders' equity/(deficit)		66,644	(34,283)
Total liabilities and stockholders' equity		\$ 1,808,778	\$ 1,971,325

NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Expressed in thousands of U.S. dollars — except share and per share data)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue	2, 19	\$ 585,818	\$ 416,718	\$ 482,449
Administrative fee revenue from affiliate companies	16, 19	—	—	16,991
Time charter, voyage and logistics business expenses	15, 16	(154,451)	(166,589)	(177,216)
Direct vessel expenses	16	(112,350)	(104,755)	(101,467)
General and administrative expenses incurred on behalf of affiliate companies	16	—	—	(16,991)
General and administrative expenses	16	(31,327)	(33,702)	(36,194)
Depreciation and amortization	7, 8, 19	(61,235)	(71,015)	(81,723)
Allowance for credit losses	5	(1,831)	(541)	(999)
Interest income	16, 19	256	257	10,662
Interest expense and finance cost	18, 19	(145,009)	(136,559)	(133,479)
Impairment loss/ loss on sale of vessels, net	7, 12, 15	(47,827)	(88,367)	(156,106)
Gain on bond and debt extinguishment, net	11	951	7,047	47,430
Gain on sale of business	3	—	—	9,802
Loss on loss of control	3	—	—	(61,741)
Other income	16, 2	4,303	6,303	44,750
Other expense	9, 22	(9,855)	(8,007)	(15,842)
Impairment of loan receivable from affiliate company	9	—	(6,050)	—
Income/(loss) before equity in net losses of affiliate companies		\$ 27,443	\$ (185,260)	\$ (169,674)
Equity in net earnings/(losses) of affiliate companies	9, 16, 19	69,275	(1,293)	(9,185)
Income/(loss) before taxes		\$ 96,718	\$ (186,553)	\$ (178,859)
Income tax expense	21	(4,817)	(2,052)	(1,475)
Net income/(loss) from continuing operations		\$ 91,901	\$ (188,605)	\$ (180,334)
Net loss from discontinued operations		—	—	(4,118)
Net income/(loss)		\$ 91,901	\$ (188,605)	\$ (184,452)
Less: Net loss/(income) attributable to the noncontrolling interest		24,785	(4,356)	(7,658)
Net income/(loss) attributable to Navios Holdings common stockholders		\$ 116,686	\$ (192,961)	\$ (192,110)
Income/(loss) attributable to Navios Holdings common stockholders, basic and diluted from continuing operations		\$ 111,559	\$ (197,939)	\$ (149,490)
Loss attributable to Navios Holdings common stockholders, basic and diluted from discontinued operations		\$ —	\$ —	\$ (4,118)
Income/(loss) attributable to Navios Holdings common stockholders, basic and diluted	20	\$ 111,559	\$ (197,939)	\$ (153,608)
Basic earnings/ (loss) per share attributable to Navios Holdings common stockholders from continuing operations		\$ 6.90	\$ (15.35)	\$ (12.10)
Basic and diluted loss per share attributable to Navios Holdings common stockholders from discontinued operations		—	—	(0.33)
Basic earnings/ (loss) per share attributable to Navios Holdings common stockholders		\$ 6.90	\$ (15.35)	\$ (12.43)
Weighted average number of shares, basic	20	16,168,329	12,896,568	12,356,024
Diluted earnings/ (loss) per share attributable to Navios Holdings common stockholders		\$ 6.74	\$ (15.35)	\$ (12.43)
Weighted average number of shares, diluted		16,553,011	12,896,568	12,356,024
Total comprehensive income/(loss)		91,901	(188,605)	(184,452)
Comprehensive loss/(income) attributable to noncontrolling interest		24,785	(4,356)	(7,658)
Total comprehensive income/(loss) attributable to Navios Holdings common stockholders		\$ 116,686	\$ (192,961)	\$ (192,110)

NAVIOS MARITIME HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
OPERATING ACTIVITIES:				
Net income/(loss)		\$ 91,901	\$ (188,605)	\$ (184,452)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:				
Depreciation and amortization	7, 8	61,235	71,015	104,581
Amortization and write-off of deferred financing costs	18	8,870	7,863	8,242
Amortization of deferred drydock and special survey costs		11,084	10,255	11,714
Allowance for credit losses	5	1,831	541	999
Stock-based compensation expenses	13	589	1,268	2,885
Gain on bond and debt extinguishment, net	11	(951)	(7,047)	(47,430)
Income tax expense	21	4,817	2,052	1,475
Equity in net (earnings)/losses of affiliate companies, net of dividends received	9, 16	(68,752)	2,709	13,722
Loss on loss of control	3	—	—	61,741
Gain on sale of business/assets	3, 7	—	—	(9,802)
Impairment of loan receivable from affiliate company	9	—	6,050	—
Impairment loss/ loss on sale of vessels, net	7, 15	47,827	88,367	156,106
Changes in operating assets and liabilities:				
(Increase)/decrease in accounts receivable		(9,887)	(2,992)	5,425
Decrease /(increase) in inventories		1,801	(3,641)	12,606
Decrease/(increase) in prepaid expenses and other assets		2,155	(5,505)	(10,753)
Decrease/(increase) in due from affiliate companies		667	18,895	(1,029)
Increase in accounts payable		7,149	7,763	47,491
(Decrease)/increase in accrued expenses and other liabilities		(11,019)	18,469	(15,855)
Decrease in operating lease liabilities, net		(17,292)	(3,985)	(3,078)
(Decrease)/increase in due to affiliate companies		(1,138)	18,626	(32,081)
(Decrease)/increase in deferred income and cash received in advance		(200)	648	(2,323)
Increase/(decrease) in other long-term liabilities and deferred income		267	(173)	(966)
Payments for drydock and special survey costs		(21,334)	(17,362)	(23,106)
Net cash provided by operating activities		\$ 109,620	\$ 25,211	\$ 96,112
INVESTING ACTIVITIES:				
Proceeds from sale of business	3	—	—	3,000
Impact to cash from deconsolidation/sale of business	3	—	—	(21,439)
Loan from affiliate companies	16	—	18,629	8,000
Dividends received from affiliate companies	9	243	5,838	4,379
Deposits for vessels, port terminals and other fixed assets	7	(19,498)	(5,153)	(4,504)
Proceeds from lease receivable		313	189	150
Proceeds from sale of asset	7	167,016	83,445	48,830
Acquisition of investments in affiliate companies	9	—	—	(8)
Acquisition of/additions to vessels	7	(24,950)	(96,969)	(74,294)
Purchase of property, equipment and other fixed assets	7	(4,350)	(3,288)	(5,166)
Deposit for option to acquire vessels	14	—	(2,099)	(15,415)
Net cash provided by/(used in) investing activities		\$ 118,774	\$ 592	\$ (56,467)
FINANCING ACTIVITIES:				
Repurchase of preferred stock	17	\$ —	\$ —	\$ (10,228)
Issuance of capital surplus		—	—	(3)
Repayment of loans payable to affiliate companies	16	(130,743)	(50,000)	(13,420)
Proceeds from loans payable to affiliate companies	16	115,000	50,000	—
Proceeds from long-term debt	11	58,000	81,625	129,022
Proceeds from issuance of senior notes, net of deferred financing costs	11	—	487,504	—
Repayment of long-term debt and payment of principal	11	(94,959)	(164,638)	(146,887)
Repayment/repurchase of senior notes	11	(168,588)	(384,443)	(68,325)
Debt issuance costs		(3,874)	(1,138)	(1,851)
Proceeds from sale of shares, net	17	44,437	—	—
Dividends paid to noncontrolling shareholders		—	(12,256)	—
Acquisition of noncontrolling interest	17	(21,000)	—	—
Net cash (used in)/provided by financing activities		\$ (201,727)	\$ 6,654	\$ (111,692)
Increase/(decrease) in cash and cash equivalents and restricted cash		26,667	32,457	(72,047)
Cash and cash equivalents and restricted cash, beginning of year		111,184	78,727	150,774
Cash and cash equivalents and restricted cash, end of year		\$ 137,851	\$ 111,184	\$ 78,727
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash paid for interest, net of capitalized interest		\$ 141,494	\$ 110,454	\$ 135,693
Cash paid for income taxes		\$ 260	\$ 186	\$ 298
Non-cash investing and financing activities				
Acquisition of/additions to vessels	7	\$ —	(986)	—
Sale of vessels	7	\$ 5,766	4,378	—
Proceeds from seller's credit agreement for the construction of six liquid barges	11	\$ 2,246	11,229	—
Accrued interest income on loan receivable from affiliate company	16	\$ —	\$ —	(2,948)
Accrued interest expense payable to affiliate company	11, 16	\$ —	\$ —	1,173
Issuance of senior secured notes in exchange of preferred stock	17	\$ —	\$ —	8,626
Loans payable to affiliate companies	16	\$ —	\$ —	141,795

Transfers from other long-term assets assets	7	\$	57,107	\$	—	\$	—
Proceeds from the Navios Logistics' 2020 Fleet		\$	15,000	\$	—	\$	—
Deposits for vessels, port terminals and other fixed assets		\$	(190)	\$	—	\$	—
Promissory note for the acquisition of the noncontrolling interest		\$	15,000	\$	—	\$	—
Other long-term assets unpaid as of December 31, 2021		\$	(386)	\$	—	\$	—
Discontinued operations							
Net cash provided by/(used in) operating activities of discontinued operations		\$	—	\$	—	\$	9,728
Net cash used in investing activities of discontinued operations		\$	—	\$	—	\$	(54,808)
Net cash provided by financing activities of discontinued operations		\$	—	\$	—	\$	42,164

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

	Number of Preferred Shares	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Navios Holdings' Stockholders' Equity/(Deficit)	Noncontrolling Interest	Total Stockholders' Equity/(Deficit)
Balance December 31, 2018	46,302	\$ —	12,843,414	\$ 1	\$ 686,671	\$ (434,739)	\$ —	\$ 251,933	\$ 269,747	\$ 521,680
Net loss	—	—	—	—	—	(192,110)	—	(192,110)	7,658	(184,452)
Tender offer-redemption of preferred stock (Note 17)	(19,771)	—	—	—	(47,788)	28,933	—	(18,855)	—	(18,855)
Conversion of convertible preferred stock to common stock (Note 17)	(3,289)	—	352,770	—	—	—	—	—	—	—
Issuance of capital surplus	—	—	(1,123)	—	(3)	—	—	(3)	—	(3)
Cancellation of shares (Note 17)	—	—	(3,379)	—	—	—	—	—	—	—
Stock-based compensation expenses (Note 17)	—	—	168,674	—	2,885	—	—	2,885	—	2,885
Navios Containers deconsolidation	—	—	—	—	—	—	—	—	(162,230)	(162,230)
Balance December 31, 2019	23,242	\$ —	13,360,356	\$ 1	\$ 641,765	\$ (597,916)	\$ —	\$ 43,850	\$ 115,175	\$ 159,025
Net loss	—	—	—	—	—	(192,961)	—	(192,961)	4,356	(188,605)
Cancellation of shares (Note 17)	—	—	(1,345)	—	—	—	—	—	—	—
Conversion of convertible preferred stock to common stock (Note 17)	(210)	—	22,712	—	—	—	—	—	—	—
Issuance of common stock (Note 17)	—	—	2,414,263	—	—	—	—	—	—	—
Stock-based compensation expenses (Note 17)	—	—	85,161	—	1,268	—	—	1,268	—	1,268
Other adjustments in accumulated deficit	—	—	—	—	—	6,285	—	6,285	—	6,285
Dividends paid to noncontrolling shareholders	—	—	—	—	—	—	—	—	(12,256)	(12,256)
Balance December 31, 2020	23,032	\$ —	15,881,147	\$ 1	\$ 643,033	\$ (784,592)	\$ —	\$ (141,558)	\$ 107,275	\$ (34,283)
Net income	—	—	—	—	—	116,686	—	116,686	(24,785)	91,901
Cancellation of shares (Note 17)	—	—	(894)	1	—	—	—	—	—	—
Issuance of common stock (Note 17)	—	—	9,301,542	—	—	—	—	1	—	1
Sale of shares (Note 17)	—	—	—	—	44,436	—	—	44,436	—	44,436
Stock-based compensation expenses (Note 17)	—	—	16,825	—	589	—	—	589	—	589
Acquisition of Noncontrolling Interest (Note 17)	—	—	—	—	(8,757)	—	—	(8,757)	(27,243)	(36,000)

Balance	23,032 \$	—	25,198,620 \$	2 \$	679,301 \$	(667,906) \$	— \$	11,397 \$	55,247 \$	66,644
December 31,										
2021										

NAVIOS MARITIME HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars — except share data)

NOTE 1: DESCRIPTION OF BUSINESS

Navios Maritime Holdings Inc. (“Navios Holdings” or the “Company”) (NYSE:NM) is a global seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities, including iron ore, coal and grain.

Navios South American Logistics Inc.

Navios South American Logistics Inc. (“Navios Logistics”), a consolidated subsidiary of the Company, was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. Navios Logistics believes it is one of the largest logistics companies in the Hidrovia region of South America, focusing on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the south-eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products. As of December 31, 2021, Navios Holdings owned 63.8% of Navios Logistics’ outstanding common stock.

Navios Partners

Navios Maritime Partners L.P. (“Navios Partners”) (NYSE:NMM) is an international owner and operator of dry cargo and tanker vessels and is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including crude oil, refined petroleum, chemicals, iron ore, coal, grain, fertilizer and also containers, chartering its vessels under short, medium and longer-term charters.

On March 31, 2021, Navios Partners completed the acquisition of Navios Maritime Containers L.P. (“Navios Containers”). For more information about the acquisition of Navios Containers, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements.

On October 15, 2021 Navios Partners completed the merger (“NNA Merger”) with Navios Maritime Acquisition Corporation (“Navios Acquisition”). For more information about the NNA Merger, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements.

As of December 31, 2021, Navios Holdings had a 10.3% ownership interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Containers

Navios Containers was an international owner and operator of containerships. As of December 31, 2020, Navios Holdings had a 3.9% ownership interest in Navios Containers.

Following the acquisition of Navios Containers by Navios Partners (“NMCI Merger”), which was completed on March 31, 2021, Navios Containers’ common units were no longer listed for trading on NASDAQ. As of December 31, 2021, Navios Holdings had no equity investment in Navios Containers due to the NMCI Merger. For more information about the NMCI Merger, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements.

Navios Acquisition

Navios Acquisition was an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

Following the NNA Merger, which closed on October 15, 2021, Navios Acquisition common shares were no longer listed for trading on NYSE. As of December 31, 2021, Navios Holdings had no equity investment in Navios Acquisition due to the NNA Merger. For more information about the NNA Merger, see Note 9 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the consolidated financial statements.

Navios Europe I

On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe Inc. (“Navios Europe I”) and had economic interests of 47.5%, 47.5% and 5.0%, respectively. Navios Europe I was engaged in the marine transportation industry through the ownership of five tanker and five containership vessels. Effective November 2014, Navios Holdings, Navios Acquisition and Navios Partners had voting interests in Navios Europe I of 50%, 50% and 0%, respectively. Navios Europe I was liquidated in December 2019. For more information about our interests in Navios Europe I, see Note 16 “Transactions with Related Parties” to the consolidated financial statements.

Navios Europe II

On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe (II) Inc. (“Navios Europe II”) and had economic interests of 47.5%, 47.5% and 5.0%, respectively and voting interests in Navios Europe II of 50%, 50% and 0%, respectively. Navios Europe II was engaged in the marine transportation industry through the ownership of seven dry bulk and seven containership vessels. On April 21, 2020, Navios Europe II and the lenders agreed to fully release the liabilities under the Junior Loan II for \$5,000. The structure was liquidated in June 2020. For more information about the Company’s interests in Navios Europe II, see Note 16 “Transactions with Related Parties” to the consolidated financial statements.

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation: The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Going concern

The consolidated financial statements have been prepared on a going concern basis.

As of December 31, 2021, Navios Holdings’ current assets totaled \$229,447, while current liabilities excluding operating lease liabilities, current portion totaled \$442,701, resulting in a negative working capital position of \$213,254, primarily related to the classification as current of \$164,891 of the 7.375% First Priority Ship Mortgage Notes due in January 2022 (the “2022 Notes”) and \$105,000 of the 11.25% Senior Secured Notes due in August 2022 (the “2022 Senior Secured Notes”) as described below and in Note 11 “Borrowings” to the consolidated financial statements.

As of December 31, 2021, Navios Holdings had redeemed \$150,000 at par of the 2022 Senior Secured Notes after issuing four notices of redemption, one in July 2021 for \$100,000, two in September for \$20,000 each and one in October for \$10,000. After these redemptions, \$155,000 in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding, which mature in August 2022.

As of December 31, 2021, Navios Holdings had repurchased \$21,356 at par value of the 2022 Notes, which mature in January 2022. In January 2022, Navios Holdings fully repaid \$455,566 that remained outstanding under its 2022 Notes and expects to repay the remaining amount of the 2022 Senior Secured Notes outstanding as of December 31, 2021, through a combination of (i) additional borrowing of \$150,000 secured under the NSM I and NSM II Loans (as defined herein); (ii) a term loan facility with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) of \$105,000; (iii) a term loan facility with Hamburg Commercial Bank AG (“HCOB”) of \$101,750; (iv) sale and leaseback agreements of \$77,000 and (v) cash flows from operations and/or proceeds from sale of vessels and other assets.

In March 2022, Navios Holdings issued a fifth notice of redemption with respect to an aggregate principal amount of \$25,000 at par of the 2022 Senior Secured Notes with redemption date being March 30, 2022. After this redemption, \$130,000 in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding, which mature in August 2022. For more information on the above-mentioned financing sources, see Note 11 “Borrowings” to the consolidated financial statements.

Based on internal forecasts and projections that take into account potential changes in Company’s trading performance and the ability to sell vessels and other assets, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least twelve months from the date of issuance of the consolidated financial statements. Although internal forecasts and projections, and specifically the estimated daily time charter equivalent for the unfixed days, are driven by market data and are subject to future volatility along with other factors outside the control of the Company, with the existence of alternative liquidity sources and management’s ability to utilize them if needed, management concludes that substantial doubt about the Company’s ability to continue as a going concern has been alleviated as of the date of the issuance of the consolidated financial statements.

Change in accounting principles:

ASU 2016-02 Leases, ASC 842

On January 1, 2019, the Company adopted the requirements of Accounting Standards Update (“ASU”) 2016-02 “Leases” as amended (Accounting Standards Codification (“ASC”) 842 or the “new lease standard”). ASC 842 increases transparency and comparability among organizations by requiring a lessee to record right-of-use assets and related lease liabilities on its balance sheet when it commences an operating lease. The Company adopted ASC 842 using the modified retrospective transition method. Under this method, the cumulative effect of applying the new lease standard is recorded with no restatement of any comparative prior periods presented. As provided by ASC 842, the Company elected to record the required cumulative effect adjustments to the opening balance sheet in the period of adoption rather than in the earliest comparative period presented. As a result, the adoption of ASC 842 has not had an impact on prior periods reported by the Company.

In connection with its adoption of ASC 842, the Company elected the “package of 3” practical expedients permitted under the transition guidance, which allows the Company not to reassess: (i) whether any expired or existing contracts are considered or contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs of existing leases.

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Additionally, the Company elected the practical expedient allowed under the transition guidance of ASC 842 to not separate the lease and non-lease components related to a lease contract and to account for them as a single lease component for the purposes of the recognition and measurement requirements of ASC 842.

As required by ASC 842, the Company's disclosures around its leasing activities have been significantly expanded to enable users of our consolidated financial statements to assess the amount, timing and uncertainty of cash flows arising from lease arrangements. For further information on the Company's leases, see Note 15 "Leases" to the consolidated financial statements.

(b) Principles of consolidation: The accompanying consolidated financial statements include the accounts of Navios Holdings, a Republic of the Marshall Islands corporation, and both its majority and wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated statements.

The Company also consolidates entities that are determined to be variable interest entities ("VIE") as defined in the accounting guidance, if the Company determines that it is the primary beneficiary of such entity. ASC 810-15-14 outlines the criteria for evaluating whether an entity is a VIE. A VIE is defined as a legal entity where either (i) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability; and an interest in the entity's residual risks and reward; or (ii) the equity interest holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support; or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

Subsidiaries: Subsidiaries are entities in which the Company has an interest of more than one-half of the voting rights or otherwise has power to govern the financial and operating policies of the entity. The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets transferred, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill. All subsidiaries included in the consolidated financial statements are 100% owned, except for Navios Logistics for which is 63.8%.

Discontinued Operations: Discontinued operations comprise the operations of a disposed component of an entity or a group of components of an entity if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. The Company determined that the disposal of Navios Containers' general partnership interest effected on August 30, 2019, which resulted in loss of control and deconsolidation of Navios Containers, represented a strategic shift in Company's business as the Containers Business represented a reportable segment of the Company. Therefore, the Company recorded the results of Containers Business operations as discontinued operations in the consolidated statements of comprehensive income/(loss) for all the periods presented. For additional information on the Company's disposal of the Navios Containers general partnership interest, see Note 3 "Sale of Management & Consolidation/Deconsolidation of Navios Containers" to the consolidated financial statements.

Investments in Affiliate Companies: Affiliate companies are entities over which the Company holds between 20% and 50% of the voting rights, or over which the Company has significant influence, but it does not exercise control. Investments in these entities are accounted for under the equity method of accounting. Under this method, the Company records an investment in the stock of an affiliate company at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate company subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate company reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliate companies, provided that the issuance of shares qualifies as a sale of shares. When the Company's share of losses in an affiliate company equals or exceeds its interest in the affiliate company, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate company.

Affiliate companies included in the financial statements accounted for under the equity method

In the consolidated financial statements of Navios Holdings, the following entities are included as affiliate companies and are accounted for under the equity method for such periods: (i) Navios Partners and its subsidiaries (ownership interest as of December 31, 2021 was 10.3%); (ii) Navios Acquisition and its subsidiaries (ownership interest through the Navios Partners' NNA Merger in October 2021, was 6.9%); (iii) Navios Containers and its subsidiaries (ownership interest through Navios Partners' NMCI Merger in March 2021 was 3.9%); (iv) Navios Europe I and its subsidiaries (economic interest through liquidation in December 2019 was 47.5%); and (v) Navios Europe II and its subsidiaries (economic interest through liquidation in June 2020 was 47.5%).

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Subsidiaries Included in the Consolidation:

Company Name	Nature	Ownership Interest	Country of Incorporation	Statements of Operations		
				2021	2020	2019
Navios Maritime Holdings Inc.	Holding Company		Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Sub-Holding Company					
Navios South American Logistics Inc.	Company	63.8%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Containers L.P.	Holding Company	3.7%	Marshall Is.	—	1/1 - 8/29	11/30 - 12/31
	Sub-					
Navios Corporation	Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios International Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navimax Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Handybulk Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Hestia Shipping Ltd.	Operating Company	100%	Malta	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Sub-Holding Company					
Anemos Maritime Holdings Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Management					
Navios Shipmanagement Inc.	Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
	Sub-Holding Company					
NAV Holdings Limited	Company	100%	Malta	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kleimar N.V.	Operating Company/ Vessel Owning Company/ Management Company	100%	Belgium	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Operating Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
Kleimar Ltd.	Operating Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
Bulkinvest S.A.	Operating Company	100%	Luxembourg	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Primavera Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ginger Services Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Sub-Holding Company					
Aquis Marine Corp.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Management					
Navios Tankers Management Inc.	Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Astra Maritime Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Achilles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Apollon Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Herakles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Hios Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ionian Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kypros Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Meridian Shipping Enterprises Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mercator Shipping Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Arc Shipping Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Horizon Shipping Enterprises Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Magellan Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aegean Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Star Maritime Enterprises Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Corsair Shipping Ltd.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rowboat Marine Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 9/30	3/22 - 12/31	—
Rondine Management Corp.	Company	100%	Marshall Is.	1/1 - 12/31	9/25-12/31	—
Vernazza Shiptrade Inc.	Operating Company	100%	Marshall Is.	—	7/4 - 8/29	—
Navios Corporation Management Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Beaufiks Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 6/30	1/1 - 12/31	1/1 - 12/31
Nostos Shipmanagement Corp.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Portorosa Marine Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Shikhar Ventures S.A.	Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Sizzling Ventures Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rheia Associates Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Taharqa Spirit Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rumer Holding Ltd.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Pharos Navigation S.A.	Vessel Owning	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31

	Company					
	Vessel Owning					
Pueblo Holdings Ltd.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Quena Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Aramis Navigation Inc.	Company	100%	Marshall Is.	1/1 - 7/9	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
White Narcissus Marine S.A.	Company	100%	Panama	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios GP L.L.C.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Red Rose Shipping Corp.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Highbird Management Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Ducale Marine Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Vector Shipping Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Faith Marine Ltd.	Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance II (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Tulsi Shipmanagement Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Cinthara Shipping Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rawlin Services Company	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mauve International S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Serenity Shipping Enterprises Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Mandora Shipping Ltd	Company	100%	Marshall Is.	1/1 - 3/30	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Solange Shipping Ltd.	Company	100%	Marshall Is.	1/1 - 3/30	1/1 - 12/31	1/1 - 12/31
Diesis Ship Management Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Sub-Holding					
Navios Holdings Europe Finance Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Sub-Holding					
Navios Asia LLC	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Iris Shipping Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Jasmine Shipping Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Emery Shipping Corporation	Company	100%	Marshall Is.	—	1/1 - 09/30	1/1 - 12/31
	Vessel Owning					
Lavender Shipping Corporation	Company	100%	Marshall Is.	1/1 - 6/30	1/1 - 12/31	1/1 - 12/31
	Vessel Owning					
Esmeralda Shipping Corporation	Company	100%	Marshall Is.	—	—	1/1 - 8/30
	Vessel Owning					
Triangle Shipping Corporation	Company	100%	Marshall Is.	—	—	1/1 - 8/30
Roselite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Smaltite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Motiva Trading Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
	Sub-Holding					
Alpha Merit Corporation	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Thalassa Marine S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Asteroid Shipping S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/12 - 12/31
Cloud Atlas Marine S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/15 - 12/31
	Vessel Owning					
Heodor Shipping Inc.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	2/13 - 12/31
Navios Maritime Containers GP LLC	Operating Company	100%	Marshall Is.	—	1/1 - 8/29	9/11 - 12/31
	Management					
Navios Containers Management Inc.	Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
	Vessel Owning					
Pacifico Navigation Corp.	Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	11/7 - 12/31
Rider Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	12/4 - 12/31
Talia Shiptrade S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	10/11-12/31
	Vessel Owning					
Moonstone Shipping Corporation	Company	100%	Marshall Is.	6/30 -12/31	—	—
	Vessel Owning					
Opal Shipping Corporation	Company	100%	Marshall Is.	6/30 -12/31	—	—
Grimaud Ventures S.A.	Operating Company	100%	Marshall Is.	7/30-12/31	—	—

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(c) Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates the estimates and judgments. Estimates and judgments management evaluates relate to, among other things, uncompleted voyages, future drydock dates, the assessment of other-than-temporary impairment related to the carrying value of investments in affiliate companies, the selection of useful lives for tangible and intangible assets, expected future cash flows from long-lived assets and operating lease assets to support impairment tests, impairment test for goodwill, allowance for credit losses necessary for accounts receivables and demurrages, provisions for legal disputes, pension benefits, contingencies and guarantees. Management bases its estimates and judgments on historical experience and on various other factors that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The spread of the COVID-19 pandemic, which the World Health Organization declared a pandemic in 2020, has caused substantial disruptions in the global economy and the shipping industry, as well as significant volatility in the financial markets, the severity and duration of which remains uncertain.

The impact of the COVID-19 pandemic continues to unfold and may continue to have negative effect on our business, financial performance and the results of our operations, including due to decreased demand for global seaborne dry bulk trade and charter rates, the extent of which will depend largely on future developments. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods. Actual results could differ from those estimates under different assumptions and/or conditions.

(d) Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

(e) Restricted Cash: As of December 31, 2021 and 2020, restricted cash included \$0 and \$684, respectively, which related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Holdings' credit facilities. As of both December 31, 2021 and 2020, within restricted cash, are also included amounts held as security in the form of letters of guarantee or letters of credit totaling \$10. As of December 31, 2021, within restricted cash is included also an amount of \$84,250 as cash collateral in an escrow account, concerning the release of Navios Lumen, Navios Stellar and Navios Phoenix, from the 2022 Notes. As of December 31, 2020 restricted cash also included an amount of \$15,609 concerning the proceeds from the sale of Navios Northern Star and Navios Amitie held as cash collateral in an escrow account, following the vessels' disposal and release from the 2022 Notes. For additional information on restricted cash, see Note 11 "Borrowings" to the consolidated financial statements.

(f) Insurance Claims: Insurance claims at each balance sheet date consist of claims submitted and/or claims in the process of compilation or submission (claims pending). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reporting period, which are probable to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. The classification of insurance claims into current and non-current assets is based on management's expectations as to their collection dates.

(g) Inventories: Inventories, which are comprised of lubricants, bunkers (when applicable) and stock provisions on board of the vessels, as well as petroleum products held by Navios Logistics, are valued at cost as determined on the first-in, first-out basis.

(h) Dry Bulk Vessels, Port Terminals, Tanker Vessels, Barges, Pushboats and Other Fixed Assets, net: Dry bulk vessels, port terminals, tanker vessels, barges, pushboats and other fixed assets acquired as parts of business combinations are recorded at fair value on the date of acquisition, and if acquired as an asset acquisition, are recorded at cost (including transaction costs). Vessels constructed by the company would be stated at historical cost, which consists of the contract price, capitalized interest and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capability or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying consolidated statements of comprehensive income/(loss).

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the useful life of the vessels, port terminals, tanker vessels, barges, pushboats and other fixed assets, after considering the estimated residual value.

Annual depreciation rates used, which approximate the useful life of the assets are:

Dry bulk vessels	25 years
Port terminals	5 to 49 years
Tanker vessels, barges and pushboats	15 to 45 years
Furniture, fixtures and equipment	3 to 10 years
Computer equipment and software	5 years
Leasehold improvements	shorter of lease term or 6 years

Management estimates the residual values of the Company's dry bulk vessels based on a scrap value cost of steel times the weight of the ship noted in lightweight tons ("LWT"). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or for other reasons. Revisions of residual values affect the depreciable amount of the vessels and the depreciation expense in the period of the revision and future periods. Management estimates the residual values of the Company's vessels based on a scrap rate of \$340 per LWT after considering current market trends for scrap rates and ten-year average historical scrap rates of the residual values of the Company's vessels.

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Management estimates the useful life of its dry bulk vessels to be 25 years from the vessel's original construction. However, when regulations place limitations on the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

(i) Deposits for Vessels, Port Terminals and Other Fixed Assets: This represents amounts paid by the Company in accordance with the terms of the purchase agreements for the construction of vessels, port terminals and other long-lived fixed assets. Deposits for vessels, port terminals and other fixed assets also include pre-delivery expenses. Pre-delivery expenses represent any direct costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Interest costs incurred during the construction (until the asset is substantially complete and ready for its intended use) are capitalized. Capitalized interest for the years ended December 31, 2021, 2020 and 2019 amounted to \$1,062, \$986 and \$1,960, and is included in the consolidated statements of comprehensive income/(loss) under the caption "Other long-term assets", respectively.

(j) Assets Held for Sale: The Company's policy is to dispose of vessels and other fixed assets when suitable opportunities occur and not necessarily to keep them until the end of their useful life. The Company classifies assets and disposal groups as being held for sale when the following criteria are met: management has committed to a plan to sell the asset (disposal group); the asset (disposal group) is available for immediate sale in its present condition; an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. No assets were classified as held for sale as of December 31, 2021 and 2020.

(k) Impairment of Long Lived Assets: Vessels, other fixed assets and other long-lived assets held and used by the Company are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Holdings' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value.

Navios Holdings

Navios Holdings determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, the unamortized portion of ballast water treatment system and the unamortized portion of other capitalized items, if any related to the vessel or the carrying value of deposits for newbuildings. The loss recognized either on impairment (or on disposition) will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

Where the undiscounted projected net operating cash flows for each asset group do not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeds to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determines the fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations performed on an individual vessel basis.

As of December 31, 2021, the Company considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook, and concluded for the Dry Bulk Vessel Operations that no events and circumstances occurred, which could trigger the existence of potential impairment of the Company's vessels. As a result, no step one of impairment assessment was performed as of December 31, 2021.

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During the fourth quarter of fiscal year 2020, management concluded that events occurred, and circumstances had changed, which indicated that potential impairment of the Company's long-lived assets could exist. These indicators included continued volatility in the spot market, and the related impact of the current dry bulk sector on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for each vessel and compared it to the vessel's carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to the vessel. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and 10-year average historical one-year time charter rates) over the remaining economic life of each vessel, net of brokerage and address commissions excluding days of scheduled off-hires, management fees for vessel operating expenses fixed until 2021 and thereafter assuming an annual increase of 3.0% every second year and a utilization rate of 99.3% based on the fleet's historical performance.

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for two of our dry bulk vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value for such vessels. As a result, the Company recorded an impairment loss of \$52,820 for the two dry bulk vessels, representing the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to these vessels. The impairment is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

As of December 31, 2019, the Company recorded an impairment loss of \$84,584 for two dry bulk vessels, representing the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs and ballast water treatment system costs, if any, related to these vessels. The impairment is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

Navios Logistics

As of December 31, 2021, management concluded that for the Logistics Business that operates tanker vessels in its cabotage business, certain events and circumstances had changed as of December 31, 2021, indicating a potential impairment of two of the Logistics Business's tanker vessels. These events and circumstances included the extended period in which its tanker vessels operating in the cabotage business have been without a long term time charter contract. The extended delay is the result of the status of the current tanker market and the vessels' capacity. Vessels' capacity appears to be limited to trading in the markets of Argentina and Uruguay.

Navios Logistics recorded an impairment loss of \$21,966 for two of its tanker vessels operating in its cabotage business, representing the difference between the carrying value of the vessels including the carrying value of deferred drydock and special survey costs related to these vessels, and their respective fair values. Navios Logistics determined the fair value of its assets on the basis of evaluations provided by third-party independent shipbrokers and compared them to the carrying value of the vessels including the unamortized portion of deferred drydock and special survey costs. The impairment loss recognized reflected the excess of carrying value over fair value for the vessel asset group. The impairment loss is included under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss). See Note 7 "Vessels, Port Terminals and Other Fixed Assets, Net" in the consolidated financial statements.

No impairment loss was recorded as of December 31, 2020 and 2019, respectively.

(I) Deferred Drydock and Special Survey Costs: The Company's vessels, barges and pushboats are subject to regularly scheduled drydocking and special surveys which are carried out every 30 and 60 months, respectively, for ocean-going vessels, and up to every 72 to 96 months for pushboats and barges, to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained (in rare cases) and under certain other conditions. The costs of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined. Unamortized drydocking or special survey costs of vessels, barges and pushboats sold are written-off to income in the year the vessel, barge or pushboat is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For each of the years ended December 31, 2021, 2020 and 2019, the amortization of deferred drydock and special survey costs from continuing operations was \$11,084, \$10,255 and \$11,067, respectively.

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(m) Deferred Financing Costs: Deferred financing costs include fees, commissions and legal expenses associated with obtaining or modifying loan facilities. Deferred financing costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related debt using the effective interest rate method, and are included in interest expense. Amortization and write-off of deferred financing costs from continuing operations for each of the years ended December 31, 2021, 2020 and 2019 were \$8,870, \$7,863 and \$7,746, respectively. See Note 18 “Interest Expense and Finance Cost” to the consolidated financial statements.

(n) Goodwill and Other Intangibles

(i) Goodwill: Goodwill is tested for impairment at the reporting unit level at least annually.

The Company evaluates impairment of goodwill using a single step process following the adoption of ASU 2017-04, “Intangibles-Goodwill and Other (Topic 350)” as of January 1, 2020. The aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. The Company determines the fair value of the reporting unit based on a combination of the income approach (i.e. discounted cash flows) and market approach (i.e. comparative market multiples) and believes that the combination of these two approaches is the best indicator of fair value for its individual reporting units. Goodwill impairment loss is measured as the amount by which a reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

As of December 31, 2021, the Company performed its impairments test for its reporting units within the Dry Bulk Vessel Operations and the Logistics Business. The Company additionally considered that its market capitalization continued to remain at a level well below the carrying amount.

As of December 31, 2021, the Company performed the impairment test for the Dry Bulk Vessel Operations reporting unit, which, is allocated goodwill of \$56,240. The impairment test revealed that the fair value of the Dry Bulk Vessel Operations reporting unit exceeded its carrying amount.

The fair value of the Dry Bulk Vessel Operations reporting unit was estimated using a combination of income and market approaches. For the income approach, the expected present value of future cash flows used judgments and assumptions that management believes were appropriate in the circumstances. The significant factors and assumptions the Company used in its discounted cash flow analysis included: EBITDA, the discount rate used to calculate the present value of future cash flows and future capital expenditures. EBITDA assumptions included revenue assumptions, general and administrative expense growth assumptions and direct vessel expense growth assumptions. The future cash flows were determined by considering the charter revenues from existing time charters for the fixed fleet days (the Company’s remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average of historical one-year time charter rates). The Company believes this approach to be objective for forecasting charter rates over an extended time period for long-lived assets and consistent with the cyclicity of the industry. In addition, a weighted average cost of capital (“WACC”) was used to discount future estimated cash flows to their present values. The WACC was based on externally observable data considering market participants’ and the Company’s cost of equity and debt, optimal capital structure and risk factors specific to the Company. The market approach estimated the fair value of the Company’s business based on comparable publicly-traded companies in its industry. In assessing the fair value, the Company utilized the results of the valuations and considered the range of fair values determined under all methods which indicated that the fair value exceeded the carrying amount.

As of December 31, 2021, the Company performed the impairment test for the Logistics Business, which is allocated goodwill of \$104,096. The impairment test used the income method and revealed that the fair value substantially exceeded the carrying amount of its net assets. The significant factors and assumptions used by management in the discounted cash flow analysis for the Logistics Business included a combination of revenues from existing contracts and estimated revenues based on the historical performance of the segment, including utilization rates and actual storage capacity.

No impairment loss was recorded for any of the periods presented for both the Dry Bulk Vessel Operations and the Logistics Business.

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(ii) Intangibles Other Than Goodwill: Navios Holdings' intangible assets and liabilities consist of trade name, customer relationships, port terminal operating rights, favorable lease terms and unfavorable lease terms. The fair value of the trade name was determined based on the "relief from royalty" method which values the trade name based on the estimated amount that a company would have to pay in an arm's length transaction to use that trade name. The trade name is amortized under the straight-line method over 32 years. Navios Logistics' trade name is amortized under the straight-line method over 10 years and was fully amortized as of December 31, 2019.

The fair value of customer relationships of Navios Logistics was determined based on the "excess earnings" method, which relies upon the future cash flow generating ability of the asset. Customer relationships are amortized using the straight-line method.

The Company reviews its other intangibles such as trade name, customer relationships, port terminal operating rights, favorable lease terms and unfavorable lease terms periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Intangibles other than goodwill would be considered impaired if their carrying value is not recovered from the future undiscounted cash flows associated with the asset (step one). Measurement of the impairment loss is determined as the difference between the carrying amount and the fair value of the intangible asset. The Company determines the fair value of its intangible assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of intangible assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires the Company to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of the Company's vessels and the Company's weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on the Company's financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense is included in the statements of comprehensive income/(loss) under the caption "Depreciation and amortization" in the consolidated financial statements.

The amortizable value of favorable leases would be considered impaired if the carrying value of such leases could not be recovered from the future undiscounted cash flows associated with the asset. Vessel purchase options that have not been exercised, which are included in favorable lease terms, would be considered impaired if the carrying value of an option, when added to the option price of the vessel, exceeded the fair value of the vessel.

Vessel purchase options that are included in favorable leases are not amortized and when the purchase option is exercised, the asset is capitalized as part of the cost of the vessel and depreciated over the remaining useful life of the vessel and if not exercised, the intangible asset is written off. Vessel purchase options that are included in unfavorable lease terms are not amortized and when the purchase option is exercised by the charterer and the underlying vessel is sold, it will be recorded as part of gain/loss on sale of the assets. If the option is not exercised at the expiration date, it is written-off in the consolidated statements of comprehensive income/(loss).

No favorable and unfavorable lease terms have been identified for the years ended December 31, 2021 and 2020.

As of December 31, 2021, the Company concluded that no events and circumstances occurred that could trigger the existence of potential impairment of the Navios Holdings trade name, and the Company's other intangible assets such as port terminal operating rights and customer relationships. As a result, step one of impairment assessment was not required as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that certain events occurred and circumstances had changed indicating a potential impairment of the Navios Holdings trade name. These changes in events and circumstances included continued volatility in the spot market, and the impact of the current dry bulk sector on management's expectation for future revenues. As a result, an impairment assessment for trade name (step one) was performed.

The significant factors and assumptions the Company used in the undiscounted cash flow analysis of its trade name included: revenue assumptions, specifically the future cash flows were determined by considering the charter revenues of the Dry Bulk Vessel Operations from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average historical one-year time charter rates) and the respective "relief from royalty" rate applied to the future cash flows of the Dry Bulk Vessel Operations.

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No impairment loss was recorded for the Company's intangible assets as of December 31, 2021, 2020 and 2019.

The weighted average amortization periods for intangibles are:

Intangible assets	Years
Trade name	32
Port terminal operating rights	47
Customer relationships	20

See also Note 3 "Sale of Management & Consolidation/Deconsolidation of Navios Containers" and Note 8 "Intangible Assets other than Goodwill" to the consolidated financial statements.

(o) Foreign Currency Translation: The Company's functional and reporting currency is the U.S. dollar. The Company engages in worldwide commerce with a variety of entities. Although its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. The Company's subsidiaries in Uruguay, Argentina, Brazil and Paraguay transact a nominal amount of their operations in Uruguayan pesos, Argentinean pesos, Brazilian reales and Paraguayan guaranies, whereas the Company's wholly-owned vessel subsidiaries and the vessel management subsidiaries transact nominal operations in Euros; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. The financial statements of the foreign operations are translated using the exchange rate at the balance sheet date except for property and equipment and equity, which are translated at historical rates. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the statements of comprehensive income/(loss). The foreign currency gains/(losses) recognized under the captions "Other income" and "Other expense", respectively, in the consolidated statements of comprehensive income/(loss) for each of the years ended December 31, 2021, 2020 and 2019, were \$2,630, \$546 and \$(967), respectively.

(p) Provisions: In the ordinary course of its business, the Company, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisers, will provide for a contingent loss in the financial statements if the contingency had occurred at the date of the financial statements, the likelihood of loss was probable, and the loss amount can be reasonably estimated. If the Company has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Company will provide for the lower amount within the range. For further information on estimating contingent losses, see Note 14 "Commitments and Contingencies" in the consolidated financial statements.

The Company participates in Protection and Indemnity ("P&I") insurance plans provided by mutual insurance associations known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums (supplementary calls) to fund operating deficits incurred by the clubs ("back calls"). Obligations for back calls are accrued annually based on information provided by the P&I clubs.

Provision for losses subject to claims was provided for in the period in which estimated losses on vessels under time charter losses were determined. As of both December 31, 2021 and 2020, the balance for this provision was \$0.

(q) Segment Reporting: Operating segments, as defined, indicate components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Based on the Company's methods of internal reporting and management structure, the Company through August 30, 2019 had three reportable segments: the Dry Bulk Vessel Operations segment, the Logistics Business segment and the Containers Business segment. Following the reclassification of the results of Navios Containers as discontinued operations (Note 3), the Company currently has two reportable segments from which it derives its revenues: Dry Bulk Vessel Operations and Logistics Business.

(r) Revenue and Expense Recognition:

Revenue Recognition: Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers control of the promised goods or services to its customers.

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In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Voyage revenues for the transportation of cargo are recognized ratably over the estimated relative transit time of each voyage. A voyage is deemed to commence when a vessel arrives at the loading port, as applicable under the contract, and is deemed to end upon the completion of the discharge of the current cargo. Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter rate. Since address commissions represent a discount (sales incentive) on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Revenue from contracts of affreightment (“COA”)/voyage contracts relating to our barges are recognized ratably over the estimated relative transit time of each voyage. A voyage is deemed to commence upon the barge’s arrival at the loading port, as applicable under the contract, and is deemed to end upon the completion of discharge under the current voyage. The percentage of transit time is based on the number of days traveled as of the balance sheet date divided by the number of total days expected for the voyage. The position of the barge at the balance sheet date is determined by the days traveled as of the balance sheet date over the total voyage of the pushboat having the barge in tow. Revenue arising from contracts that provide our customers with continuous access to convoy capacity is recognized ratably over the period of the contracts.

Demurrage income represents payments made by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized as it is earned.

The Company recognizes revenue ratably from the vessel’s/barge’s arrival at the loading port, as set forth in the applicable contract, to when the charterer’s cargo is discharged as well as defer costs that meet the definition of “costs to fulfill a contract” and relate directly to the contract.

Revenues from time-chartering and bareboat chartering of vessels and barges are accounted for as operating leases and are thus recognized on a straight-line basis as the average revenue over the rental periods of such charter agreements as service is performed. However, for loss generating time charters, the loss is recognized in the period during which the loss is generated. A time-charter involves placing a vessel or barge at the charterer’s disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Charters for periods of less than three months are referred to as spot-charters. Charters for periods of three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. For time-charters, the owner of the vessel typically pays the vessel’s operating costs, such as crews, maintenance and insurance.

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company’s vessels, is determined in accordance with an agreed-upon formula, which is determined by margins awarded to each vessel in the pool based on the vessel’s age, design and other performance characteristics. Revenue under pooling arrangements is accounted for on the accrual basis and is recognized in the period in which the variability is resolved. The allocation of such net revenue may be subject to future adjustments by the pool; however, such changes are not expected to be material.

Revenues from dry port terminal operations consist of an agreed flat fee per ton and cover the services performed to unload barges (or trucks), transfer the product into silos or the stockpiles for temporary storage, and to load the ocean-going vessels. Revenues are recognized upon completion of loading the ocean-going vessels. Revenue arising from contracts that provide our customers with continuous access to port terminal storage and transshipment capacity is recognized ratably over the period of the contracts. Additionally, fees are charged for vessel dockage and for storage time in excess of contractually specified terms. Dockage revenues are recognized ratably up to completion of loading as the performance obligation is met evenly over the loading period. Storage fees are assessed and recognized at the point when the product remains in the silo storage beyond the contractually agreed upon term. Storage fee revenue is recognized ratably over the storage period and ends when the product is loaded onto the ocean-going vessel.

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Revenues from liquid port terminal consist mainly of sales of petroleum products in the Paraguayan market and revenues from liquid port operations. Revenues from liquid port terminal operations consist of an agreed flat fee per cubic meter or a fixed rate over a specific period to cover the services performed to unload barges, transfer the products into the tanks for temporary storage and then loading the trucks. Revenues that consist of an agreed flat fee per cubic meter are recognized upon completion of loading the trucks. Revenues from liquid port terminal operations that consist of a fixed rate over a specific period are recognized ratably over the storage period as the performance obligation is met evenly over time, ending when the product is loaded onto the trucks.

Additionally, revenues consist of an agreed flat fee per cubic meter to cover the services performed to unload barges, transfer the products into the tanks for temporary storage, and to load the trucks. Revenues are recognized upon completion of loading the trucks. Additionally, fees are charged for storage time in excess of contractually specified terms. Storage fee revenue is recognized ratably over the storage period and ends when the product is loaded onto the trucks.

Expenses related to our revenue-generating contracts are recognized as incurred.

The following tables reflect the revenue earned per category for the years ended December 31, 2021, 2020 and 2019:

	Dry Bulk Vessel Operations for the Year Ended December 31, 2021	Logistics Business for the Year Ended December 31, 2021	Total for the Year Ended December 31, 2021
COA/Voyage revenue	\$ 24,355	\$ 77,485	\$ 101,840
Time chartering revenue	337,018	41,446	378,464
Port terminal revenue	—	78,740	78,740
Storage fees (dry port) revenue	—	1,518	1,518
Dockage revenue	—	3,876	3,876
Sale of products revenue	—	13,776	13,776
Liquid port terminal revenue	—	5,734	5,734
Other	969	901	1,870
Total	\$ 362,342	\$ 223,476	\$ 585,818

	Dry Bulk Vessel Operations for the Year Ended December 31, 2020	Logistics Business for the Year Ended December 31, 2020	Total for the Year Ended December 31, 2020
COA/Voyage revenue	\$ 6,660	\$ 54,005	\$ 60,665
Time chartering revenue	194,005	59,236	253,241
Port terminal revenue	—	73,112	73,112
Storage fees (dry port) revenue	—	3,364	3,364
Dockage revenue	—	3,948	3,948
Sale of products revenue	—	17,272	17,272
Liquid port terminal revenue	—	4,606	4,606
Other	128	382	510
Total	\$ 200,793	\$ 215,925	\$ 416,718

	Dry Bulk Vessel Operations for the Year Ended December 31, 2019	Logistics Business for the Year Ended December 31, 2019	Total for the Year Ended December 31, 2019
COA/Voyage revenue	\$ 3,727	\$ 49,488	\$ 53,215
Time chartering revenue	250,187	76,680	326,867
Port terminal revenue	—	80,180	80,180
Storage fees (dry port) revenue	—	3,452	3,452
Dockage revenue	—	4,310	4,310
Sale of products revenue	—	9,384	9,384
Liquid port terminal revenue	—	4,032	4,032
Other	264	745	1,009
Total	\$ 254,178	\$ 228,271	\$ 482,449

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Administrative fee revenue from affiliate companies: Administrative fee revenue from affiliate companies consisted of fees earned on the provision of administrative services pursuant to administrative services agreements with our affiliate companies. Administrative services included: bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other general and administrative services. These revenues were recognized as the services were provided to affiliate companies. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by Navios Shipmanagement Inc., a wholly-owned subsidiary of N Shipmanagement Acquisition Corp. (together with its subsidiaries, “NSM” or the “Manager”). For information on administrative fee revenue, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

General and administrative expenses: The general and administrative expenses incurred on behalf of affiliate companies were determined based on a combination of actual expenses incurred on behalf of the affiliate companies as well as a reasonable allocation of expenses that are not affiliate companies specific but incurred on behalf of all affiliate companies.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM, pursuant to an administrative services agreement dated August 29, 2019 (the “Administrative Services Agreement”). The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The Administrative Services Agreement also provides that the Company pay a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Administrative Services Agreement is terminated on or before August 29, 2024. For information on the Administrative Services Agreement, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

Deferred Income and Cash Received In Advance: Deferred voyage revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the voyage or charter period.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses comprise all expenses related to each particular voyage, including time charter hire paid and voyage freight paid, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter, voyage and logistics business expenses are charterers’ liability insurances, allowance for credit losses on time charters and voyages in progress at year-end, direct port terminal expenses and other miscellaneous expenses. In the transition to ASC 842, the operating lease assets were adjusted for the carrying amount of the liability regarding the allowance for credit losses on time charters and voyages in progress on that date.

Direct Vessel Expenses: Direct vessel expenses consisted of all expenses relating to the operation of vessels, including crewing, repairs and maintenance, insurance, stores and lubricants and miscellaneous expenses such as communications and amortization of drydocking and special survey costs, net of related party management fees for vessel operating expenses. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided to Navios Holdings’ vessels by NSM, pursuant to a management agreement dated August 29, 2019 (the “Management Agreement”) (see also Note 16 “Transactions with Related Parties” to the consolidated financial statements). The fee for the ship management services provided by the Manager was \$3.7 per day until August 2021 and subsequently fixed at \$3.8 per day until August 2022 per owned/ bareboat-in vessel, increasing thereafter by 3% annually, unless otherwise agreed. The fee for the ship management services provided by the Manager is a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement will be reimbursed by the Company at cost. The Management Agreement also provides that the Company pay a termination fee equal to the fees charged for the full calendar year preceding the termination date in the event the Management Agreement is terminated on or before August 29, 2024.

Prepaid Voyage Costs: Prepaid voyage costs relate to cash paid in advance for expenses associated with voyages. These amounts are recognized as expenses over the voyage or charter period.

(s) Employee benefits:

Pension and Retirement Obligations-Crew: The Company’s ship-owning subsidiaries employed the crew on board under short-term contracts (usually up to nine months) and, accordingly, were not liable for any pension or post-retirement benefits. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, Navios Holdings does not employ any crew.

Provision for Employees’ Severance and Retirement Compensation: The employees in the Company’s office in Greece are protected by Greek labor law. Pursuant to the applicable labor laws, the Company was required to pay retirement indemnities to employees upon dismissal or upon leaving with an entitlement to a full security retirement pension. The amount of compensation was based on the number of years of service and the amount of remuneration at the date of dismissal or retirement up to a maximum of two years’ salary. If the employees remained in the employment of the Company until normal retirement age, they were entitled to retirement compensation equal to 40% of the compensation amount that would be payable if they were dismissed at that time. The number of employees that would remain with the Company until retirement age was not known. The Company considered this plan equivalent to a lump sum defined benefit pension plan and accounted for it under relevant guidance on employer’s accounting for pensions. The Company was required to value the statutory terminations indemnities liability annually. Management obtained a valuation from independent actuaries to assist in the calculation of benefits. The Company provided, in full, for the employees’ termination indemnities liability. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, this liability amounted to \$0 as at December 31, 2021 and 2020.

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U.S. Retirement Savings Plan: The Company sponsored a 401(k) retirement savings plan, which was categorized as a defined contribution plan. The plan was available to full time employees who met the plan's eligibility requirements. The plan permitted employees to make contributions up to 15% of their annual salary with the Company matching up to the first 6%. The Company made monthly contributions (matching contributions) to the plan based on amounts contributed by employees. Subsequent to making the matching contributions, the Company had no further obligations. The Company might make an additional discretionary contribution annually if such a contribution was authorized by the Board of Directors. The plan was administered by an independent professional firm that specialized in providing such services. See also Note 13 "Employee Benefit Plans" to the consolidated financial statements. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these benefits are provided by NSM.

Other Post-Retirement Obligations: The Company had a legacy pension arrangement for certain Bahamian, Uruguayan and former Navios Corporation employees. The entitlement to these benefits was only to these former employees. The expected costs of these benefits were accrued each year, using an accounting methodology similar to that for defined benefit pension plans. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, the Company has no such arrangements.

Stock-Based Compensation: In December 2021, December 2020, February and December 2019, the Company authorized the grant of restricted common stock. In December 2017, the Company authorized the grant of restricted common stock and restricted stock units. These awards of restricted share units, share appreciation rights, restricted common stock, restricted stock units and stock options are based on service conditions only and vest over three and four years. See also Note 13 "Employee Benefit Plans" to the consolidated financial statements.

The fair value of share appreciation rights and stock option grants is determined with reference to option pricing model and principally adjusted Black-Scholes models. The fair value of restricted share units, restricted stock and restricted stock units is determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Compensation expense for the awards that vest upon achievement of the performance criteria is recognized when it is probable that the performance criteria will be met and are being accounted for as equity.

(t) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, account receivables and payables, other current assets and other liabilities, long-term debt, capital leases and available-for-sale securities. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

Financial Risk Management: The Company's activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, fuel prices and credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

Credit Risk: The Company closely monitors its exposure to customers and counterparties for credit risk. The Company has entered into the Management Agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to Navios Holdings. When negotiating on behalf of Navios Holdings various employment contracts, the Manager has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history.

Liquidity Risk: Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company monitors cash balances appropriately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are converted into the measurement currency at rates prevailing on the dates of the relevant transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income/(loss).

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(u) Earning/(Loss) Per Share: Basic earnings/(loss) per share are computed by dividing net income/(loss) attributable to Navios Holdings common stockholders by the weighted average number of shares of common stock outstanding during the periods presented. Net income/(loss) attributable to Navios Holdings common stockholders is calculated by adding to (if a discount) or deducting from (if a premium) net (loss)/ income attributable to Navios Holdings common stockholders the difference between the fair value of the consideration paid upon redemption and the carrying value of the preferred stock, including the unamortized issuance costs of the preferred stock, and the amount of any undeclared dividend cancelled. Diluted earnings/(loss) per share reflect the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted. Dilution has been computed by the treasury stock method whereby all of the Company's dilutive securities (stock options and warrants) are assumed to be exercised and the proceeds are used to repurchase common shares at the weighted average market price of the Company's common stock during the relevant periods. The incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings/(loss) per share computation. Restricted share units, restricted stock and restricted stock units (vested and unvested) are included in the calculation of the diluted earnings/(loss) per share, based on the weighted average number of restricted share units, restricted stock and restricted stock units assumed to be outstanding during the period. Convertible shares are included in the calculation of the diluted earnings/(loss) per share, based on the weighted average number of convertible shares assumed to be outstanding during the period. See also Note 20 "Earnings/(Loss) per Common Share" to the consolidated financial statements.

(v) Income Taxes: The Company is a Republic of the Marshall Islands corporation. Pursuant to various treaties and the United States Internal Revenue Code, the Company believes that substantially all its operations are exempt from income taxes in the Republic of the Marshall Islands and the United States of America. The tax expense reflected in the Company's consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 was mainly attributable to its subsidiaries in South America, which are subject to the Argentinean and Paraguayan income tax regimes.

The asset and liability method is used to account for future income taxes. Under this method, future income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Future income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A deferred tax asset is recognized for temporary differences that will result in deductible amounts in future years. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

As a result of the Law 27,630, voted by the Argentinean Parliament in June 2021, income tax rates and scales were modified for the fiscal periods starting as of January 1, 2021. Income tax liabilities of the Argentinean subsidiaries for the current period is measured at the amount expected to be paid to the taxation authorities using a tax rate of 35% on any taxable profit above 50 million Argentinean pesos or \$487, 30% on any taxable profit between 5 million pesos or \$49 and 50 million pesos or \$487, and 25% on any taxable profit below 5 million pesos or \$49. The Law 27,630 replaced the income tax rates and scales enacted by the Law 27,541, voted by the Parliament on December 23, 2019, which had made changes to the income tax law in Argentina. The Law 27,541, had modified the rates for income taxes applicable for the fiscal years beginning on January 1, 2020 and 2021. In measuring its income tax assets and liabilities, the Company used the rate that is expected to be enacted at the time of the reversal of the asset or liability in the calculation of the deferred tax for the items related to Argentina. An income tax rate of 35% was applied on temporary differences, reversals of which are expected to occur in respect of 2021 fiscal year and onwards. Due to these changes in the Argentinean income tax rates, the Company has recorded an income tax expense of \$2,112 during the year ended December 31, 2021. In connection with the previous tax reform, the Company had recorded an income tax expense of \$208 during the year ended December 31, 2019, under the caption "Income tax (expense)/ benefit" in the consolidated statements of income.

(w) Dividends: Dividends are recorded in the Company's financial statements in the period in which they are declared. Navios Holdings paid \$0 to its common stockholders during each year ended December 31, 2021, 2020 and 2019, and \$0 to its preferred stockholders during each year ended December 31, 2021, 2020 and 2019. In November 2015, Navios Holdings announced that the Board of Directors decided to suspend the dividend to its common stockholders. In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G Cumulative Redeemable Perpetual Preferred Stock (the "Series G") and Series H Cumulative Redeemable Perpetual Preferred Stock (the "Series H" and, together with the Series G, the "Series G and H"). All inter-company dividends are eliminated upon consolidation.

(x) Guarantees: A liability for the fair value of an obligation undertaken in issuing the guarantee is recognized. The recognition of fair value is not required for certain guarantees such as the parent's guarantee of a subsidiary's debt to a third party or guarantees on product warranties. For those guarantees excluded from the above guidance requiring the fair value recognition provision of the liability, financial statement disclosures of their terms are made.

On November 15, 2012, the Company agreed to provide Navios Partners with guarantees against counterparty default on certain existing charters (see also Note 16 "Transactions with Related Parties" to the consolidated financial statements).

(y) Leases: Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases. In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the consolidated balance sheets and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a gross investment in the lease.

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The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease.

For charters classified as operating leases where Navios Holdings is deemed the lessor, refer to Note 2(r) “Summary of Significant Accounting Policies - Revenue and Expense Recognition” to the consolidated financial statements. The Company acts as a lessor under operating leases in connection with all of its charter out arrangements.

In cases of lease agreements where the Company acts as lessee, the Company recognizes an operating lease asset and a corresponding lease liability on the consolidated balance sheet. For charters classified as operating leases where Navios Holdings is or is deemed the lessee, the expense is recognized on a straight-line basis over the rental periods of such charter agreements. The expense is included under the caption “Time charter, voyage and logistics business expenses”. During the transition to ASC 842, the operating leases assets were adjusted for the carrying amount of the straight-line liabilities on that date.

In cases of sale and leaseback agreements, if the transfer of the asset to the lessor does not qualify as a sale, then the agreement constitutes a failed sale and leaseback and is accounted for as a financial liability. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset.

Impairment of operating lease assets: Operating lease assets used by Navios Holdings are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value of the asset group. Navios Holdings determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest (asset group). If the step two of the impairment analysis is required, the analysis includes the use of discounted cash flows which includes various assumptions, including the Company’s WACC.

If management determines that step two of the impairment analysis is required for any of our asset groups, a discounted cash flow analysis using the Company’s WACC is performed. The WACC is based on externally observable data considering market participants’ and the Company’s cost of equity and debt, optimal capital structure and risk factors specific to the Company. Where the undiscounted projected net operating cash flows for each asset group do not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeds to perform step two of the impairment assessment.

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As of December 31, 2021, the Company concluded that no events or circumstances occurred that would trigger the existence of potential impairment of its operating lease assets. As a result, no step one impairment assessment was performed as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that events occurred, and certain circumstances had changed, such that potential impairment of the Company's operating lease assets could exist. These events and circumstances included continued volatility in the spot market, the impact of such volatility on the current dry bulk sector, and the resulting effect on management's expectation for future revenues. As a result, an impairment assessment of operating lease assets (step one) was performed. The Company determined undiscounted projected net operating cash flows for each charter-in and bareboat-in vessel and compared those cash flows to each operating lease asset's carrying value together with the carrying value of deposits for the option to acquire a vessel including expenses and interest.

Factors and assumptions used in the undiscounted projected net operating cash flow analysis included: a determination of the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates), an estimated daily time charter equivalent for the unfixed days (based on three-year average historical time charter rates) over the remaining lease term, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat-in vessels), and management fees for vessel operating expenses in accordance with the terms of the Management Agreement. The determination process assumed an annual increase of 3.0% every second year for the bareboat-in vessels.

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for two asset groups, which involved a discounted cash flow analysis using the Company's WACC. As a result, the Company recorded an impairment loss of \$1,361, representing the difference between the fair value of the operating lease asset and its carrying value. The impairment loss is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

As of December 31, 2019, our assessment concluded that step two of the impairment analysis was required for certain charter-in vessels, which involves a discounted cash flow analysis using the Company's WACC. As a result, the Company recorded an impairment loss of \$38,636, being the difference between the fair value of the operating lease asset and its carrying value. The impairment loss is presented under the caption "Impairment loss/ loss on sale of vessels, net" in the consolidated statements of comprehensive income/(loss).

(z) Treasury Stock: Treasury stock is accounted for using the cost method. Excess of the purchase price of the treasury stock acquired, plus direct acquisition costs over its par value is recorded in additional paid-in capital.

(aa) Trade Accounts Receivable: The amount shown as accounts receivable, trade, at each balance sheet date, includes receivables from charterers for hire, freight and demurrage billings, net of an allowance for credit losses. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate allowance for credit losses.

On January 1, 2020, the Company adopted Topic 326 "Financial Instruments - Credit Losses. Measurement of Credit Losses on Financial Instruments" using the modified retrospective approach. This standard amends the accounting for credit losses on available-for-sale debt securities, purchased financial assets with credit deterioration and clarifies that impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842 "Leases". In addition, this standard requires the measurement of all expected credit losses for financial assets, including trade accounts receivable, held at the reporting date based on historical experience, current conditions, and current expectations of future economic conditions based on reasonable and supportable forecasts. This new guidance did not have a material impact on the Company's consolidated financial statements, as the majority of its Accounts receivable, net relates to receivables arising from operating leases and are scoped out of the new standard. As a result of the adoption of this standard, there was no cumulative impact to the Company's accumulated deficit at January 1, 2020

(ab) Convertible Preferred Stock: The Company's 2% Mandatorily Convertible Preferred Stock ("Preferred Stock") was recorded at fair market value on the date of issuance. The fair market value was determined using a binomial valuation model. The model which was used took into account the credit spread of the Company, the volatility of its stock, as well as the price of its stock at the issuance date. Each preferred share had a par value of \$0.0001. Each holder of Preferred Stock was entitled to receive an annual dividend equal to 2.0% on the nominal value of the Preferred Stock, payable quarterly, until such time as the Preferred Stock converts into common stock. Five years after the issuance date, 30.0% of the then-outstanding shares of Preferred Stock automatically converted into shares of common stock at a conversion price equal to \$10.00 per share of common stock with the remaining balance of the then-outstanding shares of Preferred Stock converted into shares of common stock under the same terms 10 years after their issuance date. At any time following the third anniversary from their issuance date, if the closing price of the common stock had been at least \$20.00 per share, for 10 consecutive business days, the remaining balance of the then-outstanding preferred shares automatically converted at a conversion price equal to \$14.00 per share of common stock. The holders of Preferred Stock were entitled, at their option, at any time following their issuance date and prior to their final conversion date, to convert all or any such then-outstanding preferred shares into common stock at a conversion price equal to \$14.00 per common stock. For information on the Preferred Stock, see Note 17 "Preferred and Common Stock" in the consolidated financial statements.

(ac) Cumulative Redeemable Perpetual Preferred Stock: The Company's 2,000,000 American Depositary Shares, Series G and the 4,800,000 American Depositary Shares, Series H are recorded at fair market value on issuance. Each of the shares represents 1/100th of a share of the Series G, with a liquidation preference of \$2,500.00 per share (\$25.00 per American Depositary Share). Dividends are payable quarterly in arrears on the Series G at a rate of 8.75% per annum and on the Series H at a rate of 8.625% per annum of the stated liquidation preference. At any time on or after January 28, 2019, the Series G may be redeemed at the Company's option and at any time on or after July 8, 2019, the Series H may be redeemed at the Company's option (and the American Depositary Shares can be caused to be redeemed), in whole or in part, out of amounts legally available therefore, at a redemption price of \$2,500.00 per share (equivalent to \$25.00 per American Depositary Share) plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. The Company has accounted for these shares as equity. For information on Series G and H, see Note 17 "Preferred and Common Stock" in the consolidated financial statements.

(ad) Investment in Available-for-Sale Securities: The Company classifies its existing marketable equity securities as available-for-sale. These securities are carried at fair value, with unrealized gains and losses reflected directly in the consolidated statements of comprehensive income/(loss) at each reporting period. Management evaluates securities for other-than-temporary impairment ("OTTI") on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near-term prospects of the investee, and (iii) the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in fair value.

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Investment in Equity Securities: Navios Holdings evaluates its investment in Navios Partners, and evaluated its investment in Navios Containers and Navios Acquisition (through their NMCI Merger and NNA Merger in March 2021 and September 2021, respectively), and Navios Europe I and Navios Europe II (through their liquidation in December 2019 and June 2020, respectively) for OTTI on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than the carrying value, (ii) the financial condition and near-term prospects of Navios Partners, and (iii) the intent and ability of the Company to retain its investment in Navios Partners for a period of time sufficient to allow for any anticipated recovery in fair value. If the Company considers any decline to be “other-than-temporary”, then the Company would write down the carrying amount of the investment to its estimated fair value.

(ae) Financial Instruments and Fair Value: Guidance on Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to guidance on Fair Value Measurements.

(af) Recent Accounting Pronouncements:

Adoption of new accounting pronouncements:

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) ASU 2020-4, “Reference Rate Reform (Topic 848)” (“ASU 2020-4”), which provides optional guidance intended to ease the potential burden in accounting for the expected discontinuation of LIBOR as a reference rate in the financial markets. The guidance can be applied to modifications made to certain contracts to replace LIBOR with a new reference rate. The guidance, if elected, will permit entities to treat such modifications as the continuation of the original contract, without any required accounting reassessments or remeasurements. In addition, in January 2021, the FASB issued another ASU (ASU No. 2021-01) with respect to the Reference Rate Reform (Topic 848). The amendments in this Update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The ASU 2020-4 was effective for the Company beginning on March 12, 2020 and the Company will apply the amendments prospectively through December 31, 2022. As of December 31, 2021, the Company has not made any contract modification to replace the reference rate in any of its agreements and had evaluated that there was no impact to its consolidated financial statements.

In December 2019, FASB issued ASU 2019-12, Income Taxes (Topic 740), which modifies ASC 740 to simplify the accounting for income taxes. It removes certain exceptions to the general principles in Topic 740 and amends existing guidance to improve consistent application. The amendments in ASU 2019-12 are effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods therein. The adoption of this ASU on January 1, 2021 did not have a material impact on the Company’s consolidated financial statements.

In August 2018, FASB issued ASU 2018-14, “Compensation-Retirement Benefits-Defined Benefit Plans (Topic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans”. This update modifies the disclosure requirements for defined benefit pension plans and other postretirement plans. ASU 2018-14 is effective for public business entities that are SEC filers beginning in the first quarter of fiscal year 2021. The adoption of this ASU on January 1, 2021 did not have a material impact on the Company’s consolidated financial statements.

Recently Issued Accounting Pronouncements Pending Adoption

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments

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(“ASU 2021-05”). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently assessing the impact of that standard and believes that it will not have any material impact on the Company’s disclosures to the consolidated financial statements.

On August 5, 2020, the FASB issued ASU No. 2020-06, Debt -Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity’s Own Equity (Subtopic 815-40). The objective of this update is to improve understandability and reduce complexity on distinguishing liabilities from equity. Amendments affect entities that issue convertible instruments and/or contracts indexed to and potentially settled in an entity’s own equity. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Adoption is allowed through either a modified retrospective method of transition or a fully retrospective method of transition. The Company is currently assessing the impact of that standard and believes that it will not have any material impact on the Company’s disclosures to the consolidated financial statements.

NOTE 3: SALE OF MANAGEMENT & CONSOLIDATION/DECONSOLIDATION OF NAVIOS CONTAINERS

Sale of Management

In August 2019, Navios Holdings sold its ship management division, the general partnership interests in Navios Partners (except for the incentive distribution rights) and Navios Containers GP LLC (the “Transaction”) to NSM. NSM is affiliated with the Company’s Chairwoman and Chief Executive Officer, Angeliki Frangou. The Company received aggregate consideration of \$20,000 (including assumption of liabilities). For information on the Transaction, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

As a result of the Transaction the Company is a holding company owning dry bulk vessels and various investments in entities owning maritime and infrastructure assets. NSM owns all entities providing ship management services and employs all associated personnel. NSM owns the general partner interests in Navios Containers and Navios Partners. The Company deconsolidated Navios Containers starting on August 30, 2019.

The Company simultaneously entered into a secured credit facility with NSM whereby the Company agreed to repay NSM a loan of \$141,795 (including post-closing adjustments). For information on the NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

The difference between the carrying value of the identifiable net liabilities sold as of August 30, 2019 and the loan payable to NSM assumed by Navios Holdings, and the sale proceeds, net of expenses, resulted in a gain on sale of \$9,802. The gain on sale was calculated as follows:

Proceeds received:	
Cash consideration	3,000
Less: Transaction fees	\$ (1,088)
	<u>1,912</u>
Carrying value of assets and liabilities:	
Net liabilities derecognized	158,795
Loan payable to NSM assumed	(141,795)
Book value of general partner interest in Navios Partners	(3,212)
Book value of Other fixed assets	(6,213)
Lease liability, net	315
	<u>7,890</u>
Gain on sale	<u>\$ 9,802</u>

Consolidation/ Deconsolidation of Navios Containers

Navios Maritime Containers Inc. was incorporated in the Republic of the Marshall Islands on April 28, 2017 and on November 30, 2018, was converted into a limited partnership. In connection with the conversion, Navios Maritime Containers GP LLC, a Republic of the Marshall Islands limited liability company and wholly-owned subsidiary of Navios Holdings, was admitted as Navios Containers’ general partner. As of that date, as a result of holding the general

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partner interest which had the power to govern the financial and operating policies of Navios Containers, Navios Holdings obtained control over Navios Containers and consequently the results of operations of Navios Containers were consolidated under Navios Holdings.

Following the sale of Navios Containers' general partnership interest effected on August 30, 2019, and the sale of the management division, Navios Holdings deconsolidated Navios Containers starting on August 30, 2019, in accordance with ASC 810. As a result, since August 30, 2019, Navios Containers was not a controlled subsidiary of the Company and the investment in Navios Containers was accounted for under the equity method due to significant influence the Company has over Navios Containers.

The difference between the carrying value of Navios Containers' identifiable net assets and noncontrolling interest derecognized as of August 30, 2019 amounted to \$57,999. The loss from the remeasurement of Navios Holdings' interest in Navios Containers to its fair value of \$2,527 amounted to \$3,742 and is presented under the caption "Loss on loss of control" in the consolidated statements of comprehensive income/(loss). The fair value of the 1,263,276 shares of Navios Containers owned by Navios Holdings was determined by using the closing share price of \$2.00 as of that date.

Amounts recorded in respect of discontinued operations in the year ended December 31, 2019 is as follows:

	Period from January 1 to August 30, 2019
Revenue	\$ 89,925
Time charter, voyage and port terminal expenses	(3,976)
Direct vessel expenses	(44,088)
General and administrative expenses	(6,706)
Depreciation and amortization	(22,858)
Interest expense and finance cost	(10,519)
Other expense, net	(5,896)
Net (loss)/income from discontinued operations	\$ (4,118)
Less: Net loss/(income) attributable to the noncontrolling interest	\$ 3,968
Net (loss)/income attributable to Navios Holdings common stockholders	\$ (150)

NOTE 4: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents and restricted cash consisted of the following:

	December 31, 2021	December 31, 2020
Cash on hand and at banks	\$ 53,547	\$ 94,787
Short-term deposits and highly liquid funds	44	94
Restricted cash	84,260	16,303
Cash and cash equivalents and restricted cash	\$ 137,851	\$ 111,184

Short-term deposits and highly liquid funds relate to amounts held in banks for general financing purposes and represent deposits with an original maturity of less than three months and are included in the consolidated balance sheets under the caption "Cash and cash equivalents".

Cash deposits and cash equivalents in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Holdings does maintain cash deposits and equivalents in excess of government provided insurance limits. Navios Holdings reduces exposure to credit risk by dealing with a diversified group of major financial institutions. See also Note 2(e) "Summary of Significant Accounting Policies-Restricted Cash" to the consolidated financial statements.

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NOTE 5: ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2021	December 31, 2020
Accounts receivable	\$ 79,935	\$ 69,694
Less: Allowance for credit losses	(17,096)	(15,366)
Accounts receivable, net	\$ 62,839	\$ 54,328

Changes to the allowance for credit losses are summarized as follows:

	Balance at Beginning of Period	Charges to Costs and Expenses	Amount Utilized	Balance at End of Period
Allowance for credit losses				
Year ended December 31, 2019	\$ (16,086)	\$ (999)	\$ 708	\$ (16,377)
Year ended December 31, 2020	\$ (16,377)	\$ (541)	\$ 1,552	\$ (15,366)
Year ended December 31, 2021	\$ (15,366)	\$ (1,831)	\$ 101	\$ (17,096)

Concentration of credit risk with respect to accounts receivable is limited due to the Company's large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. For the year ended December 31, 2021, two customers accounted for 10.7% each, of the Company's revenue. For the year ended December 31, 2020, two customers accounted for 16.4% and 11.2%, respectively, of the Company's revenue. For the year ended December 31, 2019, two customers accounted for 17.1% and 14.4%, respectively, of the Company's revenue from continuing operations.

NOTE 6: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

	December 31, 2021	December 31, 2020
Prepaid voyage and operating costs	\$ 5,086	\$ 4,616
Claims receivable	6,397	4,136
Prepaid other taxes	1,084	2,604
Other	4,527	3,625
Total prepaid expenses and other current assets	\$ 17,094	\$ 14,981

Claims receivable mainly represents claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts including off-hires. While it is anticipated that claims receivable will be recovered within one year, such claims may not all be recovered within one year due to the attendant process of settlement. Nonetheless, amounts are classified as current as they represent amounts currently due to the Company. All amounts are shown net of applicable deductibles.

NOTE 7: VESSELS, PORT TERMINALS AND OTHER FIXED ASSETS, NET

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2018	\$ 1,324,766	\$ (390,982)	\$ 933,784
Additions	4,747	(48,812)	(44,065)
Vessel impairment	(274,067)	159,834	(114,233)
Disposals	(48,830)	—	(48,830)
Vessel acquisition	14,735	(44)	14,691
Balance December 31, 2019	\$ 1,021,351	\$ (280,004)	\$ 741,347
Additions	1,277	(36,438)	(35,161)
Vessel impairment	(221,754)	137,255	(84,499)
Disposals	(87,823)	—	(87,823)
Vessel acquisition	96,678	(2,820)	93,858
Write offs	(153)	—	(153)
Balance December 31, 2020	\$ 809,576	\$ (182,007)	\$ 627,569
Additions	4,949	(26,770)	(21,821)
Vessel impairment	(89,888)	68,258	(21,630)
Vessel Disposals	(172,782)	—	(172,782)
Vessel acquisition	16,049	—	16,049
Balance December 31, 2021	\$ 567,904	\$ (140,519)	\$ 427,385
		Accumulated	Net Book
Port Terminals (Navios Logistics)	Cost	Depreciation	Value
Balance December 31, 2018	\$ 253,360	\$ (39,775)	\$ 213,585
Additions	602	(7,186)	(6,584)
Balance December 31, 2019	\$ 253,962	\$ (46,961)	\$ 207,001
Additions	869	(7,216)	(6,347)
Write offs	(87)	76	(11)
Balance December 31, 2020	\$ 254,744	\$ (54,101)	\$ 200,643
Additions	1,520	(7,629)	(6,109)

Transfers	5,646	—	5,646
Disposals	(130)	169	39
Balance December 31, 2021	\$ 261,780	\$ (61,561)	\$ 200,219

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	Cost	Accumulated Depreciation	Net Book Value
Tanker vessels, barges and pushboats (Navios Logistics)			
Balance December 31, 2018	\$ 525,712	\$ (182,584)	\$ 343,128
Additions	2,403	(19,038)	(16,635)
Write offs	(2,064)	866	(1,198)
Balance December 31, 2019	\$ 526,051	\$ (200,756)	\$ 325,295
Additions	1,931	(18,278)	(16,347)
Write offs	(308)	—	(308)
Balance December 31, 2020	\$ 527,674	\$ (219,034)	\$ 308,640
Additions	2,445	(20,763)	(18,318)
Impairment losses	(27,339)	5,373	(21,966)
Transfers	51,461	—	51,461
Balance December 31, 2021	\$ 554,241	\$ (234,424)	\$ 319,817
Containerships (Navios Containers)			
Balance December 31, 2018	\$ 400,896	\$ (917)	\$ 399,979
Additions	1,715	(7,497)	(5,782)
Vessel acquisition	53,097	(649)	52,448
Navios Containers Deconsolidation	(455,708)	9,063	(446,645)
Balance December 31, 2019	\$ —	\$ —	\$ —
Other fixed assets			
Balance December 31, 2018	\$ 19,876	\$ (11,897)	\$ 7,979
Additions	2,161	(1,056)	1,105
Write offs	(14,206)	7,993	(6,213)
Balance December 31, 2019	\$ 7,831	\$ (4,960)	\$ 2,871
Additions	488	(672)	(184)
Balance December 31, 2020	\$ 8,319	\$ (5,632)	\$ 2,687
Additions	385	(491)	(106)
Balance December 31, 2021	\$ 8,704	\$ (6,123)	\$ 2,581
Total			
Balance December 31, 2018	\$ 2,524,610	\$ (626,155)	\$ 1,898,455
Additions	11,628	(83,589)	(71,961)
Vessel acquisition	67,832	(693)	67,139
Vessel impairment	(274,067)	159,834	(114,233)
Vessel disposals	(48,830)	—	(48,830)
Write offs	(16,270)	8,859	(7,411)
Navios Containers Deconsolidation	(455,708)	9,063	(446,645)
Balance December 31, 2019	\$ 1,809,195	\$ (532,681)	\$ 1,276,514
Additions	4,565	(62,604)	(58,039)
Vessel acquisition	96,678	(2,820)	93,858
Vessel impairment	(221,754)	137,255	(84,499)
Vessel disposals	(87,823)	—	(87,823)
Write offs	(548)	76	(472)
Balance December 31, 2020	\$ 1,600,313	\$ (460,774)	\$ 1,139,539
Additions	9,299	(55,653)	(46,354)
Vessel acquisition	16,049	—	16,049
Vessel impairment	(117,227)	73,631	(43,596)
Vessel Disposals	(172,782)	—	(172,782)
Disposal	(130)	169	39
Transfers from other long-term assets	57,107	—	57,107
Balance December 31, 2021	\$ 1,392,629	\$ (442,627)	\$ 950,002

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Deposits for Vessels and Port Terminals Acquisitions

During the first quarter of 2021, Navios Logistics completed the construction of six liquid barges and transferred a total of \$19,501 to “Vessels, port terminals and other fixed assets, net” in the consolidated statement of financial position of which capitalized interest amounted to \$1,062. As of December 31, 2020, the total amount included in “Other long-term assets” was \$16,696 for the construction of these barges. Capitalized interest included in “Other long-term assets” for the construction of these barges amounted to \$611 as of December 31, 2020.

During the first quarter of 2021, Navios Logistics completed the construction of two new tanks in its liquid port terminal and transferred a total of \$1,843 to “Vessels, port terminals and other fixed assets, net” in the consolidated statement of financial position. As of December 31, 2020, Navios Logistics had paid \$1,285 for the construction of two new tanks in its liquid port terminal, which was included in the consolidated statement of financial position under the caption “Other long-term assets”.

As of December 31, 2021 and December 31, 2020, Navios Logistics had paid \$713 and \$631, respectively, for capitalized expenses for the development of its port operations in Port Murtinho region, Brazil, which is included in the consolidated statement of financial position under the caption “Other long-term assets”.

In the fourth quarter of 2020, Navios Logistics entered into a purchase agreement with an unrelated third party for the acquisition of three pushboats and 18 tank barges (the “Navios Logistics 2020 Fleet”), for a purchase price of \$30,000. The acquisition was completed on March 22, 2021. As of December 31, 2021, the total amount of \$31,960 was transferred to the caption “Vessels, port terminals and other fixed assets, net” from “Other long-term assets” as of December 2020.

During the second quarter of 2021, Navios Logistics completed the construction of a crane in its grain port terminal and transferred a total of \$3,803 to “Vessels, port terminals and other fixed assets, net” in the consolidated statement of financial position. As of December 31, 2020, Navios Logistics had paid \$723 for the construction of a crane in its grain port terminal included in the consolidated statement of financial position under the caption “Other long-term assets”.

Impairment Loss/ Loss on Sale of Vessels, Net

2021

In July 2021, the Company completed the sale to Navios Partners of the Navios Azimuth, a 2011 built Capesize vessel of 179,169 dwt, for a sale price of \$30,000. The impairment loss amounted to \$9,104 (including \$1,950 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

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In June 2021, the Company completed the sale to Navios Partners of the Navios Ray, a 2012 built Capesize vessel of 179,515 dwt, and the Navios Bonavis, a 2009 built Capesize vessel of 180,022 dwt, for a sale price of \$58,000. The loss due to sale amounted to \$8,753 (including \$1,775 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In June 2021, the Company completed the sale to Navios Partners of the Navios Koyo, a 2011-built Capesize vessel, which was previously chartered-in by Navios Holdings, for a sale price of \$28,500. The net sale proceeds were \$8,500 and the gain due to sale amounted to \$12,451 and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”. Refer to Note 15 “Leases” to the consolidated financial statements.

In June 2021, the Company completed the sale to an unrelated third party of the Navios Serenity, a 2011 built Handysize vessel of 34,690 dwt, for a net sale price of \$10,388. The loss due to sale amounted to \$6,957 (including \$11 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In March 2021, the Company completed the sale to Navios Partners of the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt, and the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, for a sale price of \$39,250, including working capital adjustments, amounting \$5,766. The loss due to sale amounted to \$13,498 (including \$495 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

Navios Logistics

During the fourth quarter of the year ended December 31, 2021, Navios Logistics recorded an impairment loss of \$21,966 for two of its tanker vessels operating in the cabotage business.

2020

During the fourth quarter of the year ended December 31, 2020, Navios Holdings recorded an impairment loss of \$52,820 for two of its dry bulk vessels.

In February 2021, Navios Holdings completed the sale to an unrelated third party of the Navios Astra, a 2006-built Ultra Handymax vessel of 53,468 dwt, for a sale price of approximately \$6,644. As of December 31, 2020, the impairment loss amounted to \$6,288 (including \$98 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In September 2020, Navios Holdings completed the sale of the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt, and of the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, to Navios Partners for a sale price of \$51,000 in total including net liabilities of \$4,378. The net loss due to sale amounted to \$7,683 (including \$1,747 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In September 2020, Navios Holdings completed the sale to an unrelated third party of the Navios Amitie, a 2005-built Panamax vessel of 75,395 dwt, for a sale price of approximately \$6,885. The impairment loss amounted to \$4,478 and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In August 2020, Navios Holdings completed the sale to an unrelated third party of the Navios Northern Star, a 2005-built Panamax vessel of 75,395 dwt, for a sale price of approximately \$6,860. The impairment loss amounted to \$4,489 and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In May 2020, Navios Holdings completed the sale to an unrelated third party of the Navios Star, a 2002-built Panamax vessel of 76,662 dwt, for a net sale price of \$6,450, paid in cash. The impairment loss amounted to \$5,697 (including \$258 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

In February 2020, Navios Holdings completed the sale to unrelated third party of the Navios Kypros, a 2003-built Ultra Handymax vessel of 55,222 dwt, for approximately \$9,131 in total, including insurance proceeds covering unrepaired damages plus expenses (subject to applicable deductibles and other customary limitations). The loss due to sale amounted to \$5,551 (including \$404 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/ loss on sale of vessels, net”.

2019

During the fourth quarter of the year ended December 31, 2019, Navios Holdings recorded an impairment loss of \$84,584 for two of its dry bulk vessels.

In January 2020, Navios Holdings completed the sale to an unrelated third party of the Navios Hios, a 2003-built Ultra Handymax vessel of 55,180 dwt, for a net sale price of \$7,497, paid in cash. The impairment loss amounted to \$7,429 (including \$611 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

In September 2019, Navios Holdings completed the sale to an unrelated third party of the Navios Primavera, a 2007-built Ultra Handymax vessel of 53,464 dwt, for a net sale price of \$9,891, paid in cash. The loss due to sale amounted to \$1,673 and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

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In August 2019, Navios Holdings completed the sale to an unrelated third party of the Navios Mercator, a 2002-built Ultra Handymax vessel of 53,553 dwt, for a net sale price of \$6,664, paid in cash. The impairment loss amounted to \$4,849 (including \$490 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

In July 2019, Navios Holdings completed the sale to an unrelated third party of the Navios Arc, a 2003-built Ultra Handymax vessel of 53,514 dwt, for a net sale price of \$7,105, paid in cash. The impairment loss amounted to \$5,149 (including \$685 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

In June 2019, Navios Holdings completed the sale to an unrelated third party of the Navios Vector, a 2002-built Ultra Handymax vessel of 50,296 dwt, for a net sale price of \$6,860, paid in cash. The loss due to sale amounted to \$10,039 (including \$673 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

In May 2019, Navios Holdings completed the sale to an unrelated third party of the Navios Equator Prosper, a 2000-built Capesize vessel of 171,191 dwt, for a net sale price of \$11,520, paid in cash. The gain due to sale amounted to \$1,784 and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

In March 2019, Navios Holdings completed the sale to an unrelated third party of the Navios Meridian, a 2002-built Ultra Handymax vessel of 50,316 dwt, for a net sale price of \$6,790, paid in cash. The loss due to sale amounted to \$5,531 (including \$778 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive income/(loss) under the caption “Impairment loss/loss on sale of vessels, net”.

Vessel Acquisitions

2020

In June 2020, following the liquidation of Navios Europe II, the Company acquired the Jupiter N and the Rainbow N, two 2011-built Panamax vessels of 93,062 dwt and 79,642 dwt, respectively, for an acquisition cost of \$24,883 in total plus working capital adjustments.

In March 2020, the Company acquired from an unrelated third party, a previously charter-in vessel, the Navios Corali, a 2015-built Capesize vessel of 181,249 dwt, for a total acquisition cost of \$36,684, paid in cash.

In January 2020, the Company acquired from an unrelated third party, a previously charter-in vessel, the Navios Canary, a 2015-built Capesize vessel of 180,528 dwt, for a total acquisition cost of \$35,111, paid in cash.

2019

In August 2019, Navios Holdings acquired from an unrelated third party, a previously charter-in vessel, Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, for a total acquisition cost of \$14,735, paid in cash.

Navios Logistics

Since 2018, Navios Logistics acquired approximately 6.6 hectares of undeveloped land located in the Port Murtinho region, Brazil, and on March 24, 2021 acquired 2.3 additional hectares. Navios Logistics plans to develop this land for its port operations for a total cost of \$1,580.

In February 2017, two self-propelled barges of Navios Logistics’ fleet, Formosa and San Lorenzo, were sold for a total amount of \$1,109. The sale price was to be received in installments in the form of lease payments through 2023. The barges may be transferred at the lessee’s option at no cost at the end of the lease period. In October 2021 and November 2021, the Company received the final installments of San Lorenzo and Formosa.

Navios Containers

On April 23, 2019, Navios Containers purchased the Navios Constellation, a 2011-built of 10,000 TEU containership, from an unrelated third party for an acquisition cost of \$53,097.

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NOTE 8: INTANGIBLE ASSETS OTHER THAN GOODWILL

Net Book Value of Intangible Assets other than Goodwill as at December 31, 2021

	Acquisition Cost	Accumulated Amortization	Net Book Value December 31, 2021
Trade name	\$ 90,000	\$ (45,985)	\$ 44,015
Port terminal operating rights	53,152	(14,833)	38,319
Customer relationships	35,490	(24,843)	10,647
Total Intangible assets	\$ 178,642	\$ (85,661)	\$ 92,981

Net Book Value of Intangible Assets other than Goodwill as at December 31, 2020

	Acquisition Cost	Accumulated Amortization	Net Book Value December 31, 2020
Trade name	\$ 90,000	\$ (43,175)	\$ 46,825
Port terminal operating rights	53,152	(13,835)	39,317
Customer relationships	35,490	(23,069)	12,421
Total Intangible assets	\$ 178,642	\$ (80,079)	\$ 98,563

Amortization expense and write offs for the years ended December 31, 2021, 2020 and 2019 were as follows:

	Amortization Expense and Write Offs Year Ended December 31, 2021	Amortization Expense and Write Offs Year Ended December 31, 2020	Amortization Expense and Write Offs Year Ended December 31, 2019
Trade name	\$ 2,810	\$ 2,818	\$ 2,811
Port terminal operating rights	998	998	999
Customer relationships	1,774	1,775	1,774
Total	\$ 5,582	\$ 5,591	\$ 5,584

The remaining aggregate amortization of acquired intangibles as of December 31, 2021 was as follows:

Description	Within one							Total
	year	Year Two	Year Three	Year Four	Year Five	Thereafter		
Trade name	\$ 2,811	\$ 2,811	\$ 2,811	\$ 2,818	\$ 2,811	\$ 29,953	\$ 44,015	
Port terminal operating rights	995	995	995	995	995	33,344	38,319	
Customer relationships	1,775	1,775	1,775	1,775	1,775	1,772	10,647	
Total amortization	\$ 5,581	\$ 5,581	\$ 5,581	\$ 5,588	\$ 5,581	\$ 65,069	\$ 92,981	

NOTE 9: INVESTMENTS IN AFFILIATE COMPANIES AND INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

Navios Partners

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of the Republic of the Marshall Islands. Navios GP L.L.C., a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest. In August 2019, Navios Holdings sold the general partnership interests in Navios Partners (except for the incentive distribution rights) to NSM. Olympos Maritime Ltd. is currently Navios Partners' general partner (the "General Partner").

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to \$50,000 of Navios Partners' common units over a two-year period. As of December 31, 2020, Navios Partners had repurchased and cancelled 4,694,279 common units.

In February 2019, Navios Partners issued 380,952 of restricted common units to Navios Partners' directors and/or officers. Concurrently, Navios Holdings acquired 7,775 common units in Navios Partners in order to maintain its 2.0% general partner interest for a cash consideration of \$8.

On April 25, 2019, Navios Partners announced a 1-for-15 reverse stock split of its issued and outstanding shares of common units and general partners units. The reverse stock split was effective on May 21, 2019. All issued and outstanding shares of common units and general partner units contained to the notes to the consolidated financial statements until May 21, 2019, are presented before reverse stock split.

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As of December 31, 2020 and following the sale of Navios Partners general partnership interest effected on August 30, 2019, Navios Holdings held a total of 2,070,216 (post reverse stock split) common units representing a 17.9% ownership interest in Navios Partners. Navios Holdings evaluated its investment in the common stock of Navios Partners under ASC 323 and concluded that it had the ability to exercise significant influence over the operating and financial policies of Navios Partners and, therefore, its investment in Navios Partners is accounted for under the equity method.

As of December 31, 2021 and December 31, 2020 Navios Partners has issued 7,687,730 and 357,508 units, respectively, through its Continuous Offering Programs entered into from time to time. Pursuant to the issuance of common units, Navios Partners issued 156,895 and 7,298 general partnership units to its general partner as of December 31, 2021 and December 31, 2020, respectively, in order to maintain its 2.0% general partnership interest.

As of December 31, 2021 and following the NNCI Merger (as defined herein), 1,263,276 units held in Navios Containers were converted to 492,678 units of Navios Partners. Further and following the NNA Merger (as defined herein), 4,865,147 shares held in Navios Acquisition were converted to 620,306 units of Navios Partners. Accordingly, as of December 31, 2021, Navios Holdings holds a total of 3,183,199 common units representing a 10.3% interest in Navios Partners, and incentive distribution rights are held by Navios GP L.L.C.

As of December 31, 2021 and December 31, 2020, the unamortized difference between the carrying amount of the investment in Navios Partners and the amount of the Company's underlying equity in net assets of Navios Partners was \$56,351 and \$77,904, respectively.

As of December 31, 2021 and 2020, the carrying amount of the investment in Navios Partners was \$125,744 and \$39,133, respectively.

Total equity method income and amortization of deferred gain of \$66,745, \$5,466 and \$13,526, were included under the caption "Equity in net earnings/(losses) of affiliate companies" for the years ended December 31, 2021, 2020 and 2019, respectively.

Dividends received during the years ended December 31, 2021, 2020 and 2019 were \$519, \$1,449, and \$2,692, respectively.

As of December 31, 2021, the market value of the investment in Navios Partners was \$79,866. Based on Company's evaluation of the duration and magnitude of the fair value decline, Navios Partners' financial condition and near-term prospects, and the Company's intent and ability to hold its investment in Navios Partners until recovery, the Company concluded that the decline in fair value of its investment in Navios Partners below its carrying value is temporary and, therefore, no impairment was recorded. No impairment was recorded for the years ended December 31, 2020 and 2019, respectively.

Navios Acquisition

On August 25, 2021, Navios Partners and its direct wholly-owned subsidiary Navios Acquisition Merger Sub. Inc. ("Merger Sub") entered into an Agreement and Plan of Merger with Navios Acquisition (the "NNA Merger").

On August 25, 2021, Navios Partners purchased 44,117,647 shares of Navios Acquisition, thereby acquiring a controlling interest in Navios Acquisition, and the results of operations of Navios Acquisition are included in Navios Partners' consolidated statements of operations commencing on August 26, 2021. Pursuant to the NNA Merger, on August 26, 2021, Navios Acquisition called for redemption of all of its outstanding 8.125% first Priority Ship Mortgage Notes due November 15, 2021 (the "Navios Acquisition's Ship Mortgage Notes") and remitted to the indenture trustee the aggregate redemption price payable to the holders of the Navios Acquisition's Ship Mortgage Notes to satisfy and discharge Navios Acquisition's obligations under the indenture relating to the Navios Acquisition's Ship Mortgage Notes. The redemption date for the Navios Acquisition's Ship Mortgage Notes was September 25, 2021.

On October 15, 2021, Navios Partners completed the NNA Merger. As a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Each outstanding common unit of Navios Acquisition that was held by a unitholder, other than Navios Partners, Navios Acquisition and their respective subsidiaries was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public unitholders of Navios Acquisition. As of the close market on October 15, 2021, Navios Acquisitions' common shares were no longer listed for trading on NYSE.

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Upon completion of the NNA Merger, as of October 15, 2021, Navios Holdings derecognized its investment in Navios Acquisition. As of December 31, 2020, Navios Holdings had a 29.5% economic interest in Navios Acquisition.

As of December 31, 2020, the pre-OTTI loss unamortized difference between the carrying amount of the investment in Navios Acquisition and the amount of the Company's underlying equity in net assets of Navios Acquisition was \$68,793. As a result of the OTTI loss recorded as at December 31, 2020, the Company recomputed this difference to be amortized in future period through "Equity in net earnings/(losses) of affiliate companies" over the remaining life of Navios Acquisition's tangible and intangible assets.

As of December 31, 2020, the carrying amount of the investment in Navios Acquisition was \$15,033. During the year ended December 31, 2021, 2020 and 2019, the Company recognized an OTTI loss of \$0, \$13,368 and \$13,543, respectively, relating to its investment in Navios Acquisition and the amount was included under the caption "Equity in net earnings/(losses) of affiliate companies".

Total equity method income/(loss) of \$1,944, \$13,129 and \$(11,098), excluding OTTI loss, were included under the caption "Equity in net earnings/(losses) of affiliate companies" for the years ended December 31, 2021, 2020, and 2019, respectively.

Dividends received for each of the years ended December 31, 2021, 2020 and 2019 were \$243, \$5,838 and \$4,379, respectively.

Navios Containers (Consolidated from November 30, 2018 to August 30, 2019)

Following the sale of Navios Containers general partnership interest effected on August 30, 2019, referred to in Note 3, Navios Holdings evaluated its investment in the common stock of Navios Containers under ASC 323 and concluded that it had the ability to exercise significant influence over the operating and financial policies of Navios Containers and, therefore, its investment in Navios Containers is accounted for under the equity method, through the NMCI Merger (as defined herein) on March 31, 2021.

NMCI Merger: On January 4, 2021, Navios Containers and Navios Partners announced that they entered into a definitive merger agreement (the "NMCI Merger"). Under the terms of the NMCI Merger, Navios Partners acquired all of the publicly held common units of Navios Containers through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers common unit. The NMCI Merger was completed on March 31, 2021 and Navios Holdings had 12.6% ownership interest in Navios Partners. As of the close of the market on March 31, 2021, Navios Containers' common units were no longer listed for trading on NASDAQ.

Upon completion of the NMCI Merger, as of March 31, 2021, Navios Holdings derecognized its investment in Navios Containers. As of December 31, 2020, the carrying amount of the investment in Navios Containers was \$2,812.

As of December 31, 2020, Navios Holdings had a 3.9% ownership interest in Navios Containers.

Total equity method income of \$595, \$130 and \$155 were included under the caption "Equity in net earnings/(losses) of affiliate companies" for the years ended December 31, 2021, December 31, 2020 and for the period from August 30, 2019 (date of loss of control) to December 31, 2019, respectively.

Navios Europe I

On December 18, 2013, Navios Europe I acquired ten vessels for aggregate consideration consisting of (i) cash (which was funded with the proceeds of senior loan facilities (the "Senior Loans I") and loans aggregating to \$10,000 from Navios Holdings, Navios Acquisition and Navios Partners (in each case, in proportion to their economic interests in Navios Europe I) (collectively, the "Navios Term Loans I") and (ii) the assumption of a junior participating loan facility (the "Junior Loan I"). In addition to the Navios Term Loans I, Navios Holdings, Navios Acquisition and Navios Partners would also make available to Navios Europe I revolving loans up to \$24,100 to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the amount of the Navios Revolving Loans I increased by \$30,000.

On an ongoing basis, Navios Europe I was required to distribute cash flows (after payment of operating expenses and amounts due pursuant to the terms of the Senior Loans I) according to a defined waterfall calculation.

Navios Holdings had evaluated its investment in Navios Europe I under ASC 810 and had concluded that Navios Europe I was a VIE and that it was not the party most closely associated with Navios Europe I and, accordingly, was not the primary beneficiary of Navios Europe I.

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Navios Holdings had further evaluated its investment in the common stock of Navios Europe I under ASC 323 and had concluded that it had the ability to exercise significant influence over the operating and financial policies of Navios Europe I and, therefore, its investment in Navios Europe I had been accounted for under the equity method.

The initial amount provided for in Navios Europe I of \$4,750, at the inception included the Company's share of the basis difference between the fair value and the underlying book value of the assets of Navios Europe I, which amounted to \$6,763. This difference had been amortized through "Equity in net losses of affiliate companies" over the remaining life of Navios Europe I.

As of December 31, 2019, the Company received the outstanding receivable amount from Navios Europe I of \$13,420 relating to Navios Europe I following the liquidation of the structure (Note 16).

No equity method income was included under the caption "Equity in net losses of affiliate companies" for the years ended December 31, 2021, 2020 and 2019.

Navios Europe II

On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe II. From June 8, 2015 through December 31, 2015, Navios Europe II acquired 14 vessels for aggregate consideration consisting of: (i) cash (which was funded with the proceeds of a senior loan facility (the "Senior Loans II") and loans aggregating to \$14,000 from Navios Holdings, Navios Acquisition and Navios Partners (in each case, in proportion to their economic interests in Navios Europe II) (collectively, the "Navios Term Loans II") and (ii) the assumption of a junior participating loan facility (the "Junior Loan II"). In addition to the Navios Term Loans II, Navios Holdings, Navios Acquisition and Navios Partners would also make available to Navios Europe II revolving loans up to \$43,500 to fund working capital requirements (collectively, the "Navios Revolving Loans II"). In March 2017, the amount of the Navios Revolving Loans II increased by \$14,000. On April 21, 2020, Navios Europe II and the lenders agreed to fully release the liabilities under the Junior Loan II for \$5,000. On December 31, 2019, Navios Holdings had a \$44,300 receivable from Navios Europe II. The structure was liquidated in June 2020.

On an ongoing basis, Navios Europe II was required to distribute cash flows (after payment of operating expenses and amounts due pursuant to the terms of the Senior Loans II) according to a defined waterfall calculation.

Navios Holdings had evaluated its investment in Navios Europe II under ASC 810 and had concluded that Navios Europe II was a VIE and that it was not the party most closely associated with Navios Europe II and, accordingly, was not the primary beneficiary of Navios Europe II.

Navios Holdings had further evaluated its investment in the common stock of Navios Europe II under ASC 323 and had concluded that it had the ability to exercise significant influence over the operating and financial policies of Navios Europe II and, therefore, its investment in Navios Europe II had been accounted for under the equity method.

The initial amount provided for in Navios Europe II of \$6,650, at the inception included the Company's share of the basis difference between the fair value and the underlying book value of the assets of Navios Europe II, which amounted to \$9,419. This difference had been amortized through "Equity in net losses of affiliate companies" over the remaining life of Navios Europe II.

As of March 31, 2020, the Company considered the decline in fair value of its investment in Navios Europe II as OTTI and therefore recognized a loss of \$6,650 in the accompanying consolidated statement of comprehensive income/(loss).

As of December 31, 2020, the Company received in cash all balances relating to Navios Europe II following the liquidation of the structure and recognized a loss of \$6,050 included in the accompanying consolidated statements of comprehensive income/(loss) for the year ended December 31, 2020, under the caption "Impairment of loan receivable from affiliate company" (Note 16).

No income was recognized under the caption "Equity in net earnings/(loss) of affiliate companies" for the years ended December 31, 2021 and 2020, respectively. Total equity method income of \$1,775 was included under the caption "Equity in net earnings/(losses) of affiliate companies" for the year ended December 31, 2019.

As of December 31, 2021 and 2020, the carrying amount of the investment in Navios Europe II and the balance of Navios Terms Loans II was \$0.

Following the results of the significance tests performed by the Company, it was concluded that two affiliate companies met the significance threshold requiring summarized financial information of all affiliate companies being presented.

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Summarized financial information of the affiliate companies is presented below:

	December 31, 2021			December 31, 2020		
	Navios Partners	Navios Acquisition	Navios Containers	Navios Partners	Navios Acquisition	Navios Containers
Balance sheet						
Cash and cash equivalents, including restricted cash	\$ 169,446	\$ —	\$ —	\$ 30,728	\$ 41,357	\$ 7,573
Current assets	\$ 226,340	\$ —	\$ —	\$ 60,780	\$ 140,605	\$ 16,684
Non-current assets	\$ 3,396,959	\$ —	\$ —	\$ 1,146,489	\$ 1,428,392	\$ 414,106
Current liabilities	\$ 395,505	\$ —	\$ —	\$ 253,252	\$ 805,860	\$ 39,862
Long-term debt including current portion, net	\$ 1,361,709	\$ —	\$ —	\$ 486,857	\$ 1,076,587	\$ 232,159
Non-current liabilities	\$ 1,458,069	\$ —	\$ —	\$ 299,187	\$ 433,280	\$ 199,383

	Navios Partners 01/01/2021- 12/31/2021	Navios Acquisition 01/01/2021- 10/15/2021	Navios Containers 01/01/2021- 03/31/2021
Income Statement			
Revenue	\$ 713,175	\$ 188,304	\$ 43,763
Net income/(loss)	\$ 516,186	\$ (6,307)	\$ 15,270

	December 31, 2020			
	Navios Partners	Navios Acquisition	Navios Europe II	Navios Containers
Income Statement				
Revenue	\$ 226,771	\$ 361,438	\$ 17,059	\$ 127,188
Net (loss)/income	\$ (68,541)	\$ 27,465	\$ (26,661)	\$ 3,348

	December 31, 2019				
	Navios Partners	Navios Acquisition	Navios Europe I	Navios Europe II	Navios Containers
Income Statement					
Revenue	\$ 219,379	\$ 280,117	\$ 36,822	\$ 46,718	\$ 141,532
Net (loss)/income	\$ (62,134)	\$ (65,707)	\$ (18,575)	\$ (30,203)	\$ 7,507

Available-for-sale securities (“AFS Securities”)

During the year ended December 31, 2017, the Company received shares of Pan Ocean Co. Ltd (“STX”) as partial compensation for the claims filed under the Korean court for all unpaid amounts in respect of the employment of the Company’s vessels. The shares were recorded at fair value upon their issuance and subsequent changes in market value are recognized within accumulated other comprehensive income/(loss) or since January 1, 2018, when the Company adopted ASU 2016-01, “Financial Instruments – Overall (Subtopic 825-10) – Recognition and Measurement of Financial Assets and Financial Liabilities”, within consolidated statement of comprehensive income/(loss).

The shares received from STX were accounted for under the guidance for AFS Securities. The Company has no other types of AFS Securities.

As of December 31, 2021 and 2020, the carrying amount of the AFS Securities related to STX was \$219 and \$222, respectively and was included under the caption “Other long-term assets” in the consolidated balance sheets.

During the year ended December 31, 2021, the unrealized holding loss related to these AFS Securities included under the caption “Other expense” was \$3. During the year ended December 31, 2020, the unrealized holding gain related to these AFS Securities included under the caption “Other income” was \$33. During the year ended December 31, 2019, the unrealized holding loss related to these AFS Securities included under the caption “Other expense” was \$3.

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NOTE 10: ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as of December 31, 2021 and 2020 consisted of the following:

	December 31,	December 31,
	2021	2020
Payroll	\$ 7,913	\$ 6,671
Accrued interest	45,445	55,650
Accrued voyage expenses	1,014	1,344
Audit fees and related services	375	225
Accrued taxes	9,006	7,911
Professional fees	417	470
Other accrued expenses	289	264
Total accrued expenses	\$ 64,459	\$ 72,535

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NOTE 11: BORROWINGS

Borrowings as of December 31, 2021 and 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Navios Holdings borrowings		
Loan Facility HCOB (\$15,300)	—	9,945
Loan Facility Credit Agricole (\$23,000)	—	11,100
Loan Facility Credit Agricole (\$23,000)	—	11,400
Loan Facility DVB Bank SE (\$72,000)	—	4,504
Loan Facility Alpha Bank (\$31,000)	—	20,200
Loan Facility Alpha Bank (\$16,125)	—	12,925
Sale and Leaseback Agreements	114,837	62,934
2022 Senior Secured Notes	155,000	305,000
2022 Notes	455,466	476,822
2024 Notes	8,626	8,626
NSM Loan (incl. accrued interest \$306 and \$526, respectively)	48,879	78,901
\$50.0 million NSM Loan (including accrued interest of \$326)	—	50,326
\$115.0 million NSM Loan (incl. accrued interest \$571)	64,630	—
Total Navios Holdings borrowings	\$ 847,438	\$ 1,052,683
Navios Logistics borrowings		
	December 31, 2021	December 31, 2020
2025 Logistics Senior Notes	500,000	500,000
Navios Logistics Notes Payable	12,463	17,842
Navios Logistics New BBVA Facility	12,000	22,000
Navios Logistics Alpha Bank Loan	7,700	9,100
Seller's Credit Agreement for the construction of six liquid barges	11,213	11,047
Seller's Credit Agreement for the Navios Logistics' 2020 Fleet	15,000	—
Other long-term loans	—	46
Total Navios Logistics borrowings	\$ 558,376	\$ 560,035
Total		
	December 31, 2021	December 31, 2020
Total borrowings	\$ 1,405,814	\$ 1,612,718
Less: current portion, net	(307,451)	(374,191)
Less: deferred finance costs and discount, net	(19,330)	(28,289)
Total long-term borrowings	\$ 1,079,033	\$ 1,210,238

Navios Holdings Debt
2022 Senior Secured Notes

On November 21, 2017, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Company, the “Co-Issuers”) issued \$305,000 of 11.25% Senior Notes due 2022, at a price of 97%.

The 2022 Senior Secured Notes are secured by a first priority lien on certain capital stock owned by certain of the subsidiary guarantors of Navios Holdings in each of Navios GP L.L.C., Navios Logistics and Navios Partners (following the NMCI Merger and NNA Merger). The 2022 Senior Secured Notes are unregistered and guaranteed by all of the Company's direct and indirect subsidiaries, except for certain subsidiaries designated as unrestricted subsidiaries, including Navios Logistics.

The subsidiary guarantees are “full and unconditional”, except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an “unrestricted subsidiary” for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Secured Notes.

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The Co-Issuers have the option to redeem the 2022 Senior Secured Notes in whole or in part, at any time at par.

Upon occurrence of certain change of control events, the holders of the 2022 Senior Secured Notes may require the Co-Issuers to repurchase some or all of the 2022 Senior Secured Notes at 101% of their face amount. The 2022 Senior Secured Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliate companies, merging or consolidating or selling all or substantially all of the Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The indenture governing the 2022 Senior Secured Notes includes customary events of default. The Co-Issuers were in compliance with the covenants as of December 31, 2021.

Under the terms of the 2022 Senior Secured Notes, Navios Holdings had an obligation to make a springing maturity offer in September 2021 to repurchase those notes at par unless certain conditions relating to the refinancing of our 2022 Notes were met.

On October 1, 2020, Navios Holdings entered into (1) the Sixth Supplemental Indenture to amend the terms of the indenture and related pledge agreements governing the 2022 Senior Secured Notes following its receipt of consents from bondholders representing a majority in aggregate principal amount (the "Consenting Noteholders") of the 2022 Senior Secured Notes and (2) a consent agreement with the Consenting Noteholders ("Consent Agreement"). Pursuant to the Consent Agreement, the Consenting Noteholders agreed, subject to the satisfaction of certain conditions, to consent to the amendments contained in the form of supplemental indenture ("Form of Supermajority Supplemental Indenture") which amendments required consent from 66 2/3% of the outstanding 2022 Senior Secured Notes affected. The Sixth Supplemental Indenture, among other things, (i) clarifies that all past dividends paid in respect of equity pledged as collateral for the 2022 Senior Secured Notes and any future dividends paid in respect of equity pledged as collateral (other than equity of Navios Logistics) can be used by the Company for general corporate purposes, absent a Default or Event of Default; (ii) provides that future dividends paid in respect of equity of Navios Logistics pledged as collateral for the 2022 Senior Secured Notes may be used only to redeem or repurchase 2022 Senior Secured Notes (including, absent a Default or an Event of Default, at a discount to par); (iii) eliminates the Company's obligation to make a springing maturity offer for the 2022 Senior Secured Notes; and (iv) states that the Company may agree to the cancellation of amounts it owes to Navios Logistics under that certain loan agreement in lieu of the receipt of pro rata cash dividends from Navios Logistics. The Sixth Supplemental Indenture became effective upon its execution by the Company and the Trustee, but the amendments and waivers contained therein will become operative only upon the occurrence of a Qualified IPO of Navios Logistics.

On November 17, 2020, the Company entered into the Seventh Supplemental Indenture to further amend the terms of the indenture governing the 2022 Senior Secured Notes, pursuant to which Wilmington Trust, National Association became the successor Trustee and successor Collateral Trustee in respect of the 2022 Senior Secured Notes.

On June 29, 2021, the Company entered into the Eighth Supplemental Indenture which eliminated the Company's obligation to make a springing maturity offer for the 2022 Senior Secured Notes following the first redemption of an aggregate principal amount of \$100.0 million of the 2022 Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date ("First Redemption"). On July 23, 2021, the Company completed the First Redemption, which was funded through (i) the sale of a vessel pledged as collateral in respect of the 2022 Senior Secured Notes and (ii) the borrowing of \$75,264 from an affiliate company of NSM.

The Eighth Supplemental Indenture also, among other things, (i) clarifies that all past dividends paid in respect of equity pledged as collateral for the 2022 Senior Secured Notes and any future dividends paid in respect of equity pledged as collateral (other than equity of Navios Logistics) can be used by the Company for general corporate purposes, absent a Default or Event of Default; (ii) provides that future dividends paid in respect of equity of Navios Logistics pledged as collateral for the 2022 Senior Secured Notes may be used only to redeem or repurchase 2022 Senior Secured Notes; and (iii) permits the lender under the \$115.0 million NSM Loan (as defined herein) to take a second lien on the pledged share collateral (which pledged share collateral secures the 2022 Senior Secured Notes on a first lien basis).

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On September 3, 2021, the Company issued a notice of redemption with respect to an aggregate principal amount of \$20,000 of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of September 13, 2021 (the “Second Redemption”).

On September 14, 2021, the Company issued a notice of redemption with respect to an aggregate principal amount of \$20,000 of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of September 24, 2021 (the “Third Redemption”).

On October 1, 2021, the Company issued a notice of redemption with respect to an aggregate principal amount of \$10,000 of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of October 11, 2021 (the “Fourth Redemption”).

As of December 31, 2021, the Company wrote off \$1,777 of deferred financing costs associated with the Redemptions discussed above and is included in the consolidated statement of comprehensive income/(loss) under the caption “Gain/(loss) on bond and debt extinguishment”.

On March 18, 2022, the Company issued a notice of redemption with respect to an aggregate principal amount of \$25,000 of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of March 30, 2022 (the “Fifth Redemption”).

After the Fifth Redemption, \$130,000 in aggregate principal amount of the 2022 Senior Secured Notes is currently outstanding, which mature in August 2022.

2022 Notes

On November 29, 2013, the Co-Issuers completed the sale of \$650,000 of 7.375% First Priority Ship Mortgage Notes due 2022. During 2019, Navios Logistics repurchased \$35,500 in par value of the 2022 Notes in open market transactions for a cash consideration of \$17,642. During 2019, the Company repurchased \$81,235 in par value of the 2022 Notes for a cash consideration of \$50,683. These transactions resulted in a gain on bond extinguishment of \$47,430, net of deferred financing costs written-off. (Refer to Note 16 “Transactions with Related Parties” to the consolidated financial statements, “Secured credit facility with Navios Logistics”). During 2020, the Company repurchased \$20,782 in par value of the 2022 Notes for a cash consideration of \$9,443 resulting in a gain on bond extinguishment of \$11,204, net of deferred financing costs written-off. During 2021, the Company repurchased \$21,356 in par value of the 2022 Notes for cash consideration of \$18,588 resulting in a gain on bond extinguishment of \$2,728, net of deferred financing costs written-off. After these repurchases, the remaining amount of 2022 Notes was \$455,466 as at December 31, 2021.

The 2022 Notes were senior obligations of the Co-Issuers and were originally secured by first priority ship mortgages on 23 dry bulk vessels owned by certain subsidiary guarantors and certain other associated property and contract rights. As of December 31, 2021, the 2022 Notes were secured by 14 drybulk vessels and \$84,260 of cash collateral. The 2022 Notes were unregistered and fully and unconditionally guaranteed, jointly and severally by all of the Company’s direct and indirect subsidiaries, other than Navios Maritime Finance (US) Inc., Navios Logistics and its subsidiaries and Navios GP L.L.C.

The outstanding balance of \$455,466 of the 2022 Notes as of December 31, 2021 was fully repaid in January 2022 using (i) \$206,725 under two credit facilities with commercial banks; (ii) \$77,000 under four sale and leaseback agreements; (iii) \$100,000 of additional financing from NSM; and (iv) cash from operations. In addition, as of December 31 2021, \$158,873 of Ship Mortgage Notes held by the Company that had previously been pledged as collateral to NSM were cancelled.

2024 Notes

On March 21, 2019, Navios Holdings issued \$4,747 of 9.75% Senior Notes due 2024 (the “2024 Notes”) as an exchange for a total of 10,930 Series H shares which were validly tendered as of that date (Refer to Note 17 “Preferred and Common Stock” to the consolidated financial statements).

On April 21, 2019, Navios Holdings issued \$3,879 of the 2024 Notes as an exchange for a total of 8,841 Series G shares which were validly tendered as of that date. (Refer to Note 17 “Preferred and Common Stock” to the consolidated financial statements).

The 2024 Notes are Navios Holdings’ senior unsecured general obligations and rank senior in right of payment to any of Navios Holding’s existing and future debt that expressly provides that it is subordinated to the 2024 Notes, *pari passu* in right of payment with all of Navios Holding’s existing and future senior obligations, structurally subordinated in right of payment to the obligations of Navios Holding’s subsidiaries, and effectively subordinated in right of payment to any existing and future obligations of Navios Holdings that are secured by property or assets that do not secure the 2024 Notes, including the 2022 Senior Secured Notes and the 2022 Notes, to the extent of the value of any such property and assets securing such other obligations. The 2024 Notes are not guaranteed by any of Navios Holdings’ subsidiaries.

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The indenture governing the 2024 Notes does not contain restrictive covenants but does include customary events of default. Navios Holdings has the option to redeem the 2024 Notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed, plus accrued interest.

Secured Credit Facilities

During the year ended December 31, 2021, the Company repaid \$70,074 of debt, being (i) the \$11,100 outstanding loan balance with Credit Agricole Corporate and Investment bank, (ii) the \$11,400 outstanding loan balance with Credit Agricole Corporate and Investment bank, (iii) the \$9,945 outstanding loan balance with Hamburg Commercial Bank AG, (iv) the \$4,504 outstanding loan balance with DVB Bank S.E., (v) the \$20,200 outstanding loan balance with Alpha Bank A.E., and (vi) the \$12,925 outstanding loan balance with Alpha Bank A.E.

As of December 31, 2021, the Company had no secured bank credit facilities following their full repayment.

Credit Agricole (formerly Emporiki) Facilities: In December 2012, the Emporiki Bank of Greece's facilities were transferred to Credit Agricole Corporate and Investment Bank.

In August 2011, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece for an amount of up to \$23,000 in order to partially finance the construction of one Panamax vessel. In May 2019, the facility was refinanced. The facility was repayable in five semi-annual installments of \$750, with a final balloon payment of \$8,850 on the last payment date. The loan bore interest at a rate of LIBOR plus 275 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

In December 2011, Navios Holdings entered into a facility agreement with Emporiki Bank of Greece for an amount of up to \$23,000 in order to partially finance the construction of one newbuilding bulk carrier. In May 2019, the facility was refinanced. The loan facility was repayable in three semi-annual equal installments of \$750, with a final balloon payment of \$9,150 on the last payment date. The loan bore interest at a rate of LIBOR plus 325 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

On February 14, 2018, Navios Holdings entered into a facility with Credit Agricole Corporate and Investment Bank for an amount of up to \$28,745 in order to: a) repay all amounts outstanding under the facility agreement dated September 2010 and b) repay all amounts outstanding under the facility agreement dated December 20, 2013. The loan bore interest at a rate of LIBOR plus 280 basis points. The loan facility required compliance with certain financial covenants. In the second quarter of 2019, the facility was repaid in full and there was no outstanding balance as of December 31, 2019.

Hamburg Commercial Bank AG Facility: On May 23, 2017, Navios Holdings entered into a facility agreement with Hamburg Commercial Bank AG for an amount of up to \$15,300 in order to partially refinance the fourth tranche of the Commerzbank facility. The facility was repayable in three quarterly equal installments of \$383, with a final balloon payment of \$8,798 on the last payment date. The loan bore interest at a rate of LIBOR plus 300 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

DVB Bank SE Facilities: On March 23, 2012, Navios Holdings entered into a facility agreement with a syndicate of banks led by DVB Bank SE for an amount of up to \$42,000 in two tranches: (i) the first tranche is for an amount of up to \$26,000 in order to finance the acquisition of a Handysize vessel; and (ii) the second tranche is for an amount of up to \$16,000 to refinance the outstanding debt of an Ultra-Handymax vessel. On June 27, 2014, Navios Holdings refinanced the existing facility, adding a new tranche for an amount of \$30,000 in order to finance the acquisition of a Capesize vessel, which was delivered in June 2014. On November 12, 2019, Navios Holdings amended this facility agreement with DVB Bank SE in order to extend the maturity of the outstanding balance originally due in the first and second quarter of 2020 for one year, to June 2021 and released from collateral one Handysize vessel which was substituted by one Panamax vessel. The facility bore interest at a rate of LIBOR plus 293 basis points. During September 2020, the Company completed the sale of the Panamax vessel and the Capesize vessel which were released from collaterals and prepaid the amount of \$33,003 for the satisfaction of the first and the third tranche of the facility. As of December 31, 2020, the second tranche was repayable in two quarterly installments of \$268, with a final balloon payment of \$3,968 on the last repayment date. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

In September 2013, Navios Holdings entered into a facility agreement with DVB Bank SE for an amount of up to \$40,000 in order to finance the acquisition of four Panamax vessels, delivered in August and September 2013. The facility bore interest at a rate of LIBOR plus 325 basis points. In December 2017, Navios Holdings entered into a facility agreement with DVB Bank SE in order to extend the maturity of the outstanding balance originally due by September 2018 for three years, to September 2021. During 2019, Navios Holdings partially prepaid the indebtedness originally maturing in the third quarter of 2021 and released from collateral two Panamax vessels. In the first quarter of 2020, the facility was repaid in full and there was no outstanding balance as of December 31, 2020.

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Alpha Bank A.E.: On November 6, 2014, Navios Holdings entered into a facility agreement with Alpha Bank A.E. for an amount of up to \$31,000 in order to finance part of the acquisition of a Capesize vessel. The loan bore interest at a rate of LIBOR plus 300 basis points. The facility was repayable in eight quarterly installments of \$450, with a final balloon payment of \$16,600 on the last repayment date. The loan facility required compliance with certain financial covenants. In the second quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

On November 3, 2016, Navios Holdings entered into a facility agreement with Alpha Bank A.E. for an amount of up to \$16,125 in order to refinance one Capesize vessel. The facility bore interest at a rate of LIBOR plus 300 basis points. The facility was repayable in eight quarterly installments of \$275 each, with a final balloon payment of \$10,725 payable on the last repayment date. In the second quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

Hamburg Commercial Bank AG: In December 2021, Navios Holdings entered into a loan agreement with Hamburg Commercial Bank AG (“HCOB”) for an amount of \$101,750, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 3.25% per annum to 4.50% per annum. In March 2022, Navios Holdings prepaid an amount of \$10,380 and one dry bulk vessel was released. The remaining loan balance of \$91,345 is repayable in eight quarterly installments of \$3,915, beginning three months from the date of the initial drawdown, with a final balloon payment of \$60,027 on the last repayment date. The loan facility requires compliance with certain covenants, as described below.

Credit Agricole CIB/ BNP Paribas: In December 2021, Navios Holdings entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of \$105,000, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 2.85% per annum to 3.75% per annum. The loan is repayable in four quarterly installments of \$6,500, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4,750 with a final balloon payment of \$41,000 on the last repayment date. The loan facility requires compliance with certain covenants, as described below.

The facilities are secured by first priority mortgages on certain of Navios Holdings’ vessels and other collateral.

The credit facilities contain a number of restrictive covenants that limit Navios Holdings and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Navios Holdings’ vessels; changing the commercial and technical management of certain Navios Holdings’ vessels; selling or changing the ownership of certain Navios Holdings’ vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities require compliance with the covenants contained in the indentures governing the 2022 Senior Secured Notes and the 2024 Notes (as defined herein). Among other events, it will be an event of default under the credit facilities if the Company fails to maintain the financial covenants or if Angeliki Frangou and her affiliate companies own (in aggregate) less than 10% of the outstanding share capital of Navios Holdings.

The Company’s secured credit facilities, which were drawn in January 2022, require compliance with maintenance covenants. Depending on the facility, these covenants include: (i) value-to-loan ratio covenants, based on charter-free valuations, ranging from over 125% to 133%, (ii) minimum liquidity up to a maximum of \$10,000, (iii) total debt divided by total assets, as defined in each credit facility, of 75%; and (iv) net worth, as defined in the credit facility, of \$125,000.

NSM Loan

On August 29, 2019, Navios Holdings entered into a secured loan agreement of \$141,795 (including post-closing adjustments) with a wholly owned subsidiary of NSM (the “NSM Loan”). In December 2021, the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility with the NSM Loan I (as defined herein). The refinancing was completed in January 2022. As of December 31, 2021, the total outstanding balance of this facility amounted to \$48,879, including \$306 of accrued interest, and is presented under the caption “Loans payable to affiliate companies, net of current portion”. For information on the NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

\$50.0 million NSM Loan

In June 2020, Navios Holdings entered into a secured loan agreement with a wholly-owned subsidiary of NSM (“\$50.0 million NSM Loan”) for a loan of up to \$50,000 to be used for general corporate purposes. On July 12, 2021, the Company refinanced the outstanding balance of this facility through the \$115.0 million NSM Loan. For information on the \$50.0 million NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

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\$115.0 million NSM Loan

In June 2021, Navios Holdings entered into a secured loan agreement with, a wholly owned subsidiary of NSM (“\$115.0 million NSM Loan”) for a loan up to \$115,000 in advances (i) to refinance the \$50.0 million NSM Loan, (ii) to redeem certain 2022 Senior Secured Notes and (iii) to be used for general corporate purposes. In July 2021, the amount of this facility was fully drawn. In December 31, 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan II (as defined herein). The refinancing was completed during January 2022. As of December 31, 2021, the total outstanding balance of this facility amounted to \$64,630, including \$571 of accrued interest, and is presented under the caption “Loans payable to affiliate companies, net of current portion”. For information on the \$115.0 million NSM Loan, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

NSM Loan I

In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019 (the “NSM Loan I”). Pursuant to NSM Loan I, a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127,632, in two tranches: The first tranche of \$48,573 represents borrowings already made available to the Company and the second tranche of \$79,059 represents new borrowings to be made available in exchange for the release by NSM of certain existing collateral. On January 5, 2022, the amount under this facility was fully drawn. For information on the NSM Loan I, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

NSM Loan II

In December 2021, Navios Holdings entered an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021 (the “NSM Loan II” and, together with NSM Loan I, the “NSM Loans”). Pursuant to NSM Loan II, a wholly-owned subsidiary of NSM made up to \$135,000 available to the Company under a secured term loan in two tranches. The first tranche of \$64,059 represents outstanding borrowings already made available and the second tranche of \$70,941 represents new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. On January 5, 2022, the amount under this facility was fully drawn. For information on NSM Loan II, see Note 16 “Transactions with Related Parties” in the consolidated financial statements.

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24,000 in the form of a convertible debenture. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

Convertible Debenture

In December 2021, Navios Holdings entered into a convertible debenture with NSM (the “Convertible Debenture”), covering certain payments under the NSM Loans including the upfront fee of \$24,000, the accrued interest, and the prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% payment in kind (“PIK”), payable at maturity, if not earlier converted into shares of our common stock.

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the “Series I Preferred Stock”) on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 9,133,147 shares of Common Stock issuable as of April 4, 2022 upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

Sale and Leaseback Agreements

In the first quarter of 2020, the Company entered into two sale and leaseback agreements of \$68,000 in total, with unrelated third parties for two Capesize vessels (the “Sale and Leaseback Agreements”). Navios Holdings has no purchase obligation to acquire the vessels at the end of the lease term, however, it is reasonably certain that respective purchase options will be exercised and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the Sale and Leaseback Agreements as a financial liability.

The Sale and Leaseback Agreements are repayable by 144 consecutive monthly payments of approximately \$224 and \$238 each, commencing as of January 2020 and March 2020, respectively. As of December 31, 2021, the outstanding balance under the Sale and Leaseback Agreements of the two Capesize vessels was \$57,392 in total. The agreements mature in the fourth quarter of 2031 and first quarter of 2032, respectively, with a balloon payment of \$750 per vessel on the last repayment date.

In December 2021, Navios Holdings entered into four new sale and leaseback agreements of \$77,000 in total, with unrelated third parties, in order to finance four dry bulk vessels. In December 2021, three of the four new sale and leaseback agreements were drawn down amounting to \$58,000 in total.

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Two dry bulk vessels are repayable by 96 consecutive payments of approximately \$481 each, commencing as of December 2021. One dry bulk vessel is repayable by 72 consecutive monthly payments of approximately \$688, commencing as of December 2021. Two of the agreements mature in the fourth quarter of 2029 and one in the fourth quarter of 2027, respectively, with a balloon payment of \$3,600 each for two dry bulk vessels and \$3,500 for one dry bulk vessel on the last repayment date. As of December 31, 2021, the outstanding balance under the new Sale and Leaseback Agreements of the three dry bulk vessels was \$57,445 in total.

The fourth sale and leaseback agreement amounting to \$19,000 was drawn down in January, 2022, and is repayable by 84 consecutive monthly payments of approximately \$643. The fourth sale and sale and leaseback agreement matures in the first quarter of 2029 with a balloon payment of \$1,000.

In March 2022, Navios Holdings entered into a sale and leaseback agreement to finance one dry bulk vessel. The fifth sale and leaseback agreement amounting to \$12,000 was drawn down in March 2022, and is repayable by 60 consecutive monthly payments of approximately \$521. The fifth sale and leaseback agreement matures in the first quarter of 2027 with a balloon payment of \$1,600.

The Sale and Leaseback Agreements have no financial covenants.

Navios Logistics Debt

2022 Logistics Senior Notes

On April 22, 2014, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and, together with Navios Logistics (the “Logistics Co-Issuers”) issued \$375,000 in aggregate principal amount of its Senior Notes due on May 1, 2022 (the “2022 Logistics Senior Notes”), at a fixed rate of 7.25%. The 2022 Logistics Senior Notes were unregistered were fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics’ direct and indirect subsidiaries except for three subsidiaries, which were deemed to be immaterial, and Logistics Finance, which was the co-issuer of the 2022 Logistics Senior Notes. The 2022 Logistics Senior Notes were redeemed in full on July 16, 2020 at 100% of their face amount, plus accrued and unpaid interest to the redemption date with the proceeds of the 2025 Logistics Senior Notes (as defined herein). Following this transaction, Navios Logistics recognized a loss of \$2,661 relating to the accelerated amortization of the unamortized deferred financing costs and is included in the consolidated statements of comprehensive income/(loss) under the caption “Gain on bond and debt extinguishment, net”.

Navios Logistics Term Loan B Facility

On November 3, 2017, Navios Logistics and Logistics Finance, as co-borrowers, completed the issuance of a \$100,000 Term Loan B Facility (the “Navios Logistics Term Loan B Facility”). The Navios Logistics Term Loan B Facility bore an interest rate of LIBOR plus 475 basis points and has a four-year term with 1.0% amortization per annum. The Navios Logistics Term Loan B Facility was repaid in full on July 8, 2020 at par plus accrued and unpaid interest to the repayment date with the proceeds of the 2025 Logistics Senior Notes. Following this transaction, Navios Logistics recognized a loss of \$1,496 relating to the accelerated amortization of the unamortized deferred financing costs and is included in the consolidated statements of comprehensive income/(loss) under the caption “Gain on bond and debt extinguishment, net”.

2025 Logistics Senior Notes

On July 8, 2020, Navios Logistics and its wholly-owned subsidiary Logistics Finance issued \$500,000 in aggregate principal amount of senior secured Notes due on July 1, 2025, at a fixed rate of 10.75% (the “2025 Logistics Senior Notes”). The net proceeds from the offering of the 2025 Logistics Senior Notes, amounting to \$487,504, were used to satisfy and discharge the indenture governing the 2022 Logistics Senior Notes, amounting to \$375,000, to repay all amounts outstanding under the Navios Logistics’ Term Loan B Facility, amounting to \$97,500 and to pay certain fees and expenses related to the offering, with the balance to be used for general corporate purposes. Following this transaction, the Company recognized a loss of \$4,157 in its consolidated statements of comprehensive income/(loss) under the caption “Gain on bond and debt extinguishment” for the year ended December 31, 2020, relating to the accelerated amortization of the unamortized deferred finance costs.

On or after August 1, 2022, the Logistics Co-Issuers may redeem some or all of the 2025 Logistics Senior Notes at the redemption prices set forth in the indenture governing the 2025 Logistics Senior Notes. In addition, before August 1, 2022, the Logistics Co-Issuers may redeem up to 35% of the aggregate principal amount of the 2025 Logistics Senior Notes at a price equal to 110.750% of the principal amount of the 2025 Logistics Senior Notes to be redeemed plus accrued and unpaid interest, if any, to the redemption date with an amount equal to the net cash proceeds of one or more equity offerings so long as at least 50% of the originally issued aggregate principal amount of the 2025 Logistics Senior Notes remains outstanding. Prior to August 1, 2022, the Logistics Co-Issuers may also redeem all or a part of the 2025 Logistics Senior Notes at a redemption price equal to the sum of: (a) 100% of the principal amount of the 2025 Logistics Senior Notes to be redeemed; plus (b) the applicable “make-whole” premium described in the Indenture governing the 2025 Logistics Senior Notes, plus (c) accrued and unpaid interest, if any, on the 2025 Logistics Senior Notes to be redeemed, to (but excluding) the applicable redemption date, subject to the right of holders of notes on the relevant record date to receive interest due on all the relevant interest payment dates. The Logistics Co-Issuers may also redeem all, but not less than all, of the 2025 Logistics Senior Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon certain changes in law that would trigger the payment of withholding taxes. Furthermore, upon the occurrence of certain change of control events, the Logistics Co-Issuers may be required to offer to purchase 2025 Logistics Senior Notes from holders at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any.

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The 2025 Logistics Senior Notes are senior secured obligations of the Logistics Co-Issuers and rank equal in right of payment to all of their existing and future senior indebtedness and senior in right of payment to all of their future subordinated indebtedness. The 2025 Logistics Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of the Navios Logistics' direct and indirect subsidiaries, other than the Logistics Co-Issuer. The 2025 Logistics Senior Notes are secured by (i) first priority ship mortgages on four tanker vessels servicing the Navios Logistics' cabotage business (the (1) Elena H, (2) Makenita H, (3) Sara H and (4) He Man H) owned by certain subsidiary guarantors (such guarantors, the "Mortgaged Vessel Guarantors") and related assignments of earnings and insurance together with a first priority lien on the capital stock of each Mortgaged Vessel Guarantor; and (ii) an assignment by way of security of the Vale port contract (collectively, the "Collateral"). The 2025 Logistics Senior Notes are effectively senior to all existing and future obligations of the subsidiary guarantors that own Collateral to the extent of the value of the Collateral but effectively junior to any existing and future secured obligations of the Logistics Co-Issuers and the subsidiary guarantors that are secured by assets other than the Collateral to the extent of the value of any assets securing such other obligations. The indenture governing the 2025 Logistics Senior Notes contains restrictive covenants that limit, among other things, the ability of the Logistics Co-Issuers and their restricted subsidiaries to incur additional indebtedness, pay dividends and make distributions on common and preferred stock, make other restricted payments, make investments, incur liens, consolidate, merge, sell or otherwise dispose of all or substantially all of their assets and enter into certain transactions with affiliate companies, in each case, subject to exclusions, and other customary covenants. The indenture governing the 2025 Logistics Senior Notes also contains customary events of default.

The Logistics Co-Issuers were in compliance with the covenants as of December 31, 2021.

As of December 31, 2021 and December 31, 2020, deferred financing costs associated with the 2025 Logistics Senior Notes amounted to \$15,927 and \$19,414, respectively.

Navios Logistics Notes Payable

In connection with the purchase of mechanical equipment for the expansion of its dry port terminal, Corporacion Navios S.A. ("CNSA") entered into an unsecured export financing line of credit for a total amount of \$41,964, including all related fixed financing costs of \$5,949, available in multiple drawings upon the completion of certain milestones ("Drawdown Events"). CNSA incurs the obligation for the respective amount drawn by signing promissory notes ("Navios Logistics Notes Payable"). Each drawdown is repayable in 16 consecutive semi-annual installments, starting six months after the completion of each Drawdown Event. Together with each Navios Logistics Notes Payable, CNSA shall pay interest equal to six-month LIBOR. The unsecured export financing line is fully and unconditionally guaranteed by Ponte Rio S.A. As of December 31, 2021, Navios Logistics had drawn the total available amount and the outstanding balance of Navios Logistics Notes Payable was \$12,463.

Navios Logistics New BBVA Facility

On February 28, 2020, Navios Logistics entered into a \$25,000 loan facility with Banco Bilbao Vizcaya Argentaria (the "Navios Logistics New BBVA Facility"), which was drawn on July 8, 2020. The Navios Logistics New BBVA Facility was used to repay the then existed debt with the bank, and for general corporate purposes. The Navios Logistics New BBVA Facility bore interest at a rate of LIBOR (180 days) plus 325 basis points, was repayable in quarterly installments with final maturity on March 31, 2022 and was secured by assignments of certain receivables. As at December 31, 2021, the outstanding balance was \$12,000. On March 23, 2022, Navios Logistics entered into the Navios Logistics 2022 BBVA Facility with the bank in order to refinance the outstanding balance of Navios Logistics New BBVA Facility through the Navios Logistics 2022 BBVA Facility. Please refer to Note 23 "Subsequent Events" to the consolidated financial statements.

Navios Logistics was in compliance with the covenants set forth in the Navios Logistics New BBVA Facility as of December 31, 2021.

Navios Logistics Alpha Bank Loan

On May 18, 2017, Navios Logistics entered into a \$14,000 term loan facility in order to finance the acquisition of two product tankers ("Navios Logistics Alpha Bank Loan"). The Navios Logistics Alpha Bank Loan bears interest at a rate of LIBOR (90 days) plus 315 basis points and is repayable in 20 quarterly installments with a final balloon payment of \$7,000 on the last repayment date. In December 2021, Navios Logistics agreed to amend the Navios Logistics Alpha Bank Loan, extending its maturity and amending the repayment schedule. Following the amendment, the \$7,000 final balloon payment of the Navios Logistics Alpha Bank Loan, which was due on May 18, 2022, is repayable in twelve quarterly installments, beginning on August 18, 2022, with a final balloon payment of \$2,800. As of December 31, 2021, the outstanding amount of the loan was \$7,700.

Navios Logistics was in compliance with the covenants set forth in the Navios Logistics Alpha Bank Loan as of December 31, 2021.

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Seller's Credit Agreement for the construction of six liquid barges

In December 2020, Navios Logistics entered into a \$13,475 seller's credit agreement for the construction of six liquid barges to be made available by way of credit in six equal tranches. Each drawdown is repayable in 20 quarterly installments starting from the delivery of each barge. The seller's credit for the construction of the six liquid barges bears interest at a fixed rate of 8.5%. As of December 31, 2021, Navios Logistics had drawn the total available amount and the outstanding balance was \$11,213.

Seller's Credit Agreement for the Navios Logistics' 2020 Fleet

In the fourth quarter of 2020, Navios Logistics entered into a purchase agreement with an unrelated third party for the acquisition of three pushboats and 18 tank barges (the "Navios Logistics' 2020 Fleet"). The acquisition was completed on March 22, 2021, and the Company entered into a \$15,000 seller's credit agreement for the acquisition of the Navios Logistics' 2020 Fleet. The seller's credit agreement bears interest at a fixed rate of 5.0% per annum and is payable in three equal annual installments of \$5,000. As of December 31, 2021, the outstanding balance was \$15,000.

Navios Logistics Other long-term loans

In connection with the acquisition of Hidronave S.A. on October 29, 2009, Navios Logistics assumed a \$817 loan facility that was entered into by Hidronave S.A. in 2001, in order to finance the construction of the pushboat Nazira. The loan facility bore interest at a fixed rate of 600 basis points. The loan was repayable in monthly installments of \$6. In September 2021, this loan was repaid in full.

Navios Logistics was in compliance with all the covenants set forth in this facility as of December 31, 2021.

During the year ended December 31, 2021, the Company in relation to its secured credit facilities paid \$189,503 related to scheduled repayment installments and \$36,199 related to the prepayment of four of Navios Holdings' credit facilities. During the year ended December 31, 2021, the proceeds from the \$115.0 NSM Loan was \$115,000 and from the three Sale and Leaseback Agreements for Navios Holdings were \$58,000.

The annual weighted average interest rates of the Company's total borrowings were 8.78%, 7.89% and 7.70% for the years ended December 31, 2021, 2020 and 2019, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings (including Navios Logistics) outstanding as of December 31, 2021, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

Year		
2022 (including total accrued interest of \$877 of NSM Loan & \$50.0 million NSM Loan)	\$	308,912
2023		87,007
2024		211,161
2025		561,120
2026		177,343
2027 and thereafter		60,271
Total	\$	<u>1,405,814</u>

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NOTE 12: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Company uses the following methods and assumptions to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits and money market funds approximate their fair value because of the short maturity of these investments.

Restricted cash: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Borrowings: The book value has been adjusted to reflect the net presentation of deferred financing costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred financing costs. The 2022 Notes, the 2025 Logistics Senior Notes, the 2022 Senior Secured Notes and two Navios Logistics' loans are fixed rate borrowings and their fair value was determined based on quoted market prices.

Loans payable to affiliate companies: The carrying amount of the fixed rate loan approximates its fair value.

Investments in available-for-sale securities: The carrying amount of the investments in available-for-sale securities reported in the consolidated balance sheets represents unrealized gains and losses on these securities, which are reflected in the consolidated statements of comprehensive income/(loss).

The estimated fair values of the Company's financial instruments were as follows:

	December 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 53,591	\$ 53,591	\$ 94,881	\$ 94,881
Restricted cash	\$ 84,260	\$ 84,260	\$ 16,303	\$ 16,303
Investments in available-for-sale-securities	\$ 219	\$ 219	\$ 222	\$ 222
Senior and ship mortgage notes, net	\$ (1,101,931)	\$ (1,142,545)	\$ (1,263,566)	\$ (1,054,616)
Long-term debt, including current portion	\$ (171,919)	\$ (173,213)	\$ (191,636)	\$ (193,043)
Loans payable to affiliate companies, including current portion	\$ (112,634)	\$ (112,634)	\$ (129,227)	\$ (129,227)

The following table sets forth our assets that are measured at fair value on a recurring basis categorized by fair value hierarchy level. As required by the fair value guidance, assets are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value Measurements as of December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
	Investments in available-for-sale-securities	\$ 219	\$ 219	\$ —
Total	\$ 219	\$ 219	\$ —	\$ —

	Fair Value Measurements as of December 31, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
	Investments in available-for-sale-securities	\$ 222	\$ 222	\$ —
Total	\$ 222	\$ 222	\$ —	\$ —

As of December 31, 2021, the Company's assets measured at fair value on a non-recurring basis were:

	Fair Value Measurements as of December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
	Vessels, port terminals and other fixed assets, net	\$ 7,500	\$ —	\$ 7,500
Total	\$ 7,500	\$ —	\$ 7,500	\$ —

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Navios Logistics recorded an impairment loss of \$21,966 for two of its tanker vessels operating in the cabotage business during the year ended December 31, 2021, the fair value of which is measured at \$7,500, as at December 31, 2021.

As of December 31, 2020, the Company's assets measured at fair value on a non-recurring basis were:

	Fair Value Measurements as of December 31, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Vessels, port terminals and other fixed assets, net	\$ 38,054	\$ 6,644	\$ 31,410	\$ —
Operating lease assets	\$ 10,018	\$ —	\$ 10,018	\$ —
Total	\$ 48,072	\$ 6,644	\$ 41,428	\$ —

The Company recorded an impairment loss of \$59,108 during the year ended December 31, 2020 for three of its vessels, the fair value of which is measured at \$38,054, as at December 31, 2020.

The Company recorded an impairment loss of \$1,361 during the year ended December 31, 2020 for two of its charter-in vessels, the fair value of which is measured at \$10,018, as at December 31, 2020.

Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at December 31, 2021			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 53,591	\$ 53,591	\$ —	\$ —
Restricted cash	\$ 84,260	\$ 84,260	\$ —	\$ —
Investments in available-for-sale-securities	\$ 219	\$ 219	\$ —	\$ —
Senior and ship mortgage notes	\$ (1,142,545)	\$ (1,133,919)	\$ (8,626)	\$ —
Long-term debt, including current portion ⁽¹⁾	\$ (173,213)	\$ —	\$ (173,213)	\$ —
Loans payable to affiliate companies, including current portion	\$ (112,634)	\$ —	\$ (112,634)	\$ —

	Fair Value Measurements at December 31, 2020			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 94,881	\$ 94,881	\$ —	\$ —
Restricted cash	\$ 16,303	\$ 16,303	\$ —	\$ —
Investments in available-for-sale-securities	\$ 222	\$ 222	\$ —	\$ —
Loan receivable from affiliate companies ⁽²⁾	\$ —	\$ —	\$ —	\$ —
Long-term receivable from affiliate company	\$ —	\$ —	\$ —	\$ —
Senior and ship mortgage notes	\$ (1,054,616)	\$ (1,045,990)	\$ (8,626)	\$ —
Long-term debt, including current portion ⁽¹⁾	\$ (193,043)	\$ —	\$ (193,043)	\$ —
Loans payable to affiliate companies, including current portion	\$ (129,227)	\$ —	\$ (129,227)	\$ —
Long-term payable to affiliate companies ⁽²⁾	\$ —	\$ —	\$ —	\$ —

(1) The fair value of the Company's long-term debt is estimated based on currently available debt with similar contract terms, interest rates and remaining maturities, published quoted market prices as well as taking into account the Company's creditworthiness.

(2) The fair value of the Company's loan receivable from/payable to affiliate companies and long-term receivable from/payable to affiliate companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.

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NOTE 13: EMPLOYEE BENEFIT PLANS

Retirement Saving Plan

The Company sponsored an employee saving plan covering all of its employees in the United States. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these benefits are provided by NSM. The Company's contributions to the employee saving plan during the years ended December 31, 2019, were approximately \$73 which included a \$0 discretionary contribution.

Stock Plan

The Company has awarded restricted share units, shares of restricted common stock and restricted stock units to its employees, officers and directors. The restriction lapses in two, three or four equal tranches, over the requisite service periods, of one, two, three and four years from the grant date. The Company has also awarded share appreciation rights and stock options to its officers and directors only, based on service conditions, which vest in three equal tranches over the requisite service periods of one, two and three years from the grant date. Each option expires seven years after its grant date. No stock options were exercised during the years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, 350,000 stock options remain outstanding expiring in 2023. Please refer to Note 2(s) "Summary of Significant Accounting Policies- Employee benefits" to the consolidated financial statements.

During the years ended December 31, 2021, 2020 and 2019, the Company did not award any restricted stock, restricted stock units or stock options, which vest upon achievement of certain performance conditions.

The weighted average grant date fair value of restricted stock granted during the year ended December 31, 2021 was \$2.28

No restricted stock has been granted for the year ended December 31, 2020.

The weighted average grant date fair value of restricted stock granted during the year ended December 31, 2019 was \$2.84.

The effect of compensation expense arising from the stock-based arrangements described above amounted to \$589, \$1,268 and \$2,885 for the years ended December 31, 2021, 2020 and 2019, respectively and it was reflected in general and administrative expenses on the consolidated statements of comprehensive income/(loss). The recognized compensation expense for the year is presented as an adjustment to reconcile net income to net cash provided by operating activities on the consolidated statements of cash flows.

The outstanding stock-based awards as of August 30, 2019, date of the sale of the management division, relate to grants to the Company's officers and directors.

The summary of stock-based awards is summarized as follows (in thousands except share and per share data which have been adjusted to reflect the Reverse Stock Split):

Options	Shares	Weighted average exercise price	Weighted average remaining term	Aggregate fair value
Outstanding as of December 31, 2018	661,977	28.2	3.36	5,696
Vested at December 31, 2018	116,667	—	—	—
Exercisable at December 31, 2018	116,667	—	—	—
Forfeited or expired	(132,209)	—	—	(682)
Outstanding as of December 31, 2019	529,768	26.6	2.96	5,014
Vested at December 31, 2019	83,333	—	—	—
Exercisable at December 31, 2019	83,333	—	—	—
Forfeited or expired	(67,475)	—	—	(1,199)
Outstanding as of December 31, 2020	462,293	17.9	2.25	3,815
Vested at December 31, 2020	—	—	—	—
Exercisable at December 31, 2020	—	—	—	—
Forfeited or expired	(112,293)	—	—	(1,084)
Outstanding as of December 31, 2021	350,000	12.0	1.66	2,730
Restricted stock and restricted stock units				
Non Vested as of December 31, 2018	709,710	\$ —	3.11	\$ 6,490
Granted	167,515	—	—	476
Vested	(180,469)	—	—	(1,595)
Forfeited or expired	(3,367)	—	—	(42)
Non Vested as of December 31, 2019	693,389	\$ —	2.32	\$ 5,329
Granted	—	—	—	—
Vested	(309,664)	—	—	(2,858)
Forfeited or expired	(1,345)	—	—	(17)
Non Vested as of December 31, 2020	382,380	\$ —	1.72	2,453
Granted	16,000	—	—	36
Vested	(226,075)	—	—	(1,816)
Forfeited or expired	(894)	—	—	(6)
Non Vested as of December 31, 2021	171,412	\$ —	1.17	667

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The estimated compensation cost relating to service conditions of non-vested (i) share appreciation rights and stock options and (ii) restricted share units, restricted stock and restricted stock unit awards, not yet recognized was \$0 and \$256, respectively, as of December 31, 2021 and is expected to be recognized over the weighted average period of 2.81 years.

NOTE 14: COMMITMENTS AND CONTINGENCIES

As of December 31, 2021, the Company was contingently liable for letters of guarantee and letters of credit amounting to \$10 (December 31, 2020: \$10) issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which were included as a component of restricted cash.

In December 2017, Navios Holdings agreed to charter-in, under a ten year bareboat contract, from an unrelated third party the Navios Galaxy II, a newbuilding bulk carrier vessel of 81,789 dwt. On March 30, 2020, Navios Holdings took delivery of the Navios Galaxy II. The Company has agreed to pay in total \$5,410 representing a deposit for the option to acquire the vessel, of which \$2,705 was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$6,704, including expenses and interest, is presented under the caption “Other long-term assets”.

In January 2018, Navios Holdings agreed to charter-in, under two ten-year bareboat contracts, from an unrelated third party the Navios Herakles I and the Navios Uranus, two newbuilding bulk carriers of 82,036 dwt and 81,516 dwt, respectively. On August 28, 2019, Navios Holdings took delivery of the Navios Herakles I. On November 28, 2019, Navios Holdings took delivery of the Navios Uranus. Navios Holdings has agreed to pay in total \$11,140, representing a deposit for the option to acquire these vessels, of which \$8,340 was paid during the year ended December 31, 2018 and the remaining \$2,800 was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$14,070, including expenses and interest, is presented under the caption “Other long-term assets”.

In April 2018, Navios Holdings agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party the Navios Felicity I, a newbuilding bulk carrier of 81,946 dwt. On January 17, 2020, Navios Holdings took delivery of the Navios Felicity I. Navios Holdings has agreed to pay in total \$5,590, representing a deposit for the option to acquire this vessel, of which \$2,795 was paid during the year ended December 31, 2018 and the remaining \$2,795 was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$7,193, including expenses and interest, is presented under the caption “Other long-term assets”.

In October 2018, Navios Holdings agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party the Navios Magellan II, a newbuilding bulk carrier of 82,037 dwt. On May 15, 2020, Navios Holdings took delivery of the Navios Magellan II. Navios Holdings has agreed to pay in total \$5,820, representing a deposit for the option to acquire this vessel, of which \$2,910 was paid during the year ended December 31, 2018 and the remaining \$2,910 was paid during the year ended December 31, 2019. As of December 31, 2021, the total amount of \$7,506, including expenses and interest, is presented under the caption “Other long-term assets”.

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Navios Logistics has issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. (a consolidated subsidiary) of all its obligations to Vitol S.A. up to \$12,000. This guarantee expires on March 1, 2022.

On July 22, 2016, Navios Logistics guaranteed the compliance of certain obligations related to Edolmix S.A. and Energías Renovables del Sur S.A. (entities wholly owned by Navios Logistics) under their respective direct user agreements with the Free Zone of Nueva Palmira, for the amounts of \$847 and \$519, respectively.

In September 2020, Navios Logistics agreed to a settlement regarding a storage and transshipment contract in the grain port terminal for a total amount to be paid to Navios Logistics as a result of the settlement of \$4,140, which is collected in three equal installments of \$1,380 on June 1, 2021, 2022 and 2023. In June 2021, the Navios Logistics collected the first installment. For the year ended December 31, 2020, a gain of \$4,102 was included under the caption "Other income" in the consolidated statements of comprehensive income/(loss).

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts can be reasonably estimated, based upon facts known on the date the financial statements were prepared. Although the Company cannot predict with certainty the ultimate resolutions of these matters, in the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or liquidity.

NOTE 15: LEASES

Time charter out contracts

The Company's contract revenues from time chartering are governed by ASC 842. Upon adoption of ASC 842, the timing and recognition of earnings from the time charter contracts to which the Company is party did not change from previous practice. In a time charter contract, the Company is responsible for all the costs incurred for running the vessel such as crew costs, vessel insurance, repairs and maintenance and lubes. The charterer bears the voyage related costs such as bunker expenses, port charges and canal tolls during the hire period. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease component will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over the term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. The Company determined that all time charter contracts are considered operating leases and therefore fall under the scope of ASC 842 because: (i) the vessel is an identifiable asset; (ii) the Company does not have substantive substitution rights; and (iii) the charterer has the right to control the use of the vessel during the term of the contract and derives the economic benefits from such use.

The transition guidance associated with ASC 842 allows for certain practical expedients to the lessors. The Company elected to not separate the lease and non-lease components included in the time charter revenue because (i) the pattern of revenue recognition for the lease and non-lease components (included in the daily hire rate) is the same. The daily hire rate represents the hire rate for a bare boat charter as well as the compensation for expenses incurred running the vessel such as crewing expense, repairs, insurance, maintenance and lubes. Both the lease and non-lease components are earned by passage of time.

As a result of the adoption of these standards, there was no effect on the Company's opening accumulated deficit, consolidated balance sheets and consolidated statements of comprehensive income/(loss).

Time charter-in and bareboat-in contracts

As of December 31, 2021, Navios Holdings had time charter-in and bareboat-in contracts whose remaining lease terms ranged from 0.3 years to 8.5 years. Certain operating leases have optional periods. Based on management estimates and market conditions, the lease term of these leases is being assessed at each balance sheet date. The Company will continue to recognize the lease payments for all operating leases as charter hire expense on the consolidated statements of comprehensive income/(loss) on a straight-line basis over the lease term.

Land lease agreements

As of December 31, 2021, Navios Logistics had land lease agreements whose remaining lease terms range from 44.2 years to 44.6 years.

Office lease agreements

As of December 31, 2021, Navios Logistics had office lease agreements whose remaining lease terms ranged from 0.5 years to 4.9 years.

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ASC 842 requires that the leases be classified as either finance or operating arrangements, with such classification affecting the pattern and classification of expense recognition in an entity's income statement. For operating leases, ASC 842 requires recognition in an entity's income statement of a single lease expense, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. Right-of-use assets represent a right to use an underlying asset for the lease term and the related lease liability represents an obligation to make lease payments pursuant to the contractual terms of the lease agreement.

	Dry Bulk Vessel Operations December 31, 2021	Dry Bulk Vessel Operations December 31, 2020	Logistics Business December 31, 2021	Logistics Business December 31, 2020	Total December 31, 2021	Total December 31, 2020
Operating lease assets						
Charter-in contracts ⁽¹⁾	\$ 164,268	\$ 219,574	\$ —	\$ —	\$ 164,268	\$ 219,574
Land lease agreements	—	—	8,077	7,878	8,077	7,878
Office lease agreements	—	—	1,081	510	1,081	510
Total	\$ 164,268	\$ 219,574	\$ 9,158	\$ 8,388	\$ 173,426	\$ 227,962
Operating lease liabilities, current portion						
Charter-in contracts	\$ 54,490	\$ 81,276	\$ —	\$ —	\$ 54,490	\$ 81,276
Land lease agreements	—	—	(182)	(199)	(182)	(199)
Office lease agreements	—	—	439	338	439	338
Total	\$ 54,490	\$ 81,276	\$ 257	\$ 139	\$ 54,747	\$ 81,415
Operating lease liabilities, net of current portion						
Charter-in contracts	\$ 135,338	\$ 185,092	\$ —	\$ —	\$ 135,338	\$ 185,092
Land lease agreements	—	—	8,259	8,077	8,259	8,077
Office lease agreements	—	—	642	182	642	182
Total	\$ 135,338	\$ 185,092	\$ 8,901	\$ 8,259	\$ 144,239	\$ 193,351

(1) Based on the net present value of the remaining charter-in and rental payments for existing operating leases.

At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in and bareboat-in contracts, land lease and office lease agreements that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment. The Company then applied the respective incremental borrowing rates to each lease based on the remaining lease term of the specific lease. Navios Holdings' and Navios Logistics' incremental borrowing rates upon adoption were 8.25% and 7.25%, respectively.

The tables below present the components of the Company's lease expense for the years ended December 31, 2021, 2020 and 2019:

	Dry Bulk Vessel Operations Year Ended December 31, 2021	Logistics Business Year Ended December 31, 2021	Total
Lease expense for charter-in contracts	\$ 73,124	\$ 5,887	\$ 79,011
Lease expense for land lease agreements	—	571	571
Lease expense for office lease agreements	—	307	307
Total	\$ 73,124	\$ 6,765	\$ 79,889

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	Dry Bulk Vessel Operations Year Ended December 31, 2020	Logistics Business Year Ended December 31, 2020	Total
Lease expense for charter-in contracts	\$ 94,545	\$ 6,587	\$ 101,132
Lease expense for land lease agreements	—	564	564
Lease expense for office lease agreements	—	600	600
Total	\$ 94,545	\$ 7,751	\$ 102,296

	Dry Bulk Vessel Operations Year Ended December 31, 2019	Logistics Business Year Ended December 31, 2019	Total
Lease expense for charter-in contracts	\$ 117,562	\$ 3,865	\$ 121,427
Lease expense for land lease agreements	—	552	552
Lease expense for office lease agreements	1,825	676	2,501
Total	\$ 119,387	\$ 5,093	\$ 124,480

Lease expenses for charter-in contracts (including bareboat-in contracts) are included in the consolidated statement of comprehensive income/(loss) under the caption “Time charter, voyage and logistics business expenses”. Lease expenses for land lease agreements and office lease agreements are included in the consolidated statement of comprehensive income/(loss) under the captions “Time charter, voyage and logistics business expenses” and “General and administrative expenses”, respectively.

During the year ended December 31, 2021, the Company acquired a previously charter-in vessel Navios Koyo, for which the Company wrote-off an amount of \$3,952 being the net operating lease liability as of that date. The amount was taken into consideration as part of the \$12,541 gain on sale recorded under the caption “Impairment loss/ loss on sale of vessels, net” in the accompanying consolidated statement of comprehensive income/(loss).

During the year ended December 31, 2021, Navios Holdings recorded no impairment loss of its charter-in vessels.

During the years ended December 31, 2020 and 2019, Navios Holdings recorded an impairment loss of \$1,361 and \$38,636 for certain of its charter-in vessels, respectively.

In 2020, Navios Holdings took delivery of the Navios Felicity I, the Navios Galaxy II and the Navios Magellan II under bareboat-in charters.

In October 2021, the Company declared the option to extend the charter-in period for a further one year for the vessel Navios Sky up to June 2023. During the years ended December 31, 2020 and 2019, the Company entered into new lease liabilities amounting to \$43,516 and \$47,064, respectively.

The table below provides the total amount of lease payments on an undiscounted basis on our charter-in contracts (including bareboat-in contracts), office lease agreements and land lease agreements as of December 31, 2021:

	Charter-in vessels in operation	Land Leases	Office space
December 31, 2022	\$ 68,145	\$ 556	\$ 514
December 31, 2023	55,103	556	414
December 31, 2024	39,788	556	182
December 31, 2025	19,076	556	60
December 31, 2026	15,142	556	53
December 31, 2027 and thereafter	30,793	21,889	—
Total	\$ 228,047	\$ 24,669	\$ 1,223
Operating lease liabilities, including current portion	\$ 189,828	\$ 8,077	\$ 1,081
Discount based on incremental borrowing rate	\$ 38,219	\$ 16,592	\$ 142

As of December 31, 2021, the weighted average remaining lease terms on our charter-in contracts (including bareboat-in contracts), office lease agreements and land leases are 4.7 years, 2.7 years and 44.3 years, respectively.

As of December 31, 2020, the weighted average remaining lease terms on our charter-in contracts (including bareboat-in contracts), office lease agreements and land leases are 4.9 years, 1.5 years and 45.3 years, respectively.

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Charter-out vessels, barges and pushboats:

The future minimum revenue, net of commissions, (i) for dry bulk vessels, expected to be earned on non-cancelable time charters; and (ii) for the Company's logistics business, expected to be earned on non-cancelable time charters, COA's with minimum guaranteed volumes and contracts with minimum guaranteed throughput in Navios Logistics' ports expected to be earned on non-cancelable time charters, are as follows:

	Dry bulk vessels	Logistics business
2022	79,330	131,588
2023	—	113,651
2024	—	96,724
2025	—	83,910
2026	—	54,962
2027 and thereafter	—	572,033
Total minimum revenue, net of commissions	\$ 79,330	\$ 1,052,868

Revenues from time charters are not generally received when a vessel is off-hire, which includes time required for scheduled maintenance of the vessel.

NOTE 16: TRANSACTIONS WITH RELATED PARTIES

Sale of Management: In August 2019, Navios Holdings sold its ship management division, the general partnership interests in Navios Partners (except for the incentive distribution rights) and Navios Containers GP LLC to NSM, which is affiliated with Company's Chairwoman and Chief Executive Officer, Angeliki Frangou. The Company received aggregate consideration of \$20,000 (including assumption of liabilities) and five-year service agreements under which the Manager provides technical and commercial management services at a fixed rate of \$3.7 per day per vessel until August 2021 and \$3.8 per day per owned/bareboat-in vessel until August 2022. Thereafter, the rate will increase by 3% annually, unless otherwise agreed. Administrative services under the agreements will be reimbursed at allocable cost. As a result of the sale of the management division the Company is a holding company owning dry bulk vessels and various investments in entities owning maritime and infrastructure assets. NSM owns all entities providing ship management services and employs all associated people. NSM owns the general partner interests in Navios Partners. The Company simultaneously entered into a secured credit facility with NSM whereby the Company agreed to repay NSM a loan of \$141,795 (including post-closing adjustments). See also "NSM Loan" below.

Office Rent: The Company had entered into lease agreements with Goldland Ktimatiki-Ikodomiki-Touristiki Xenodohiaki Anonimos Eteria, Emerald Ktimatiki-Ikodomiki Touristiki Xenodohiaki Anonimos Eteria and Infraco Limited, all of which are Greek corporations that are currently majority-owned by Angeliki Frangou, Navios Holdings' Chairwoman and Chief Executive Officer. The lease agreements provided for the leasing of facilities located in Piraeus, Greece to house the operations of most of the Company's subsidiaries. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 "Sale of Management & Consolidation/Deconsolidation of Navios Containers" to the consolidated financial statements, Navios Holdings has no office lease obligations.

Purchase of Services: The Company utilized its former affiliate company, Acropolis, as a broker until the sale of its investment on December 6, 2018. Commissions charged from Acropolis for the year ended December 31, 2019 was \$0. Included in the trade accounts payable at both December 31, 2021 and 2020 was an amount due to Acropolis of \$76.

Vessel Operating Expenses (management fees): Prior to the sale of the management division effected on August 30, 2019, Navios Holdings provided commercial and technical management services to the owned vessels of Navios Partners, Navios Acquisition and Navios Containers for certain contracted daily fixed fees under the existing management agreements. Drydocking and special survey expenses were reimbursed at cost. In addition, Navios Holdings provided commercial and technical management services to Navios Europe I's and Navios Europe II's owned vessels, which were reimbursed at cost pursuant to the management agreements in place. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by the Manager. For the period from January 1, 2019 to August 30, 2019, certain extraordinary fees and costs related to regulatory requirements under the management agreements in place amounted to \$15,750 and are presented under the caption "Other income". Total management fees for vessel operating expenses for the period from January 1, 2019 to August 30, 2019, amounted to \$149,184, and are presented net under the caption "Direct vessel expenses".

Following the sale of the management division effected on August 30, 2019, outlined in Note 3, and pursuant to the Management Agreement, the Manager provides commercial and technical management services to Navios Holdings' vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a

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notice for termination is received by either party. The ship management services fees provided by the Manager is a daily fee of \$3.7 per day per owned vessel. This rate was fixed until August 2021, increasing thereafter by 3% annually, unless otherwise agreed. As of August 31, 2021, this daily fee is at \$3.8 per day per owned vessel. The fee for the ship management services provided by the Manager is a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement are reimbursed by Navios Holdings at cost. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Management Agreement is terminated on or before August 29, 2024. Total management fees for vessel operating expenses for the years ended December 31, 2021 and 2020 and for the period from August 30, 2019 to December 31, 2019 amounted to \$37,813, \$45,487 and \$14,372, respectively, and are presented under the caption “Direct vessel expenses”.

Navios Partners Guarantee: In November 2012 (as amended in March 2014), the Company entered into an agreement with Navios Partners (the “Navios Partners Guarantee”) to provide Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. In April 2021, the Company paid the amount of \$5,000 to Navios Partners as the final settlement of the outstanding balance of the claim.

General and Administrative Expenses incurred on behalf of affiliate companies/Administrative fee revenue from affiliate companies: Navios Holdings provided administrative services to Navios Partners, Navios Acquisition, Navios Containers, Navios Europe I and Navios Europe II. Navios Holdings was reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by the Manager. Total general and administrative fees incurred on behalf affiliate companies for the period from January 1, 2019 to August 30, 2019 amounted to \$16,991.

Navios Holdings provided administrative services to Navios Logistics. In April 2016, Navios Holdings extended the duration of its existing administrative services agreement with Navios Logistics until December 2021, pursuant to its existing terms. Navios Holdings was reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by the Manager. Total general and administrative fees for the period from January 1, 2019 to August 30, 2019 amounted to \$763. The general and administrative fees for that period have been eliminated upon consolidation. Total general and administrative fees charged for the years ended December 31 2021 and 2020 and for the period from August 30, 2019 to December 31, 2019 amounted to \$1,144, \$1,144 and \$381, respectively.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 and pursuant to the Administrative Services Agreement, the Manager provides administrative services to Navios Holdings. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Administrative Services Agreement is terminated on or before August 29, 2024. Total general and administrative expenses attributable to this agreement for the years ended December 31, 2021 and 2020 and for the period from August 30, 2019 to December 31, 2019, amounted to \$8,572, \$9,371 and \$2,952, respectively.

Balance due to/from affiliate companies (excluding Navios Europe I and Navios Europe II): Balance due to NSM as of December 31, 2021 amounted to \$21,028 (December 31, 2020: \$22,114). Balance due to Navios Partners as of December 31, 2021 amounted to \$0 (December 31, 2020: \$5,000 related to the Navios Partners Guarantee). Balance due from Navios Acquisition as of December 31, 2021 amounted to \$0 (December 31, 2020: \$243 and related to declared dividend).

As of December 31, 2021 the balance mainly consisted of management fees for vessel operating expenses, payments to the Manager in accordance with the Management Agreement and other amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels.

Omnibus Agreements: Navios Holdings has entered into an omnibus agreement with Navios Partners (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain dry bulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize dry bulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Holdings entered into an omnibus agreement with Navios Acquisition and Navios Partners (the “Acquisition Omnibus Agreement”) in connection with the closing of Navios Acquisition’s initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containership vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter dry bulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings

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and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its dry bulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliate companies to compete with Navios Midstream under specified circumstances.

Navios Holdings entered into an omnibus agreement with Navios Containers, Navios Acquisition, and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have granted a right of first refusal to Navios Containers over any container vessels to be sold or acquired in the future, subject to significant exceptions. The right of first refusal would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliate companies to compete with Navios Containers under specified circumstances.

Midstream General Partner Option Agreement: Navios Holdings entered into an option agreement, with Navios Acquisition under which Navios Acquisition, which owns and controls Navios Maritime Midstream Partners GP LLC (“Midstream General Partner”), granted Navios Holdings the option to acquire a minimum of 25% of the outstanding membership interests in Midstream General Partner and the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. The purchase price for the acquisition for all or part of the option interest shall be an amount equal to its fair market value. As of December 31, 2021, Navios Holdings had not exercised any part of that option.

Sale of Vessels and Sale of Rights to Navios Partners: Upon the sale of vessels to Navios Partners, Navios Holdings recognized the gain immediately in earnings only to the extent of the interest in Navios Partners owned by third parties and deferred recognition of the gain to the extent of its own ownership interest in Navios Partners (the “deferred gain”). Subsequently, the deferred gain was amortized to income over the remaining useful life of the vessel. The recognition of the deferred gain was accelerated in the event that (i) the vessel was subsequently sold or otherwise disposed of by Navios Partners or (ii) the Company’s ownership interest in Navios Partners was reduced. In connection with the public offerings of common units by Navios Partners and the sale of Navios Partners general partnership interest effected on August 30, 2019, referred in Note 3, a pro rata portion of the deferred gain was released to income upon dilution of the Company’s ownership interest in Navios Partners. As of January 1, 2020, the unamortized deferred gain of \$6,285 was recorded as other adjustments within accumulated deficit. For the years ended December 31, 2021, 2020, and 2019, Navios Holdings recognized \$0, \$0 and \$1,842 of the deferred gain, respectively, in “Equity in net losses of affiliate companies”.

In March 2021, Navios Holdings completed the sale to Navios Partners of the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, and the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, for a sale price of \$39,250, including working capital adjustments. In June 2021, Navios Holdings completed the sale to Navios Partners of the Navios Ray, a 2012 built Capesize vessel of 179,515 dwt, and the Navios Bonavis, a 2009 built Capesize vessel of 180,022 dwt, for a sale price of \$58,000 and the sale of the Navios Koyo, a 2011-built Capesize vessel, previously chartered-in by Navios Holdings, for a sale price of \$28,500. In July 2021, Navios Holdings completed the sale to Navios Partners of the Navios Azimuth, a 2011 built Capesize vessel of 179,169 dwt, for a sale price of \$30,000.

In September 2020, Navios Holdings completed the sale of the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt, and of the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, to Navios Partners for a sale price of \$51,000 in total including net liabilities of \$4,378.

Participation in Offerings of Affiliate Companies: Refer to Note 9 “Investments in Affiliate Companies and Investments in Available-for-Sale Securities” to the consolidated financial statements, for Navios Holdings’ participation in Navios Acquisition’s and Navios Partners’ offerings. On February 4, 2015, Navios Holdings entered into a share purchase agreement with Navios Partners pursuant to which Navios Holdings made an investment in Navios Partners by purchasing common units, and general partnership interests, in order to maintain its 20.0% partnership interest in Navios Partners following its equity offering in February 2015. In connection with this agreement, Navios Holdings entered into a registration rights agreement with Navios Partners pursuant to which Navios Partners provided Navios Holdings with certain rights relating to the registration of the common units. Navios Holdings has entered into additional share purchase agreements on December 30, 2016, March 3, 2017, March 23, 2017, March 31, 2017, January 11, 2018, February 21, 2018, December 20, 2018 and February 1, 2019 for the purchase up to a total of 1,754,981 general partnership units.

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Balance due from Navios Europe I: Following the liquidation, the balance due from Navios Europe I as of December 31, 2021 and 2020 was \$0. As a result of this liquidation, Navios Holdings received the outstanding receivable of \$13,420, in December 2019.

The Navios Revolving Loans I and the Navios Term Loans I earned interest and an annual preferred return, respectively, at 1,270 basis points per annum, on a quarterly compounding basis. There were no covenant requirements or stated maturity dates. As of December 31, 2019 the loan was fully received and there was no outstanding balance.

Balance due from Navios Europe II: Navios Holdings, Navios Acquisition and Navios Partners had made available to Navios Europe II revolving loans of up to \$43,500 to fund the Navios Revolving Loans II. In March 2017, the availability under the Navios Revolving Loans II was increased by \$14,000 (see Note 9 “Investments in Affiliate Companies and Investments in Available-for-Sale Securities” to the consolidated financial statements).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the Junior Loan II for \$5,000. Navios Europe II owned seven containership vessels and seven drybulk vessels.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiration date. The transaction was completed on June 29, 2020.

As a result of this liquidation, Navios Holdings received the total outstanding balance due from Navios Europe II, representing the Navios Revolving Loans II, the Navios Term Loans II and accrued interest thereof directly owed to Navios Holdings, previously presented under the captions “Due from affiliate companies” and “Loans receivable from affiliate companies” and acquired two Panamax vessels of Navios Europe II (see Note 5 “Accounts Receivable, net” to the consolidated financial statements).

Following the Liquidation of Navios Europe II, the balance due from Navios Europe II as of December 31, 2020 was \$0. As of December 31, 2019, Navios Holdings’ balance due from Navios Europe II, amounted to \$20,712, which included the net current receivable amount mainly consisting of \$13,154, of accrued interest income earned under the Navios Revolving Loans II (as defined in Note 9) and the net non-current amount receivable of \$7,558 related to the accrued interest income earned under the Navios Term Loans II (as defined in Note 9). The outstanding amount relating to Navios Holdings’ portion under the Navios Revolving Loans II was \$16,938 as of December 31, 2019, under the caption “Loan receivable from affiliate companies”.

The Navios Revolving Loans II and the Navios Term Loans II earned interest and an annual preferred return, respectively, at 1,800 basis points per annum, on a quarterly compounding basis and were repaid from free cash flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There were no covenant requirements or stated maturity dates.

The decline in the fair value of the investment during the first quarter of 2020 was considered as other-than-temporary and, therefore, a loss of \$6,050 was recognized and included in the accompanying consolidated statements of comprehensive income/(loss) for the year ended December 31, 2020, under the caption “Impairment of loan receivable from affiliate company”. The fair value was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

Secured credit facility with Navios Logistics (Grimaud Loan): On April 25, 2019, Navios Holdings entered into a secured credit facility of up to \$50,000 with Navios Logistics on a secured basis to be used for general corporate purposes, including the repurchase of 2022 Notes. This credit facility was secured by any 2022 Notes purchased by Navios Holdings with these funds. The secured credit facility included an arrangement fee of \$500 and initially bore a fixed interest rate of 12.75% for the first year and 14.75% for the second year. On December 2, 2019, Navios Holdings and Navios Logistics agreed to increase the secured credit facility by \$20,000. Following this amendment, as a result of the redemption of the 2022 Logistics Senior Notes, repayment of the Term Loan B Facility and the issuance of 2025 Logistics Senior Notes, (a) the interest rate on the secured credit facility decreased to 10.0%, and (b) the maturity of the secured credit facility was extended to December 2024.

On June 24, 2020, Navios Logistics assigned its legal and beneficial right, title and interest in the credit facility to its wholly owned subsidiary Grimaud Ventures S.A. (“Grimaud”).

On June 25, 2020, Navios Holdings and Grimaud amended the Grimaud Loan to allow a portion of the total interest payable to be effected in common shares of Navios Holdings. On July 10, 2020, Navios Holdings issued 2,414,263 shares of common stock to Navios Logistics and paid Navios Logistics \$2,308 in satisfaction of the interest payable in respect of this facility.

Effective as of May 2021, and upon the release of certain collateral, the facility bore interest of 13.0% per annum.

On June 30, 2021, the Company entered into a supplemental agreement to the Grimaud Loan (the “Supplemental Grimaud Loan Agreement”) with Grimaud, whereby the Company and Grimaud agreed to amend the Grimaud Loan. Pursuant to the amendment, the Grimaud Loan could be repaid or prepaid in full by the issuance of shares of common stock of Navios Holdings. The effectiveness of the Supplemental Grimaud Loan Agreement was subject to, and contingent upon, prepayment of the Grimaud Loan in the amount of \$7,500 in cash and the effectiveness of a registration statement registering the resale of Navios Holdings shares, among other conditions.

On July 13, 2021, the Grimaud Loan plus accrued interest was repaid by the Company in full through the issuance of 9,301,542 shares (the “Shares”) of the Company’s common stock and \$7,500 in cash plus accrued and unpaid interest. Please see also Note 17 “Preferred and Common Stock” to the consolidated financial statements.

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As of December 31, 2021, the total amount of this facility was repaid in full, as described above.

NSM Loan: On August 29, 2019, Navios Holdings entered into a secured credit facility of \$141,795 (including post-closing adjustments) with a wholly owned subsidiary of NSM. In general, the amount owed reflects the excess of (i) the liabilities of the ship management business (including liabilities for advances previously made by affiliate companies to the Company for ongoing operating costs, including technical management services, supplies, dry-docking and related expenses) other than liabilities the assumption of which forms part of the consideration for the sale of the management division over (ii) the short term assets of the ship management business. The Company's obligations under the NSM Loan are guaranteed by substantially the same subsidiaries that guarantee the 2022 Notes and secured by assets of the Company that do not secure the Ship Mortgage Notes or the 2022 Senior Secured Notes. The credit facility was repayable over a five-year period; of the initial amount, \$47,000 was repayable in 2020 in equal quarterly installments, with the remaining principal repayment in equal quarterly installments over the following 48 months. In certain cases, principal payments can be deferred provided that no more than \$20,000 of deferral may be outstanding during the first or second year and \$10,000 outstanding in the third year. The loan agreement provides for interest at 5.0% annually, and 7.0% annually for deferred principal amounts.

In December 31, 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of December 31, 2021, the outstanding balance was \$48,573 (December 31, 2020: \$78,375) and the accrued interest was \$306 (December 31, 2020: \$526). The accrued interest of \$306 (December 31, 2020: \$10,328 and related to current portion of NSM loan including accrued interest) is included under the caption "Current portion of loans payable to affiliate companies". Please see below for discussion on refinancing completed during January 2022.

The Company's obligations under the NSM Loan were guaranteed by 2,072,121 common units in Navios Partners, first priority share pledges on two companies, that have entered into sale and leaseback agreements and five companies that hold the rights to certain bareboat contracts.

\$50.0 million NSM Loan: In June 2020, the Company entered into a secured loan agreement with a wholly owned subsidiary of NSM, for a loan of up to \$50,000 to be used for general corporate purposes. The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. The loan agreement was repayable in up to 18 equal consecutive quarterly installments. Principal payments that fall due during the first year following the initial drawdown may be deferred, at the Company's election, in whole or in part. The loan agreement provides for interest at a rate of 5.0% annually (and 7.0% annually for deferred principal amounts).

The Company's obligations under the \$50.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain First Priority Ship Mortgage Notes due 2022 owned by Navios Holdings and 40,587 common units in Navios Partners.

On July 12, 2021, the Company refinanced the total outstanding balance of \$39,735 under this facility through the \$115.0 million NSM Loan described below.

\$115.0 million NSM Loan: In June 2021, the Company entered into a senior secured term loan facility with a wholly owned subsidiary of NSM for a loan up to \$115,000 (i) to refinance \$39,736 being the outstanding balance under the \$50.0 million NSM Loan described above ("Tranche A"), (ii) to redeem amount of \$70,000 of 2022 Senior Secured Notes and (iii) to be used for general corporate purposes ("Tranche B"). The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. Tranche A is repayable in 14 quarterly installments of \$2,838 and matures on November 30, 2024. Tranche B is repayable in seven quarterly installments with the first two being of an amount of \$22,632 each and the remaining of an amount of \$6,000 each and matures on February 28, 2023.

Both tranches bear interest at a rate of 10.5% per annum, payable quarterly. The Company may elect to defer one scheduled amortization payment by 90 days and interest payments, in which case the applicable interest rate will be 12.0% per annum, compounded quarterly.

On July 12, 2021, the amount under this facility was fully drawn.

In December 31, 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of December 31, 2021, the outstanding balance was \$64,059 and the accrued interest was \$571. The accrued interest of \$571 is included under the caption "Current portion of loans payable to affiliate companies", and the remaining amount of \$64,059 is included under the caption "Loans payable to affiliate companies, net of current portion", net of deferred financing fees of \$875. Please see below for discussion on refinancing completed during January 2022.

The Company's obligations under the \$115.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain First Priority Ship Mortgage Notes due 2022 owned by Navios Holdings and 40,587

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common units in Navios Partners and a second priority pledge in the Navios Logistics' shares, 1,070,491 Navios Partners' common units and second priority pledge over the collaterals securing the NSM Loan.

NSM Loan I: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019, whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127,632 (the "NSM Loan I"), in two tranches: (i) the first tranche of \$48,573 represents borrowings already made available and (ii) the second tranche of \$79,059 represents new borrowings to be made available in exchange of the release by NSM of certain existing collateral. The NSM Loan I is repayable in quarterly installments of \$5,000 with the first installment falling due in the third quarter of 2023. The NSM Loan I has a four-year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter when paid in the form of Convertible Debenture for the first 18 months ("PIK Interest") and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan I will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. On January 5, 2022, \$79,059 available under this facility was fully drawn.

The Company's obligations under the NSM Loan I are guaranteed by 2,072,121 common units in Navios Partners.

NSM Loan II: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021 whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$135,000 (the "NSM Loan II") in two tranches (i) the first tranche of \$64,059 represents outstanding borrowings already made available and (ii) the second tranche of \$70,941 represents new borrowings to be made available, in exchange of the release by NSM of certain existing collateral. The NSM Loan II is repayable in quarterly installments of \$5,000 with the first installment falling due in the third quarter of 2023. The NSM Loan II has a four year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter, when paid in PIK Interest and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan II will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. On January 5, 2022, \$70,941 available under this facility was fully drawn.

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24,000 in the form of a Convertible Debenture. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

The Company's obligations under the NSM Loan II are guaranteed by 40,587 common units in Navios Partners, a second priority pledge in the Navios Logistics' shares and 1,070,491 Navios Partners' common units and second priority pledge over the collaterals securing the NSM Loan I.

Convertible Debenture: In December 2021, Navios Holdings entered into the Convertible Debenture with NSM, covering an upfront fee of \$24.0 million, accrued interest on the NSM Loans, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4PIK, payable at maturity, if not earlier converted into shares of our common stock.

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the "Series I Preferred Stock") on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 9,133,147 shares of Common Stock issuable as of April 4, 2022 upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

Navios Logistics' Shareholders Agreement: On November 19, 2019, Navios Holdings entered into a shareholder agreement with Peers Business Inc. granting certain protections to minority shareholders in certain events.

Promissory note: On July 30, 2021, Navios Logistics issued a \$20,000 promissory note to Grimaud. The promissory note is payable in four semi-annual equal installments commencing on August 15, 2021. The Company has the ability to defer payment of one of the first three installments subject to certain conditions. On August 15, 2021, the first installment was paid. On July 30, 2021, Grimaud entered into an assignment agreement with Peers Business Inc., whereby the promissory note was assigned to Peers Business Inc. Please refer to Note 17 "Preferred and Common Stock" to the consolidated financial statements.

NOTE 17: PREFERRED AND COMMON STOCK

Reverse Stock Split

On December 21, 2018, the Company's common stockholders approved a one-for-ten reverse stock split of the Company's outstanding shares of common stock (the "Reverse Stock Split"). The Reverse Stock Split was effective since January 3, 2019 and the common stock commenced trading on that date on a split-adjusted basis. As a result of the Reverse Stock Split, every ten shares of issued and outstanding common stock were combined into one issued and outstanding share

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of common stock, without any change in authorized shares or the par value per share. All issued and outstanding shares of common stock, redemption and conversion terms of preferred stock, options to purchase common stock and per share amounts contained in the consolidated financial statements have been retroactively adjusted to reflect the Reverse Stock Split for all periods presented. The retroactive application of the Reverse Stock Split reduced the number of shares of common stock outstanding from 128,434,137 shares to 12,843,414 shares as of December 31, 2018 and from 120,386,472 shares to 12,038,647 shares as of December 31, 2017. The par value of the common stock remained at \$0.0001 per share.

Vested, Surrendered and Forfeited

During 2021, 825 restricted stock units, issued to the Company's employees in 2017 vested.

During 2020, 825 and 84,336 restricted stock units, issued to the Company's employees in 2017 and 2016 vested.

During 2019, 825 and 334 restricted stock units, issued to the Company's employees in 2017 and 2016 vested.

During the years ended December 31, 2021, 2020 and 2019, 894, 1,345 and 3,379 restricted shares of common stock, respectively, were forfeited upon termination of employment.

Conversion of Preferred Stock

During the year ended December 31, 2021, there were no conversions of preferred stock.

During the year ended December 31, 2020, 210 shares of convertible preferred stock were converted into 22,712 shares of common stock including 1,712 shares of common stock being unpaid dividend. Following the conversion of 210 shares, the Company cancelled the undeclared preferred dividend of the converted shares of \$171. The cancelled undeclared dividend was converted to 1,712 shares of common stock with a fair value of \$6 at the date of issuance (See also Note 20 "Earnings/(Loss) per Common Share" to the consolidated financial statements).

During the year ended December 31, 2019, 3,289 shares of convertible preferred stock were converted into 352,770 shares of common stock including 23,870 shares of common stock being unpaid dividend. The shares of convertible preferred stock were converted pursuant to their original terms, which provided that ten years after the issuance date the then-outstanding shares of preferred stock would automatically convert into a number of fully paid and non-assessable shares of common stock determined by dividing the amount of the liquidation preference (\$10,000 per share) by a conversion price equal to \$10.00 per share of common stock. Following the conversion of 1,980 shares, the Company cancelled the undeclared preferred dividend of the converted shares of \$1,471. The cancelled undeclared dividend was converted to 14,711 shares of common stock with a fair value of \$75 at the date of issuance (See also Note 20 "Earnings/(Loss) per Common Share" to the consolidated financial statements). Following the conversion of 1,309 shares, the Company cancelled the undeclared preferred dividend of the converted shares of \$916. The cancelled undeclared dividend was converted to 9,159 shares of common stock with a fair value of \$41 at the date of issuance (See also Note 20 "Earnings/(Loss) per Common Share" to the consolidated financial statements).

Issuance of Cumulative Perpetual Preferred Stock

The Company's 2,000,000 American Depositary Shares, Series G and the 4,800,000 American Depositary Shares, Series H are recorded at fair market value on issuance. Each of the shares represents 1/100th of a share of the Series G and Series H, with a liquidation preference of \$2,500 per share (\$25.00 per American Depositary Share). Dividends are payable quarterly in arrears on the Series G at a rate of 8.75% per annum and on the Series H at a rate of 8.625% per annum of the stated liquidation preference. The Company has accounted for these shares as equity.

Series G and Series H American Depositary Shares Exchange Offer

On December 21, 2018, Navios Holdings announced that it commenced an offer to exchange cash and/or newly issued 2024 Notes for approximately 66 2/3% of each of the outstanding Series G Depositary Shares and Series H Depositary Shares.

As of March 21, 2019, a total of 10,930 Series H were validly tendered representing a net aggregate nominal value of approximately \$26,297. Navios Holdings paid \$997 for tender offer expenses, approximately \$4,188 as cash consideration and a total of approximately \$4,747 in aggregate principal amount of 2024 Notes. The difference between the carrying amount of the preferred shares redeemed and the fair value of the consideration transferred amounting to \$16,365 was recorded in accumulated deficit. Following the completion of the offer, the Company cancelled the undeclared preferred dividend of Series H of \$7,678.

As of April 18, 2019, a total of 8,841 Series G were validly tendered representing a net aggregate nominal value of approximately \$21,271. Navios Holdings paid \$620 for tender offer expenses, approximately \$4,423 cash consideration and issued a total of approximately \$3,879 principal amount of 2024 Notes. The difference between the carrying amount of the preferred shares redeemed and the fair value of the consideration transferred amounting to \$12,568 was recorded in accumulated deficit. Following the completion of the offer, the company cancelled the undeclared preferred dividend of series G of \$6,798.

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In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G and Series H.

On July 15, 2017, the Company reached six quarterly dividend payments in arrears relating to its Series G and Series H and as a result the respective dividend rate increased by 0.25%.

Total undeclared preferred dividends as of December 31, 2021 and 2020 were \$30,348 and \$25,222 (net of cancelled dividends).

Issuances to Employees, Officers and Directors

On December 15, 2021, pursuant to the stock plan approved by the Board of the Directors, 40,000 restricted shares of common stock were granted to Navios Holdings officers and directors and issued on January 15, 2022.

On December 21, 2020, pursuant to the stock plan approved by the Board of the Directors, 16,000 restricted shares of common stock were granted to Navios Holdings officers and directors and issued on January 19, 2021.

On December 18, 2019, pursuant to the stock plan approved by the Board of Directors, 16,000 restricted shares of common stock was granted to Navios Holdings officers and directors and issued on December 18, 2019.

On February 1, 2019, pursuant to the stock plan approved by the Board of Directors, 151,515 restricted shares of common stock was granted to Navios Holdings employees, officers and directors.

During the years ended December 31, 2021 and 2020, no stock option was granted to Navios Holdings' employees, officers and directors.

Dividends from Navios Logistics—Acquisition of noncontrolling interest

On July 30, 2021, Navios Logistics declared and paid a pro rata dividend to the holders of its common equity in shares of Grimaud. All transactions were eliminated on consolidated level as of that date. Immediately thereafter, Grimaud agreed to redeem the equity interests held by its non-controlling shareholder in full at fair market value, which was payable through \$16,000 in cash and the assignment of a \$20,000 promissory note from Navios Logistics. As a result of the transaction, Grimaud is a wholly owned subsidiary of Navios Holdings. As of December 31, 2021, a total amount of \$21,000 was redeemed to the non-controlling shareholder and \$15,000 remains due under the promissory note to Peers Business Inc. following the assignment of the \$20,000 promissory note. Upon this transaction the Company derecognized its non-controlling interest in Grimaud with carrying value of \$27,243 and recognized \$8,757 of additional paid in capital.

On July 10, 2020, Navios Logistics declared and paid a \$6,381 dividend in cash or in Navios Holdings shares of common stock, from which Navios Holdings received 2,414,263 shares and the amount of \$2,308 was paid to Navios Logistics' noncontrolling shareholders.

On February 21, 2020, Navios Logistics' board of directors declared and paid a \$27,500 dividend, out of which the amount of \$17,552 was paid to Navios Holdings and the amount of \$9,948 to Navios Logistics' noncontrolling shareholders.

Sale of Navios Holdings shares of common stock

On July 13, 2021, the Company issued 9,301,542 shares of common stock in order to repay in full the Grimaud Loan. Please refer also to Note 16. As of December 2021, the Grimaud sold all 9,301,542 shares of common stock of Navios Holdings and generated net proceeds of \$44,437, including costs of \$176, part of which was used to fund the Second, Third and Fourth Redemption.

Acquisition of Treasury Stock

In November 2015, the Board of Directors approved a share repurchase program for up to \$25,000 of the Navios Holdings' common stock. Share repurchases were made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. Repurchases were subject to restrictions under the terms of the Company's credit facilities and indenture. The program did not require any minimum purchase or any specific number or amount of shares and may be suspended or reinstated at any time in the Company's discretion and without notice. In particular, Navios Holdings, pursuant to the terms of its Series G and Series H, may not redeem, repurchase or otherwise acquire its common stock or preferred shares, including the Series G and Series H (other than through an offer made to all holders of Series G and Series H) unless full cumulative dividends on Series G and Series H, when payable, have been paid. As of December 31, 2016, 94,858 shares, were repurchased under this program, for a total consideration of \$818. In total, up until February 2016, 114,791 shares were repurchased under this program, for a total consideration of \$1,070. Since that time, this program has been suspended by the Company.

Navios Holdings had outstanding as of December 31, 2021, 25,198,620 shares, from which 2,414,263 shares are held by Navios Corporation, a subsidiary of Navios Holdings, and are considered as treasury shares. As of December 31, 2020, 15,881,147 shares, from which 2,414,263 shares are held by Navios Corporation, a subsidiary of Navios Holdings, and are considered as treasury shares. Preferred stock was 23,032 (5,350 Series G shares and 17,682 Series H shares) and 23,242 (5,350 Series G shares, 17,682 Series H shares and 210 shares of convertible preferred stock) as of December 31, 2021 and 2020, respectively.

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NOTE 18: INTEREST EXPENSE AND FINANCE COST

Interest expense and finance cost consisted of the following:

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Interest expense	\$ 136,055	\$ 128,696	\$ 125,496
Amortization and write-off of deferred financing costs	8,870	7,863	7,746
Other	84	—	237
Interest expense and financing cost	\$ 145,009	\$ 136,559	\$ 133,479

NOTE 19: SEGMENT INFORMATION

The Company currently has two reportable segments from which it derives its revenues: Dry Bulk Vessel Operations and Logistics. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Dry Bulk Vessel Operations consists of the transportation and handling of bulk cargoes through the ownership, operation, and trading of vessels. The Logistics Business consists of operating ports and transfer station terminals, handling of vessels, barges and pushboats as well as upriver transport facilities in the Hidrovia region.

The Company measures segment performance based on net income/(loss) attributable to Navios Holdings common stockholders. Inter-segment sales and transfers are not significant and have been eliminated and are not included in the following tables. Summarized financial information concerning each of the Company's reportable segments is as follows:

	Dry Bulk Vessel Operations for the Year Ended December 31, 2021	Logistics Business for the Year Ended December 31, 2021	Total for the Year Ended December 31, 2021
Revenue	\$ 362,343	\$ 223,475	\$ 585,818
Interest income	26	230	256
Interest expense and finance cost ⁽¹⁾	(80,450)	(64,559)	(145,009)
Depreciation and amortization	(29,582)	(31,653)	(61,235)
Equity in net earnings of affiliate companies	69,275	—	69,275
Net income attributable to Navios Holdings common stockholders	140,651 ⁽²⁾	(23,965) ⁽³⁾	116,686
Total assets	1,200,255	608,523	1,808,778
Goodwill	56,240	104,096	160,336
Capital expenditures	(24,950)	(23,848)	(48,798)
Investment in affiliate companies	125,744	—	125,744
Cash and cash equivalents	21,011	32,580	53,591
Restricted cash	84,260	—	84,260
Long-term debt, net (including current and noncurrent portion)	\$ 844,134	\$ 542,350	\$ 1,386,484

- (1) Interest expense and finance cost for the year ended December 31, 2021 excludes \$4,404 relating to the intercompany interest of the Grimaud loan, which is eliminated upon consolidation.
- (2) The Dry Bulk Vessel Operations net income is adjusted to exclude the mark to market loss of \$2,559 for the year ended December 31, 2021, following the repayment of the Grimaud loan in Shares which is eliminated upon consolidation.
- (3) The Logistics Business net income is adjusted for the items referred in footnote (1) above as well as the mark to market loss of \$24,169 recognized in Navios Logistics statement of income for the year ended December 31, 2021, following the repayment of the Grimaud loan and the sale of the Shares which is eliminated upon consolidation.

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	Dry Bulk Vessel Operations for the Year Ended December 31, 2020	Logistics Business for the Year Ended December 31, 2020	Total for the Year Ended December 31, 2020
Revenue	\$ 200,794	\$ 215,924	\$ 416,718
Interest income	48	209	257
Interest expense and financing cost	(88,237)	(48,322)	(136,559)
Depreciation and amortization	(42,076)	(28,939)	(71,015)
Equity in net losses of affiliate companies	(1,293)	—	(1,293)
Net (loss)/ income attributable to Navios Holdings common stockholders	(192,207)	(754)	(192,961)
Total assets	1,316,936	654,389	1,971,325
Goodwill	56,240	104,096	160,336
Capital expenditures	(99,068)	(8,441)	(107,509)
Investment in affiliate companies	56,988	—	56,988
Cash and cash equivalents	20,011	74,870	94,881
Restricted cash	16,303	—	16,303
Long-term debt, net (including current and noncurrent portion)	\$ 1,043,839	\$ 540,590	\$ 1,584,429

	Dry Bulk Vessel Operations for the Year Ended December 31, 2019	Logistics Business for the Year Ended December 31, 2019	Total for the Year Ended December 31, 2019
Revenue	\$ 254,178	\$ 228,271	\$ 482,449
Administrative fee revenue from affiliate companies	16,991	—	16,991
Interest income	9,610	1,052	10,662
Interest expense and financing cost	(92,948)	(40,531)	(133,479)
Depreciation and amortization	(52,288)	(29,435)	(81,723)
Equity in net losses of affiliate companies	(9,185)	—	(9,185)
Net (loss)/ income attributable to Navios Holdings common stockholders	(209,096)	16,986	(192,110)
Total assets	1,511,517	631,338	2,142,855
Goodwill	56,240	104,096	160,336
Capital expenditures	(36,628)	(7,943)	(44,571)
Investment in affiliate companies	64,352	—	64,352
Cash and cash equivalents	32,386	45,605	77,991
Restricted cash	736	—	736
Long-term debt, net (including current and noncurrent portion)	\$ 1,048,318	\$ 514,929	\$ 1,563,247

The following table sets out the Company's revenue by geographic region. Dry Bulk Vessel Operations (excluding administrative fee revenue from affiliate companies) and Logistics Business revenue are allocated on the basis of the geographic region in which the customer is located. Dry bulk vessels and containership vessels operate worldwide. Logistics Business operates different types of tanker vessels, pushboats, and wet and dry barges for delivering a wide range of products between ports in the Paraná, Paraguay and Uruguay River systems in South America (commonly known as the "Hidrovia" or the "waterway").

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Revenues from specific geographic regions which contribute over 10% of revenue are disclosed separately.

Revenue by Geographic Region

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
North America	\$ —	\$ —	\$ 2,259
Australia	11,905	2,055	—
Europe	184,786	132,582	179,009
Asia	155,123	63,610	67,468
South America	234,004	218,442	232,394
Other	—	28	1,319
Total	\$ 585,818	\$ 416,718	\$ 482,449

Vessels operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries. The total net book value of long-lived assets for dry bulk vessels amounted to \$427,385 and \$627,569 at December 31, 2021 and 2020, respectively. For the Logistics Business, all long-lived assets are located in South America. The total net book value of long-lived assets for the Logistics Business amounted to \$520,036 and \$509,283 (including constructions in progress of \$4,046, referred to in Note 7) at December 31, 2021 and 2020, respectively.

NOTE 20: EARNINGS/(LOSS) PER COMMON SHARE

Earnings/(Loss) per share is calculated by dividing net income/(loss) attributable to Navios Holdings common stockholders by the weighted average number of shares of Navios Holdings outstanding during the periods presented. Net income/(loss) attributable to Navios Holdings common stockholders is calculated by adding to (if a discount) or deducting from (if a premium) net income/(loss) attributable to Navios Holdings common stockholders the difference between the fair value of the consideration paid upon redemption and the carrying value of the preferred stock, including the unamortized issuance costs of the preferred stock, and the amount of any undeclared dividend cancelled.

For the year ended December 31, 2021, 384,682 potential common shares and 0 potential shares of convertible preferred stock are included in the calculation of diluted earnings per share.

For the year ended December 31, 2020, 569,998 potential common shares and 1,549 potential shares of convertible preferred stock have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) and are therefore excluded from the calculation of diluted net loss per share.

For the year ended December 31, 2019, 843,097 potential common shares and 227,496 potential shares of convertible preferred stock have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) and are therefore excluded from the calculation of diluted net loss per share.

On December 21, 2018 the Company's common stockholders approved a one-for-ten reverse stock split of the Company's outstanding shares of common stock. Following the effectiveness of the reverse stock split, as of January 3, 2019, any historical per share information has been adjusted to reflect the Reverse Stock Split.

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Numerator:			
Net income/(loss) attributable to Navios Holdings common stockholders	\$ 116,686	\$ (192,961)	\$ (192,110)
Less:			
Undeclared dividend on preferred stock and on unvested restricted shares	(5,127)	(5,144)	(7,178)
Plus:			
Tender Offer — Redemption of preferred stock Series G and H including \$16,863 of undeclared preferred dividend cancelled	—	—	45,680
Gain from eliminated dividend on preferred stock due to conversion	—	166	—
Income/(Loss) attributable to Navios Holdings common stockholders, basic and diluted	\$ 111,559	\$ (197,939)	\$ (153,608)
Denominator:			
Denominator for basic earnings/ (loss) per share attributable to Navios Holdings common stockholders — weighted average shares	16,168,329	12,896,568	12,356,024
Basic earnings/ (loss) per share attributable to Navios Holdings commonstockholders	\$ 6.90	\$ (15.35)	\$ (12.43)
Denominator for diluted earnings/ (loss) per share attributable to Navios Holdings common stockholders — weighted average shares	16,553,011	12,896,568	12,356,024
Diluted earnings/ (loss) per share attributable to Navios Holdings common stockholders	6.74	\$ (15.35)	\$ (12.43)

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NOTE 21: INCOME TAXES

The Republic of the Marshall Islands, Liberia, Panama and Malta do not impose a tax on international shipping income. Under the laws of the Republic of the Marshall Islands, Malta, Liberia and Panama, the countries of incorporation of the Company and its subsidiaries and the vessels' registration, the companies are subject to registration and tonnage taxes in the accompanying consolidated statements of comprehensive income/(loss).

In accordance with the currently applicable Greek law, ship owning companies of foreign-flagged vessels that are managed by Greek or foreign ship management companies having established an office/branch in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state which is calculated on the basis of the relevant vessel's tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece. The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign-flagged vessel outside Greece.

In Belgium, taxation on ocean shipping is based on the tonnage of the sea-going vessels from which the profit is obtained ("tonnage tax").

The income tax (expense)/ benefit reflected in the Company's consolidated financial statements for the years ended December 31, 2020, 2019, and 2018 is mainly attributable to Navios Holdings' subsidiaries in South America, which are subject to the Argentinean, Brazilian and Paraguayan income tax regime.

CNSA and Corporacion Navios Granos S.A. ("CNGSA") are located in a tax free zone and are not liable to income tax. Navios Logistics' current port operations in Uruguay are exempted from income taxes.

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As a result of the Law 27,630, voted by the Argentinian Parliament in June 2021, income tax rates and scales were modified. Income tax liabilities of the Argentinean subsidiaries for the current period is measured at the amount expected to be paid to the taxation authorities using a tax rate of 35% on any taxable profit above 50 million Argentinean pesos or \$487, 30% on any taxable profit between 5 million pesos or \$49 and 50 million pesos or \$487, and 25% on any taxable profit below 5 million pesos or \$49. The enacted Law 27,630 replaced the income tax rates and scales of the tax reform previously voted by the Argentinean Parliament in December 2017, and the Law 27,541 voted in December 2019, in which the corporate income tax rate had decreased from 35% in 2017 to 30% for the period from 2018 to 2021, and would further decrease to 25% for the period from 2022 onwards. Tax rates and tax laws used to assess the income tax liability are those that are effective on the close of the fiscal period.

Under the tax laws of Argentina, the subsidiaries of the Company in that country are subject to taxes levied on gross revenues. Rates differ depending on the jurisdiction where revenues are earned for tax purposes. Average rates were approximately 2.0% for the year ended December 31, 2021 (2.0% for 2020 and 2.0% for 2019, respectively). Until the fiscal year ended December 31, 2019, there were two possible options to determine the income tax liability of Paraguayan subsidiaries. Under the first option income tax liabilities for the current and prior periods were measured at the amount expected to be paid to the taxation authorities, by applying the tax rate of 10% on the fiscal profit and loss. 50% of revenues derived from international freights were considered Paraguayan sourced (and therefore taxed) if carried between Paraguay and Argentina, Bolivia, Brazil or Uruguay, with destination Paraguay. Alternatively, only 30% of revenues derived from international freights carried between other countries with destination Paraguay were considered Paraguayan sourced. Companies whose operations were considered international freights could choose to pay income taxes on their revenues at an effective tax rate of 1% on such revenues, without considering any other kind of adjustments. Fiscal losses, if any, were neither deducted nor carried forward.

As per the tax reform in Paraguay that is in force since January 1, 2020 (Law 6,380 from September 25, 2019 confirmed by Decree 3182 from December 30, 2019), there are still two possible options to determine the income tax liability of Paraguayan companies. Under the first option income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authorities, by applying the tax rate of 10% on the fiscal profit and loss. The 100% of revenues derived from freights carried between other countries with destination Paraguay are considered Paraguayan sourced, and therefore taxed. The tax reform also states that any fiscal losses generated as of the fiscal year starting January 1, 2020, will be carried forward for up to five years, with the possibility to deduct each year the 20% from future fiscal years taxable income. Companies whose operations are considered international freights can alternatively choose to pay income taxes on their revenues at an effective tax rate of 3% of such revenues, without considering any other kind of adjustments. Once the methodology is chosen, the Paraguayan companies have to keep it for at least five years.

The corporate income tax rate in Argentina, Paraguay, Brazil, and Uruguay is 35%, 10%, 34%, and 25%, respectively for the year ended December 31, 2021. The Company's deferred taxes as of December 31, 2021 and 2020, relate primarily to deferred tax liabilities on acquired intangible assets recognized in connection with Navios Logistics. As of January 1, 2007, the Company adopted the provisions of FASB for Accounting for Uncertainty in Income Taxes. This guidance requires application of a more likely than not threshold to the recognition and derecognition of uncertain tax positions. This guidance permits the Company to recognize the amount of tax benefit that has a greater than 50% likelihood of being ultimately realized upon settlement. It further requires that a change in judgment related to the expected ultimate resolution of uncertain tax positions be recognized in earnings in the quarter of such change. Kleimar's open tax years are 2019 and onwards. Argentinean companies have open tax years ranging from 2014 and onwards and Paraguayan and Brazilian companies have open tax years ranging from 2016 and onwards. In relation to these open tax years, the Company believes that there are no material uncertain tax positions.

NOTE 22: OTHER EXPENSE

During the years ended December 31, 2021, 2020 and 2019, taxes other-than-income taxes of Navios Logistics amounted to \$5,442, \$5,762, and \$7,745, respectively, and were included in the statements of comprehensive income/(loss) under the caption "Other expense".

NOTE 23: SUBSEQUENT EVENTS

- In January 2022, the HCOB bank facility (as defined herein) was drawn down.
- In January 2022, the CACIB/BNP bank facility (as defined herein) was drawn down.
- In January 2022, the NSM Loans were drawn down.
- In January 2022, the fourth sale and sale and leaseback agreement was drawn down.
- In January 2022, the 2022 Notes were repaid in full.
- In March 2022, the Company prepaid \$10,380 in connection with HCOB bank facility to release a dry bulk vessel.

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- In March 2022, Navios Holdings entered into a sale and leaseback agreement for \$12,000 to finance a vessel, which was drawn in the first quarter of 2022.
- In March 2022, the Company issued a notice of redemption with respect to an aggregate principal amount of \$25,000 of its 2022 Senior Secured Notes.
- On March 23, 2022, Navios Logistics entered into a \$25,000 loan facility with Banco Bilbao Vizcaya Argentaria (the “Navios Logistics 2022 BBVA Facility”). The Navios Logistics 2022 BBVA Facility was used to repay existing debt under the Navios Logistics BBVA Facility, and for general corporate purposes. The Navios Logistics 2022 BBVA Facility bears interest at a rate of 4.25% per annum, is repayable in quarterly installments with final maturity on July 1, 2025 and is secured by assignments of certain receivables. As of the date hereof a total of \$17,000 have been drawn on the Navios Logistics 2022 BBVA Facility.
- On March 25, 2022, Navios Logistics entered into a \$5,000 loan facility with Banco Santander S.A. (the “Navios Logistics Santander Facility”). The Navios Logistics Santander Facility will be used for general corporate purposes and bears interest at a rate of 4.20% per annum, is repayable in twelve equal quarterly installments with final maturity on March 7, 2026 and is secured by assignments of certain receivables. As of the date hereof a total of \$5,000 have been drawn on the Navios Logistics Santander Facility.

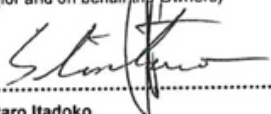

For information on the Company’s various loan facilities and sale/leaseback agreements, see Note 11 “Borrowings” to the consolidated financial statements.

- In April 2022, Vale International S.A. (“Vale”) announced the sale of its iron ore, manganese ore and logistics assets in the midwestern system to J&F Mineracao Ltda. controlled by J&F Investimentos S.A. The sale includes the full assumption by the buyer of the take-or-pay logistics contracts, which remain subject to the consent of the applicable counterparties. The Vale port contract entered into between Corporacion Navios S.A., a company controlled by Navios Logistics, and Vale, dated September 27, 2013 remains in full force and effect. Any change to the terms and conditions of the Vale port contract is subject to the prior approval of the Navios counterparty.

"BARECON 2001" STANDARD BAREBOAT CHARTER

PART I

1. Shipbroker ITOCHU CORPORATION TOKBR Section, 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo, 107-8077, Japan		BIMCO STANDARD BAREBOAT CHARTER CODE NAME : "BARECON 2001"		PART I
3. Owners / Place of business (Cl. 1) Kotobuki Kaiun Co., Ltd. / Yutoku Kinkai Kisen Co., Ltd. / Kotobuki Shipping Corporation, S.A.		2. Place and date In New York, U.S. 21st February, 2022		
5. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3) MV NAVIOS ASTERIKS, SE3421, Panama, 9304253		4. Bareboat Charterers / Place of business (Cl. 1) Kolimar NV, 6 Suikerrui, 2000 Antwerp, Belgium and, White Narcissus Marine S.A 63rd Street Urbanizacion Obartio, Swiss Tower, 16th Floor, Panama, Republic of Panama		
6. Type of Vessel Bulk Carrier		7. GT / NT 40,014/25,301		
8. When / Where built 2005, Sasebo Heavy Industries Co., Ltd.		9. Total DWT (abt.) in metric tons on summer-freeboard 76,801 MT		
10. Classification Society (Cl. 3) Lloyds Register (LR)		11. Date of last special survey by the Vessel's classification society April 24th, 2020		
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) Cargoes to be carried; All lawful cargoes within the Vessel's capabilities/Class, IMO, flag, her insurance				
13. Port or Place of delivery (Cl. 3) As per Clause 5 of the MOA (as defined in Clause 1 hereof)		14. Time for delivery (Cl. 4) As per Clause 5 of the MOA See Also Clause 32.		15. Cancelling date (Cl. 5) N/A
16. Port or Place of redelivery (Cl. 3) At one safe berth or one safe port in Japan/Singapore range in the Charterers option in case the PO is not exercised otherwise, worldwide in Charterers option		17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) Minimum 3 months		
18. Running days' notice if other than stated in Cl. 4 N/A		19. Frequency of dry-docking Cl. 10(g) As per Classification Society and flag state requirements		
20. Trading Limits (Cl. 6) Trading Limits: always safely afloat world-wide within International Navigation Conditions with the Charterer's option to break same paying extra insurance, but always in accordance with Clause 13, 40 and 55. In case of calling/passing war risks area, Charterers will make reasonable commercial efforts to submit prior notification to the Owners. Any other country designated pursuant to any international (including U.N. / U.S. / EU / UK) or supranational law or regulation imposing trade and economic sanctions, prohibitions or restrictions (which may be amended from time to time during the Charter Period) to be excluded.				
21. Charter Period (Cl. 2) Five (5) years with up to 3 months more or 1 month less in Charterers' option (See Clause 34)		22. Charter hire (Cl. 11) See Clause 35		
23. New class and other statutory requirements (state percentage of Vessel's insurance value acc. to Box 29 (Cl. 10(a)(i)) N/A				
24. Rate of interest payable acc. to Cl. 11(f) and, if applicable, acc. to PART IV N/A		25. Currency and method of payment (Cl. 11) United States Dollars payable calendar monthly in advance		
26. Place of payment; also state beneficiary and bank account (Cl. 11)		27. Bank guarantee / bond (sum and place) (Cl. 24 (optional))		

<p>To be advised</p> <p>28. Mortgage(s), if any (state whether Cl. 12(a) or (b) applies; if 12(b) applies, state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) See Clause 44</p>	<p>N/A</p> <p>29. Insurance (hull and machinery and war risks) (state value acc. to Cl.13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl.14 applies) See Clause 40</p>
<p>30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) N/A</p>	<p>31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) See Clause 40 (c)</p>
<p>32. Latent defects (only to be filled in if period other than stated in Cl.3) N/A</p>	<p>33. Brokerage commission and to whom payable (Cl.27) N/A</p>
<p>34. Grace period (state number of clear banking days) (Cl. 28) See Clause 41</p>	<p>35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed. Place of Arbitration <u>must</u> be stated (Cl. 30) London</p>
<p>36. War cancellation (indicate countries agreed) (Cl. 26(f)) N/A</p>	
<p>37. Newbuilding Vessel (indicate with 'yes' or 'no' whether PART III applies) (optional) No</p>	<p>38. Name and place of Builders (only to be filled in if PART III applies) N/A</p>
<p>39. Vessel's Yard Building No. (only to be filled in if PART III applies) No</p>	<p>40. Date of Building-Shipbuilding Contract (only to be filled in if PART III applies) N/A</p>
<p>41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) N/A c) N/A</p>	
<p>42. Hire/Purchase agreement (indicate with 'yes' or 'no' whether PART IV applies) (optional) N/A</p>	<p>43. Bareboat Charter Registry (indicate with 'yes' or 'no' whether PART IV applies) (optional) Yes in Charterers' option</p>
<p>44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) See Clause 37</p>	<p>45. Country of the Underlying Registry (only to be filled in if PART V applies)</p>
<p>46. Number of additional clauses covering special provisions, if agreed Clause 32 to 56 inclusive</p>	
<p>PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.</p>	
<p>Signature (for and on behalf of the Owners)  By: Shintaro Itadoko Title: Attorney-in-fact</p>	<p>Signature (for and on behalf of the Charterers)  By: GEORGIOS PANAGAKIS Title: Attorney-in-fact</p>

PART II
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1. Definitions	1	hour after the cancelling date stated in Box 15, failing	66
In this Charter, the following terms shall have the	2	which this Charter shall remain in full force and effect.	67
meanings hereby assigned to them:	3	(b) If it appears that the Vessel will be delayed beyond	68
"The Owners" shall mean the party identified in Box 3;	4	the cancelling date, the Owners may, as soon as they	69
"The Charterers" shall mean the party identified in Box 4;	5	are in position to state with reasonable certainty the day	70
"The Vessel" shall mean the vessel named in Box 5 and	6	on which the Vessel should be ready, give notice thereof	71
with particulars as stated in Boxes 6 to 12;	7	to the Charterers asking whether they will exercise their	72
"Financial Instrument" means the mortgage, deed of	8	option of cancelling, and the option must then be	73
covenant or other such financial security instrument as	9	declared within one hundred and sixty-eight (66)	74
annexed to this Charter and stated in Box 28.	10	running hours of the receipt by the Charterers of such	75
"MOA" means the Memorandum of Agreement		notice or within thirty-six (36) running hours after the	76
entered into between the Owners as buyers and the		cancelling date, whichever is the earlier. If the Charterers	77
Charterers as Sellers dated 21 st February 2022 in		do not then exercise their option of cancelling the	78
respect of the Vessel.		seventh day after the readiness date stated in the	79
"Banking Days" shall mean the days identified in		Owners' notice shall be substituted for the cancelling	80
CL36 (b)		date indicated in Box 15 for the purpose of this Clause 5.	81
"Total Loss" shall mean the situation identified in		(c) Cancellation under this Clause 5 shall be without	82
CL40 (a)		prejudice to any claim the Charterers may otherwise	83
	11	have on the Owners under this Charter.	84
	12		
2. Charter Period	13	6. Trading Restrictions	85
In consideration of the hire detailed in Box 22, the Owners	14	The Vessel shall be employed in lawful trades for the	86
have agreed to let and the Charterers have agreed to hire	15	carriage of suitable lawful merchandise within the trading	87
the Vessel for the period stated in Box 21 (the "Charter	16	limits indicated in Box 20.	88
Period").		The Charterers undertake not to employ the Vessel or	89
		suffer the Vessel to be employed otherwise than in	90
3. Delivery Also See Clause 32		conformity with the terms of the contracts of insurance	91
The Vessel shall be delivered and taken over by the		(including any warranties expressed or implied therein)	92
Charterers as per Clause 32.	17	without first obtaining the consent of the insurers to such	93
<i>(not applicable when PART II applies, as indicated in Box 32)</i>	18	employment and complying with such requirements as to	94
(a) The Owners shall before and at the time of delivery	19	extra premium or otherwise as the insurers may	95
exercise due diligence to make the Vessel seaworthy and	20	prescribe.	96
in every respect ready in hull, machinery and equipment	21	The Charterers also undertake not to employ the Vessel	97
for service under this Charter.	22	or suffer her employment in any trade or business which	98
The Vessel shall be delivered by the Owners and taken	23	is forbidden by the law of any country to which the Vessel	99
over by the Charterers at the port or place indicated in Box	24	may sail or is otherwise illicit or in carrying illicit or	100
13 in such ready safe berth as the Charterers may direct.	25	prohibited goods or in any manner whatsoever which	101
(b) The Vessel shall be properly documented on	26	may render her liable to condemnation, destruction,	102
delivery in accordance with the laws of the flag state	27	seizure or confiscation.	103
indicated in Box 5 and the requirements of the	28	Notwithstanding any other provisions contained in this	104
classification society stated in Box 10. The Vessel upon	29	Charter it is agreed that nuclear fuels or radioactive	105
delivery shall have her survey cycles up to date and	30	products or waste are specifically excluded from the	106
trading and class certificate valid for at least the number	31	cargo permitted to be loaded or carried under this	107
of months agreed in Box 12.	32	Charter. This exclusion does not apply to radio isotopes	108
(c) The delivery of the Vessel by the Owners and the	33	used or intended to be used for any industrial,	109
taking over of the Vessel by the Charterers shall	34	commercial, agricultural, medical or scientific purposes	110
constitute a full performance by the Owners of all the	35	provided the Owners' prior approval has been obtained	111
Owners' obligations under this Clause 3, and thereafter	36	to loading thereof.	112
the Charterers shall not be entitled to make or assert	37		113
any claim against the Owners on account of any	38	7. Surveys on Delivery and Redelivery	114
conditions, representations or warranties expressed or	39	<i>(not applicable when PART II applies, as indicated in Box 32)</i>	115
implied with respect to the Vessel but the Owners shall be	40	The Owners and Charterers have the right of shall each	116
liable for the cost of but not the time for repairs or	41	appointing surveyors for the purpose of determining and	117
renewals occasioned by latent defects in the Vessel, her	42	agreeing in writing the condition of the Vessel at the time	118
machinery or appurtenances existing at the time of	43	of delivery and redelivery hereunder. The Owners shall	119
delivery under this Charter, provided such defects have	44	bear all expenses of the On-hire Survey including loss of	120
manifested themselves within twelve (12) months after	45	time, if any, and the Charterers shall bear all expenses of	121
delivery unless otherwise provided in Box 32.	46	the Off-hire Survey including loss of time, if any, at the	122
	47	daily equivalent to the rate of hire or pro rata thereof.	123
4. Time for Delivery See Clause 32	48		
<i>(not applicable when PART II applies, as indicated in Box 32)</i>	49	8. Inspection	124
The Vessel shall not be delivered before the date	50	The Owners shall have the right maximum twice per year	125
indicated in Box 14 without the Charterers' consent and	51	(and more time in the case of necessity) maximum	126
the Owners shall exercise due diligence to deliver the	52	twice per year at any time after giving reasonable notice	127
Vessel not later than the date indicated in Box 14.	53	to the Charterers to inspect or survey the Vessel or	128
Unless otherwise agreed in Box 10, the Owners shall give	54	instruct a duly authorised surveyor to carry out such	
the Charterers not less than thirty (30) running days'	55	survey on their behalf; provided it does not interfere	
preliminary and not less than fourteen (14) running days'	56	with the operation of the Vessel and/or crew	129
definite notice of the date on which the Vessel is expected	57	(a) to ascertain the condition of the Vessel and satisfy	130
to be ready for delivery.	58	themselves that the Vessel is being properly repaired	131
The Owners shall keep the Charterers closely advised of	59	and maintained. The costs and fees for such inspection	132
possible changes in the Vessel's position.		or survey shall be paid by the Owners unless the Vessel	133
	60	is found to require repair or maintenance in order to	134
5. Cancelling	61	achieve the condition so provided;	135
<i>(not applicable when PART II applies, as indicated in Box 32)</i>	62	(b) in dry dock if the Charterers have not dry docked	136
(a) Should the Vessel not be delivered latest by the	63	her in accordance with Clause 10 (c). The costs and	137
cancelling date indicated in Box 15, the Charterers shall	64	fees for such inspection or survey shall be paid by the	138
have the option of cancelling this Charter by giving the	65	Charterers; and	
Owners notice of cancellation within thirty-six (36) running			

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(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.	139 140 141 142 143	The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.	213 214 215 216 217 218
All-time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.	144 145 146	(b) <u>Operation of the Vessel</u> - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag state fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.	219 220 221 222 223 224 225 226 227 228 229 230
The Charterers shall also permit the Owners to inspect the Vessel's log books maximum twice per year (and more time in the case of Necessity) maximum twice per year whenever reasonably requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	147 148 149 150 151	Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.	231 232 233
9. Inventories, Oil and Stores SEE CLAUSE 52	152 153 154	(c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.	234 235 236 237
A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel. SEE ALSO CLAUSE 32	155 156 157 158 159 160 161 162 163 164 165 166 167	(d) <u>Flag and Name of Vessel</u> During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and de-registration, if required by the Owners, shall be at the Charterers' expense and time. SEE CLAUSE 37 & 43	238 239 240 241 242 243 244 245 246 247 248
Maintenance and Operation	168	(e) <u>Changes to the Vessel</u> - Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter. SEE CLAUSE 38	249 250 251 252 253 254 255 256
(a)(i) <u>Maintenance and Repairs</u> - During the Charter period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall exercise due diligence to maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(f), if applicable, at their own expense, they shall at all times keep the Vessel's Class unexpired fully up to date with the Classification Society indicated in Box 10 maintain all other necessary certificates in force at all times.	169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184	(f) <u>Use of the Vessel's Outfit Equipment and Appliances</u> - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in substantially the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period unless agreed otherwise by the Owners and the Charterers. -if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273
(ii) <u>New Class and Other Safety Requirements</u> in the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter, shall in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30. SEE CLAUSE 38	185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202	(g) <u>Periodical Dry-Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not	274 275 276 277 278 279 280 281 282 283 284 285
(iii) <u>Financial Security</u> - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.	203 204 205 206 207 208 209 210 211 212		

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less than once during the period stated in <u>Box 19</u> or, if <u>Box 19</u> has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag state.	286 287 288 289	and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in underwriter's standard form as the Owners have received, reviewed which approval shall not be unreasonably withheld in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.	359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382
11. Hire SEE CLAUSE 35	290	The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	383 384 385 386 387 388
(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	291 292 293	All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.	389 390 391 392
(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	294 295 296 297 298 299 300	(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	393 394 395 396 397 398 399 400 401 402
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.	301 302 303	(c) The Charterers shall upon the request of the Owners provide information and promptly execute such documents as may be reasonably required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	403 404 405 406 407
(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days remaining before redelivery and advance payment to be effected accordingly.	304 305 306 307 308	(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this clause. SEE CLAUSE 40	408 409 410 411 412 413 414 415 416 417 418
(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	309 310 311 312 313 314	(e) The Owners shall, upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.	419 420 421 422
(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) of the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent, shall apply.	315 316 317 318 319 320 321 322	(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 20. SEE CLAUSE 40	423 424
(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	323 324 325 326 327	14. Insurance, Repairs and Classification N/A (Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).	425 426 427
12. Mortgage SEE CLAUSE 44 (only to apply if Box 28 has been appropriately filled in)	328 329	(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull	428 429 430 431
(a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	330 331 332 333		
(b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353		
(Optional, Clauses 12 (a) and 12 (b) are alternatives; indicate alternative agreed in Box 28)	354 355 356		
13. Insurance and Repairs SEE CLAUSE 40	357		
(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull	358 359		

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policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.	432	indicated in Box 29.	507
(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.	440	(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.	508
(c) In the event that any act or negligence of the Charterers shall violate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.	441		509
(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.	442		510
(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	443		511
(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.	444		512
The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.	445		513
(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	446		
(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14 (a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.	447	15. Redelivery ALSO SEE CLAUSE 45	514
(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.	448	At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe berth or anchorage at a safe port and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fifteen (15) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.	515
(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.	449	The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 5 per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of the Charter shall continue to apply.	516
(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum	450	Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in substantially the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.	517
	451	The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.	518
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PART II
"BARECON 2001" Standard Bareboat Charter

(b) If the Vessel be arrested or otherwise detained by reason of a claims or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	577	25. Requisition/Acquisition ALSO SEE CLAUSE 40 (a)(b)	647
In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.	578	(a) In the event of the requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to a "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the 'Requisition for Hire' whichever be the shorter.	648
18. Lien	579	(b) Notwithstanding the provisions of clause 25 (a), in the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority, which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title (hereinafter referred to as 'Compulsory Acquisition'), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event charter hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition", but not thereafter.	649
The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.	580		650
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19. Salvage	587		657
All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.	588		658
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20. Wreck Removal	594		664
In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.	595		665
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21. General Average	607		677
The Owners shall not contribute to General Average.	608		678
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22. Assignment, Sub-Charter and Sale	610	26. War	680
(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve. Such Owners' prior consent shall not be required provided that the Vessel remains at all times under the management of Navios Shipmanagement Inc. or an affiliate of Navios Shipmanagement Inc.	611	(a) For the purpose of this Clause, the words 'War Risks' shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.	681
(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter. SEE CLAUSE 48	612	(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous or is likely to be or to become dangerous, after the entry into it, the Owners shall have the right to require the Vessel to leave such area.	682
	613	(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.	683
	614	(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls	684
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Contracts of Carriage	624		694
(a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.	625		695
(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.	626		696
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24. Bank Guarantee	640		710
(Optional, only to apply if Box 22 filled in)	641		711
The Charterers undertake to furnish, before delivery of the	642		712
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PART II
"BARECON 2001" Standard Bareboat Charter

Vessel, a first class bank guarantee or bond in the sum
and at the place as indicated in Box 27 or guarantee for
full performance of their obligations under this
Charter—

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shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due:	720	number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice:	795
(e) The Charterers shall have the liberty:	722	(ii) the Charterers fail to comply with the requirements of:	800
(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever which are given by the government of the nation under whose flag the vessel sails, or any other government, body or group whatsoever acting with the power to compel compliance with their orders or directions:	723	of:	801
(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	732	(1) Clause 6 (Trading Restrictions)	802
(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	733	(2) Clause 13(a) (Insurance and Repairs) provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;	803
(f) in the event of outbreak of war (whether there be a declaration of war or not	745	(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.	810
(i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching and entering it at a near open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.	746	SEE CLAUSE 41 & 42	811
Commission	764	(b) Owners' Default	816
27. The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33 the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.	765	if the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.	817
If the full hire is not paid owing to breach of the Charter by either of the parties, the party liable therefore shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.	770	(c) Loss of Vessel	818
Termination	777	This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred. SEE CLAUSE 40 (d)(e)	819
28. (a) Charterer's Default	778	(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangements or composition with its creditors.	820
The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:	779	(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.	821
(i) the Charterers fail to pay hire in accordance with Clause 11, however, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the	780	Repossession	822
	781	In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall	823
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PART II
"BARECON 2001" Standard Bareboat Charter

hold the Vessel as gratuitous bailee only to the Owners.	859	Contract-	935
The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter.	860	In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-	936
The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.	861	(i) - Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") (calling on the other party to agree to mediation.	937
	862	(ii) - The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (the "Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	938
	863	(iii) - If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	939
	864	(iv) - The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.	940
	865	(v) - Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedures shall continue during the conduct of the mediation by the Tribunal may take the mediation timetable into account when settling the timetable for steps in the arbitration.	941
	866	(vi) - Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	942
	867	(vii) - The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	943
	868	(Note: the parties should be aware that the mediation process may not necessarily interrupt time limits.)	944
	869	(e) - If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.	945
		Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.	946
30. Dispute Resolution	870	31. Notices SEE CLAUSE 50	987
*) (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	871	(a) - Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	988
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	872	(b) - The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.	989
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	873		990
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	874		991
In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	875		992
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*) (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	877		994
In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	878		995
*) (c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	879		996
(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this	880		997
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PART III
 PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
 (Optional, only to apply if expressly agreed and stated in Box 37)

4.	Specifications and Shipbuilding Contract	4	and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.	69
	(a) The Vessel shall be constructed in accordance with the Building Shipbuilding Contract (hereafter called "the Shipbuilding Building Contract") as annexed to this Charter, made between the Builders and the Sellers Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers.	5	(b) If for any reason other than a default by the Sellers Owners under the Shipbuilding Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Sellers, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.	70
	(b) No change shall be made in the Shipbuilding Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid without the Charterers' consent.	6	(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon	71
	(c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.	7	(i) If the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or	72
	(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount (e) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred. Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.	8	(ii) If the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;	73
		9	(iii) In no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders. SEE CLAUSE 33	74
		10	(iv) If this Charter terminates under sub-clause (b) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.	75
		11	(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.	76
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PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to PART I and II as well as PART III, if applicable, it is agreed that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.	1 2 3 4 5 6 7	In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalised together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers. The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc) as well as all plans which may be in Sellers' possession.	28 29 30 31 32 33 34 35 36 37 38
In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.	8 9	The wireless installation and nautical instruments, unless on hire, shall be included in the sale without any extra payment.	39 40 41
The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.	10 11	The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract, and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.	42 43 44 45 46 47 48
The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery, be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expense connected with the purchase and registration under Buyers' flag shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register shall be for Sellers' account.	12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	The Buyers undertake to pay for the repatriation of the Master, officers, and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (PART II) or to pay the equivalent cost of their journey to any other place.	49 50 51 52 53

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(Optional, only to apply if expressly agreed and stated in Box 43)

1.	Definitions	1	3.	Termination of Charter by Default	17
	For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them	2		If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 26, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 46.	18
	"The Bareboat Charter Registry" shall mean the registry of the state whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.	3		In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.	19
	"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.	4			20
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2.	Mortgage - See Clause 44	13			29
	The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (PART II) shall apply.	14			30
		15			31
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Additional Clauses

to

the Bareboat Charter Party dated 21st February, 2022 (this "Charter") by
Kotobuki Kaiun Co., Ltd. / Kotobuki Shipping Corporation, S.A. / Yutoku
Kinkai Kisen Co., Ltd. as owner (the "Owners") and
Kleimar NV / White Narcissus Marine S.A. as charterer (the "Charterers")
in respect of MV "Navios Asteriks" (the "Vessel")

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA.

(b) The Owners warrant that the Vessel, at time of delivery, is free from all charters except for the time charter in place at the time of delivery, encumbrances, mortgages and maritime liens or any other debts whatsoever, other than (i) those incurred prior to the delivery of the Vessel hereunder, (ii) this Charter and (iii) the mortgage over the Vessel, assignment of insurance in respect of the Vessel and the assignment of the charter hires in respect hereof in favour of the Mortgagee.

(c) The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel's condition at the time of delivery, and expressly agree that the Vessel's condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under this Charter strictly "as is/where is", and the Charterers shall waive any and all claims against the Owners under this Charter on account of any conditions, seaworthiness, representations, warranties expressed or implied in respect of the Vessel (including but not limited to any bunkers, oils, spare parts and other items whatsoever) on delivery.

33. ISM CODE

During the currency of this Charter the Charterers shall procure at the costs and expenses and time of the Charterers that the Vessel and the “company” (as defined by the ISM code) shall comply with the requirements of the ISM code. Upon request the Charterers shall provide a copy of relevant documents of compliance (DOC) and safety management certificate (SMC) to the Owners. For the avoidance of any doubt any loss, damage, expense or delay caused by the failure on the part of the “Company” to comply with the ISM code shall be for the Charterers’ account.

34. CHARTER PERIOD

- (a) The Owners shall let to the Charterers and the Charterers shall take the Vessel on charter for the period and upon the terms and conditions contained herein.
- (b) Subject always to the provisions hereto, the period of the chartering of the Vessel hereunder (hereinafter referred to as the “**Charter Period**”) shall comprise (unless terminated at an earlier date in accordance with the terms hereof) a charter period of Five (5) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the “**Delivery Date**”) with up to three (3) months more or one (1) month less in the Charterers’ option, provided always that the chartering of the Vessel hereunder may be terminated by the Owners pursuant to Clause 41 or shall terminate in the event of the Total Loss or Compulsory Acquisition of the Vessel subject to, and in accordance with provisions of Clause 40.

35. CHARTER HIRE

The Charterers shall, throughout the Charter Period, pay charter hire (“**Charter Hire**”) to the Owners monthly in advance at the agreed following rate by telegraphic transfer for each successive period of a month commencing with the Delivery Date and with subsequent installments at monthly intervals after the date of payment of such first installment by and until the redelivery of the Vessel. Time is of the essence for payment of the Charter Hire under this Charter.

1st - 5th Year USD 7,150 / day
No address commission.

36. PAYMENTS

- (a) Notwithstanding anything to the contrary contained in this Charter, all payments by the Charterers hereunder (whether by way of hire or otherwise) shall be made as follows:-
- (i) not later than 11:00 a.m. (New York time) on one Banking Day prior to the date on which the relevant payment is due under the terms of this Charter: and
 - (ii) in United States Dollars to THE JUHACHI-SHINWA BANK, LTD. (or such other bank or banks as may from time to time be notified by the Owners to the Charterers by not less than fourteen (14) days' prior written notice) for the account of the Owners.
- (b) If any day for the making of any payment hereunder shall not be a Banking Day (being, for all purposes of this Charter, a day on which banks are open for transaction of business of the nature required by this Charter in Japan, Piraeus/Greece, London and New York) the due date for payment of the same shall be the immediately preceding Banking Day.
- (c) Subject to the terms of this Charter, the Charterers' obligation to pay hire in accordance with the requirements of Clause 35 and this Clause 36 and to pay certain amount of insurance benefit pursuant to Clause 40 (e) and to pay the Termination Compensation pursuant to Clause 42 shall be absolute irrespective of any contingency whatsoever, including (but not limited to) (i) any failure or delay on the part of any party hereto or thereto, whether with or without fault on its part, other than the Owners, in performing or complying with any of the terms or covenants hereunder, (ii) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against the Owners or the Charterers or any change in the constitution of the Owners or the Charterers or any other person, (iii) any invalidity or unenforceability or lack of due authorization of or other defect in this Charter, or (iv) any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter.
- (d) In the event of failure by the Charterers to pay on the due date for payment thereof under this Charter, or in the case of a sum payable on demand, within Five (5) Banking Days of the date of demand, any hire or other amount payable by them under this Charter, the Charterers shall pay to the Owners on demand interest on such hire or other amount from (and including) the date of such failure to (and including) the date of actual payment (both before and after any relevant judgment or winding up of the

Charterers) at the rate to be the aggregate of (i) two & one-half per centum (2½ %) and (ii) the London Interbank Offered Rate for US Dollar deposits of not more than one month's duration (as selected by the Owners or their funders in the light of the likely duration of the default in question) (as such rate is from time to time quoted by leading banks in the London Interbank Market).

Interest payable by the Charterers as aforesaid shall be compounded at such intervals as the Owners shall determine and shall be payable on demand.

- (e) Any interest payable under this Charter shall accrue from day to day and shall be calculated on the actual number of days elapsed and a three hundred and sixty (360) day year.
- (f) In this Charter, unless the context otherwise requires, "month" means a period beginning in one calendar month (and, in the case of the first month, on the date of delivery hereunder) and ending in the succeeding calendar month on the day numerically corresponding to the day of the calendar month in which such period started provided that if there is no such numerically corresponding day, such period shall end on the last day in the relevant calendar month and "monthly" shall be construed accordingly.

37. FLAG AND CLASS

- (a) The Vessel shall upon the Delivery Date be registered in the name of the Owners under the Panamanian flag.
- (b) The Owners shall have a right either to transfer the flag of Vessel from Panama to any other registry or to require the Charterers to transfer the Vessel's classification society both changes with the prior written consent of the Charterer. The Charterers shall, at any time after the Delivery Date and at the Charterers' expense, have the right to transfer the Vessel's classification society from Llyod Register (LR) to any other classification society at least equivalent to LR.
- (c) ~~Further, in the event that the Charterers need to change the flag of the Vessel, the Charterers can change the flag with the Owner's consent, which should not be unreasonably withheld, provided however that any expenses and time (including but not limited to legal charges for finance documents for the Mortgagee) shall be for the Charterers' account.~~

- (d) Subject to the Charterers' supplying the standard de-registration agreement reasonably satisfactory to the Mortgagee and with the prior written consent of the Owner which shall not be unreasonably withheld, the Charterers are entitled to establish the standard bareboat registration on the Vessel at the costs, expense and time of the Charterers.
- (e) If during the Charter Period there are any modifications, improvements, structural changes or new equipment made to the Vessel which are compulsory for the Vessel to comply with change to rules and regulations and/or new requirements (including but not limited to IMO) to which operation of the Vessel is required to conform, the cost, time and risk relating to such modifications shall be for the account of the Charterers.
- (f) All operational cost including required cost in relation to Vessel's flag (such as tonnage tax, insurance and crew certs etc) would be for Charterers account. However, the Owners' financing cost and cost for registration and discharge of their mortgage and other security documents in respect of the Vessel would be for Owners account, and Owners and Charterers shall equally bear initial registration cost to Vessel's flag under Owners' name. For the bareboat charter and the sale of the vessel, each party should bear its own costs.

38. IMPROVEMENT AND ADDITIONS

The Charterers shall have the right to fit additional equipment and to make severable improvements and additions at their expense and risk. Such additional equipment, improvements and additions shall be removed from the Vessel without causing any material damage to the Vessel (any such damage being made good by the Charterers at their time and expense) provided however that the Charterers shall redeliver the Vessel without removing such additional equipment, improvements and additions if the Owners consent to such non-removal prior 90 days of the expected redelivery date.

The Charterers shall also have the right to make structural or non-severable improvements and additions with Owners' prior consents (which shall not be unreasonably withheld) to the Vessel at their own time, costs and expense and risk provided that such improvements and additions do not diminish the market value of the Vessel and are not likely to diminish the market value of the Vessel during or at the end of the Charter Period and do not in any way affect or prejudice the marketability or the useful life of the Vessel and are not likely to affect or prejudice the marketability or the useful life of the Vessel during or at the end of the Charter Period.

39. UNDERTAKING

The Charterers undertake and agree that throughout the Charter period they shall:-

- (a) use best endeavors to and as soon as practicably possible notify the Owners in writing of any Termination Event (or event of which they are aware which, with the giving of notice and/or lapse of time or other applicable condition, would constitute a Termination Event);
- (b) use best endeavors to and as soon as practicably possible notify the Owners in writing of any accident to the Vessel involving repairs the cost of which will or is likely to exceed US Dollars Five Hundred Thousand (US\$500,000.00-) or the equivalent in any other currency;
- (c) use best endeavors to and as soon as practicably possible notify the Owners in writing of any occurrence in consequence whereof the Vessel has become or is likely to become a Total Loss (as defined in Clause 40 (e) hereof) or the Compulsory Acquisition (as defined in Clause 25 (b) hereof); or
- (d) use best endeavors to and as soon as practicably possible notify the Owners in writing of any capture, seizure, arrest or detention of the Vessel or requisition for use or hire of the Vessel; or
- (e) supply to the Owners copies of the survey reports issued in respect of such periodical or other surveys as may be required for classification purposes upon requests; or
- (f) provide reasonable documents relating to cargo carried on board the Vessel upon requests in connection with sanction diligence only

40. INSURANCE, TOTAL LOSS AND COMPULSORY ACQUISITION

- (a) For the purposes of this Charter, the term "Total Loss" shall include actual or constructive or compromised or agreed or arranged total loss of the Vessel including any such total loss as may arise during a requisition for hire. "Compulsory Acquisition" shall have the meaning assigned thereto in Clause 25(b) hereof.

- (b) The Charterers undertake with the Owners that throughout the Charter Period:-
- (i) they will keep the Vessel insured in underwriter's standard form as the Owners shall in writing approve, which approval shall not be unreasonably withheld, with such insurers (including P&I and war risks associations) as shall be reasonably acceptable to the Owners with deductibles reasonably acceptable to the Owners (it being agreed and understood by the Charterers that there shall be no element of self- insurance or insurance through captive insurance companies without the prior written consent of the Owners);
 - (ii) they will be properly entered in and keep entry of the Vessel with P&I Club that is a member of the International Group of Protection and Indemnity Association for the full commercial value and tonnage of the Vessel and against all prudent P&I Risks in accordance with the rules of such association or club including, in case of oil pollution liability risks equal to the highest level of cover from time to time available under the basic entry with such P&I (but always a minimum of USD1,000,000,000.);
 - (iii) The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-
 - (a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any mortgagee (the "Assignee"):

Until such time as the Assignee shall have notified the insurers to the contrary:

- (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
- (ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
- (iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.

- (b) During any periods when the Vessel is not mortgaged and the after the reassignment of the insurances from the Assignee to the Owners:
 - (i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);
 - (ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and
 - (iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US\$500,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever; and the Owners and Charterers agree to be bound by the above provisions.
- (iv) the Charterers shall procure that duplicates of all cover notes, policies, insurance slips and certificates of entry shall be furnished to the Owners for their custody upon each of the Delivery Date and renewal or change of the relevant insurances of the Vessel or upon reasonable demand by the Owners;
- (v) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall
 - (A) furnish the Owners with a letter or letters of undertaking in relevant underwriter's standard form and in accordance with the underwriters' rules.
 - (B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require: and

- (vi) the Charterers shall procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners as soon as practicably possible prior written notification of any material amendment and seven (7) days with respect to suspension, cancellation or termination of the insurances in accordance with the underwriters' guidance and rules.
- (c) Notwithstanding anything to the contrary contained in Clauses 13 and any other provisions hereof, the Vessel shall be kept insured during the Charter Period in respect of marine and war risks on hull and machinery basis (The Charterers shall have the option, to take out on a full hull and machinery basis increased value or total loss cover in an amount not exceeding thirty per centum (30%) of the total amount insured from time to time) for not less than the amounts specified in column (b) in the table set out below in respect of the one-yearly period during the Charter Period specified in column (a) (on the assumption that the first such period commences on the Delivery Date) against such amount (hereinafter referred to as the "**Minimum Insured Value**"):

(a) Year	(b) Minimum Insured Value
1	US\$13.20 million.-
2	US\$ 11.20 million.-
3	US\$ 9.20 million.-
4	US\$ 7.20 million.-
5	US\$ 5.20 million.-

- (d) (i) If the Vessel shall become a Total Loss or be subject to Compulsory Acquisition the Chartering of the Vessel to the Charterers hereunder shall cease and the Charterers shall:-
- (A) immediately pay to the Owners all hire, and any other amounts, which have fallen due for payment under this Charter and have not been paid as at and up to the date on which the Total Loss or Compulsory Acquisition occurred (the "Date of Loss") together

with interest thereon at a rate reflecting the Owners' reasonable cost of funds at such intervals, which amount to be agreed between the Owners and the Charterers and shall cease to be under any liability to pay any hire, but not any other amounts, thereafter becoming due and payable under this Charter, Provided that all hire and any other amounts prepaid by the Charterers subsequent to the Date of Loss shall be forthwith refunded by the Owners:

- (B) for the purposes of this sub-clause, the expression "relevant Minimum Insured Value" shall mean the Minimum Insured Value applying to the one-year period in which the Date of Loss occurs.
- (ii) For the purpose of ascertaining the Date of Loss:-
- (A) an actual total loss of the Vessel shall be deemed to have occurred at noon (London time) on the actual date the Vessel was lost but in the event of the date of the loss being unknown the actual total loss shall be deemed to have occurred at noon (London time) on the date on which it is acknowledged by the insurers to have occurred:
 - (B) a constructive, compromised, agreed, or arranged total loss of the Vessel shall be deemed to have occurred at noon (London time) on the date that notice claiming such a total loss of the Vessel is given to the insurers, or, if the insurers do not admit such a claim, at the date and time at which a total loss is subsequently admitted by the insurers or adjudged by a competent court of law or arbitration tribunal to have occurred. Either the Owners or, with the prior written consent of the Owners (such consent not to be unreasonably withheld), the Charterers shall be entitled to give notice claiming a constructive total loss but prior to the giving of such notice there shall be consultation between the Charterers and the Owners and the party proposing to give such notice shall be supplied with all such information as such party may request; and

(C) Compulsory Acquisition shall be deemed to have occurred at the time of occurrence of the relevant circumstances described in Clause 25 (b) hereof.

(e) All moneys payable under the insurance effected by the Charterers pursuant to Clauses 13 and 40, or other compensation, in respect of a Total Loss or pursuant to Compulsory Acquisition of the Vessel shall be received in full by the Owners (or the Mortgagees as assignees thereof) and applied by the Owners (or, as the case may be, the Mortgagees):-

FIRST, in payment of all the Owners' costs incidental to the collection thereof,

SECONDLY, in or towards payment to the Owners (to the extent that the Owners have not already received the same in full) of a sum equal to the aggregate of (i) unpaid but due hire and other moneys (if any) under this Charter and unpaid interest thereon up to and including the Date of Loss and (ii) the following termination sum or pro-rata de-escalation which shall be payable as at the Date of Loss, and

(a) Year	(b) Termination Sum
Delivery Date:	USD 13.20 million.-
At end of 1st year:	USD 11.60 million.-
At end of 2nd year:	USD 9.10 million.-
At end of 3rd year:	USD 6.60 million.-
At end of 4th year:	USD 4.10 million.-
At end of 5th year:	USD 1.60 million.-

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

(f) The Charterers and the Mortgagee shall execute the "Assignment of Insurances" of which contents and wording shall be mutually agreed between the Owners and the Charterers.

41. TERMINATION EVENTS

- (a) Each of the following events shall be a "Termination Event" for purposes of this Charter:-
- (i) if any installment of hire or any other sum payable by the Charterers under this Charter (including any sum expressed to be payable by the Charterers on demand) shall not be paid at its due date under this Charter or within ten (10) Banking Days of the date of demand and such failure to pay is not remedied within ten (10) Banking Days of receipt by the Charterers of written notice from the Owners notifying the Charterers of such failure and requesting that payment is made; or
 - (ii) Save in circumstances where requisition for hire or compulsory requisition result in termination of insurances for the Vessel, if either (A) the Charterers shall fail at any time to effect or maintain any insurances required to be effected and maintained under this Charter, or any insurer shall avoid or cancel any such insurances (other than where the Charterer proved that the relevant avoidance or cancellation results from an event or circumstance outside the reasonable control of the Charterers and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within five (5) Banking Days of such avoidance or cancellation) or the Charterers shall commit any breach of or make any misrepresentation in respect of any such insurances the result of which the relevant insurer avoids the policy or otherwise excuses or releases itself from all or any of its liability thereunder, or (B) any of the said insurances shall cease for any reason whatsoever to be in full force and effect (other than where the Charterer proved that the reason in question is outside the reasonable control of the Charterer and the relevant insurances are reinstated or re-constituted in a manner meeting the requirements of this Charter within five (5) Banking Days of such cease); or
 - (iii) if the Charterers shall at any time fail to observe or perform any of their material obligations under this Charter, other than those obligations referred to in sub-clause (i) or sub-clause (ii) of this Clause 41(a), and such failure to observe or perform any such obligation is either not remediable or is remediable but is not remedied within thirty (30) days of receipt by the Charterers of a written notice from the Owners requesting remedial action; or

- (iv) if any material representation or warranty by the Charterers in connection with this Charter or in any document or certificate furnished to the Owners by the Charterers in connection herewith or therewith shall prove to have been untrue, inaccurate or misleading in any material respect when made (and such occurrence continues unremedied for a period of thirty (30) days after receipt by the Charterers of written notice from the Owners requesting remedial action): or
- (v) if a petition shall be presented (and not withdrawn or stayed within sixty (60) days) or an order shall be made or an effective resolution shall be passed for the administration or winding-up of the Charterers (other than for the purpose of a reconstruction or amalgamation during and after which the Charterers remain solvent and the terms of which have been previously approved in writing by the Owners which approval shall not be unreasonably withheld) or if an encumbrancer shall take possession or an administrative or other receiver shall be appointed of the whole or any substantial part of the property, undertaking or assets of the Charterers or if an administrator of the Charterers shall be appointed (and, in any such case, such possession is not given up or such appointment is not withdrawn within sixty (60) days) or if anything analogous to any of the foregoing shall occur under the laws of the place of the Charterers' incorporation, or
- (vi) if the Charterers shall stop payments to all of its creditors or shall cease to carry on or suspend all or a substantial part of their business or shall be unable to pay their debts, or shall admit in writing their inability to pay their debts, as they become due or shall otherwise become or be adjudicated insolvent; or
- (vii) if the Charterers shall apply to any court or other tribunal for, a moratorium or suspension of payments with respect to all or a substantial part of their debts or liabilities, or
- (viii) (A) if the Vessel is arrested or detained (other than for reasons solely attributable to the Owners or to those for whom, for the purposes of this provision, the Owners shall be deemed responsible, including without limitation, any legal person who, at the date hereof or at any time in the future is affiliated with the Owners) and such arrest or detention is not lifted within thirty (30) days (or such longer period as the Owners may reasonably agree in writing in the light of all the circumstances) ; or

- (B) if a distress or execution shall be levied or enforced upon or sued out against all or any substantial part of the property or assets of the Charterers and shall not be discharged or stayed within thirty (30) days; or
 - (ix) if any consent, authorization, license or approval necessary for this Charter to be or remain the valid legally binding obligations of the Charterers, or to the Charterers to perform their obligations hereunder or thereunder, shall be materially adversely modified or is not granted or is revoked, suspended, withdrawn or terminated or expires and is not renewed (provided that the occurrence of such circumstances shall not give rise to a Termination Event if the same are remedied within thirty (30) days of the date of their occurrence); or
 - (x) if (a) any legal proceeding for the purpose of the reconstruction or rehabilitation of the Charterers is commenced and continuing in any jurisdiction and (b) the Owners receive a termination notice from the receiver, trustee or others of the Charterers which informs the termination/rejection of the Charter pursuant to the relevant laws, codes and regulations applicable to such proceeding.
- (b) Any Termination Event shall constitute a repudiatory breach of, or breach of condition by the Charterers under, this Charter or an agreed terminating event the occurrence of which will (in any such case) entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel under this Charter and recover the amounts provided for in Clause 42(c) either as liquidated damages or as an agreed sum payable on the occurrence of such event.

42. OWNERS' RIGHTS ON TERMINATION

- (a) At any time after a Termination Event shall have occurred and be continuing, the Owners may, by notice to the Charterers immediately, or on such date as the Owners shall specify, terminate the chartering by the Charterers of the Vessel under this Charter, whereupon the Vessel shall no longer be in the possession of the Charterers with the consent of the Owners, and the Charterers shall redeliver the Vessel to the Owners. For the avoidance of doubt, in case of the termination of the Charter in accordance with 41 (a) (x) hereof, the Charter shall be deemed to be terminated upon receipt by the Owners of the termination notice set forth in Clause 41 (a) (x) hereof.

- (b) On or at any time after termination of the chartering by the Charterers of the Vessel pursuant to Clause 42(a) hereof the Owners shall be entitled to retake possession of the Vessel in accordance with Clause 29 hereof, the Charterers hereby agreeing that the Owners, for that purpose, may put into force and exercise all their rights and entitlements at law and may enter upon any premises belonging to or in the occupation or under the control of the Charterers where the Vessel may be located.
- (c) If the Owners pursuant to Clause 42(a) hereof give notice to terminate the chartering by the Charterers of the Vessel, the Charterers shall pay to the Owners on the date of termination (the **“Termination Date”**), the aggregate of (A) all hire due and payable, but unpaid, under this Charter to (and including) the Termination Date together with interest accrued thereon pursuant to Clause 36(d) hereof from the due date for payment thereof to the Termination Date, (B) any sums, other than hire, due and payable by the Charterers, but unpaid, under this Charter together with interest accrued thereon pursuant to Clause 36(d) to the Termination Date and (C) any actual direct financial loss suffered by the Owners which direct loss shall be determined as the shortfall, if any, between (a) the current market value of the Vessel, in the event that the Vessel is not sold within 3 months from the Termination Date, (average value as estimated by two independent valuers such as major London brokers i.e. Arrow Valuations Ltd, Barry Rogliano Salles, Braemar ACM Shipbroking, H Clarkson & Co. Ltd., E.A. Gibsons Shipbrokers, Fearnleys, Galbraith, Simpson Spencer & Young, Howe Robinson & Co Ltd London and Maersk Broker K.S. (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Owners and Charterers may agree in writing from time to time) and (b) the Remaining Purchase Option Price (as defined in Clause 49.2 hereof) at any given time always taking into account any charterhire paid during the year to which the specified Remaining Purchase Option Price relates **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Remaining Purchase Option Price, then the Owners shall pay the amount of such excess to the Charterers forthwith. The aggregate of (A), (B) and (C) above shall hereinafter be referred to as the **“Termination Compensation”**). Nevertheless, if the Vessel is sold or transferred within 3 months after the Termination Date, Clause 42 (e) shall apply.
- (d) If the Charter is terminated in accordance with this Clause 42 the Charterers shall immediately redeliver the Vessel at a safe and ice-free port or place as indicated by the Owners. The Vessel shall be redelivered to the Owners in substantially the same condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

- (e) Following the re-delivery of the Vessel by the Charterers after a termination of this Charter on the Termination Date, if the Owners subsequently intend to sell the Vessel, they shall notify the Charterers in writing of the potential sale and the potential sale price of the Vessel (the "Proposed Owners' Sale Price") whereupon the Charterers (or their nominee) may, within 3 days of such notification, elect to purchase the Vessel by paying an amount which is the higher of (I) the Proposed Owners' Sale Price and (II) the aggregate of clause 42 (c) (A) and (B) and the Remaining Purchase Option Price (as defined in Clause 48.2). If the Charterers notify the Owners that they do not intend to purchase the Vessel or the Charterers do not respond to the Owners within such days' period (or such longer period as the Owners may in their absolute discretion determine), the Owners may sell the Vessel on such terms as the Owners may deem fit but for avoidance of any doubt, in the event that the selling price of the Vessel exceeds the aggregate of Clause 42 (c) (A), (B), the remaining Purchase Option Price and all costs and expenses (including but not limited to brokerage fees and attorney's fees) reasonably incurred by the Owners for negotiation, preparation, execution and performance of such sale, then any amount in excess of this should be paid to the Charterers.

43. NAME

The Charterers shall, subject only to prior notification to the relevant authorities of the jurisdiction in which for the time being the Vessel is registered, be entitled from time to time to change the name of the Vessel. During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and installment shall be at Charterers' expense and time. The Charterer shall also have the liberty to change the name of the Vessel during the Charter Period at the expense and time of the Charterers (including the legal charge for finance documents for the Mortgagee, if any).

The Owners shall have no right to change the name of the Vessel during the Charter Period.

44. MORTGAGE and ASSIGNMENT

The Owners confirm that they are familiar with the terms of the assignment of insurances made or to be made by the Charterers in favour of the Mortgagee, and they agree to the terms thereof and will do nothing that conflicts therewith, excepting that the Owners shall be entitled to assign its rights, title and interest in and to this Charter to the Mortgagee or its assignee. Neither party shall assign its right or obligations or part of thereof to any third party without the written consent of the other.

In respect of the Vessel the Owners undertake not to borrow more than the respective purchase option prices as set out at the relevant milestone in Clause 49 hereof.

The Owners have the right to register a first preferred mortgage on the Vessel in favour of the Mortgagee (THE JUHACHI-SHINWA BANK, LTD.) securing a loan under the Loan Agreement under standard mortgages and security documentation. In which case, the Owners undertake to procure from the Mortgagee a Letter/Agreement of Quiet Enjoyment in a form and substance reasonably acceptable to the Charterers.

The Charterers agree to sign an acknowledgement of the Owners' charterhire assignment or any other comparable document reasonably required by the Mortgagee, in favour of the Mortgagee. During the course of the Charter the Owners have the right to register a substitute mortgage in favour of another bank provided such registration is effected in a similar amount to the loan amount outstanding with the Mortgagee at that time and only if such substitute mortgagee executes a Letter/Agreement of Quiet Enjoyment in favour of the Charterers in the same form as that provided by the Mortgagee or the form reasonably acceptable for the Charterers. The Charterers will then agree to sign a charterhire assignment in favour of the substitute mortgage in a form as shall be agreed by the Charterers, which agreement not be unreasonably withheld. Any cost incurred by the Charterers shall be for Owners' account.

Subject to the term and conditions of this Charter, the Charterers also agree that the Owners have the right to assign its rights, title and interest in and to the insurances by way of assignment of insurance in respect of the Vessel to and in favour of the Assignee in a form and substance reasonably acceptable to Charterers and the Assignee.

Owners shall procure that the exercise and/or enforcement of any mortgage and charterhire assignment which might interfere with or prejudice or adversely affect the Charterer's use of the Vessel or other right of the Charterer under this Charter (including the purchase option of the Vessel) shall be subject to the terms and conditions of the Letter/Agreement of Quiet Enjoyment.

In the event that the Owners execute security of any nature (including but not limited to any mortgage, assignment of insurances) over the Vessel then the Owners hereby undertake and agree as a condition of this Charter to procure that the beneficiary of such security executes in favour of the Charterers a letter/agreement of quiet enjoyment in such form and content as is reasonably acceptable to the Charterers, and exercise and/or enforce of the beneficiary's rights thereunder is subject to the agreement of a letter/agreement of Quiet Enjoyment before or after delivery of the Vessel.

45. REDELIVERY INSPECTION

Prior to redelivery under Clause 42 hereof and without interference to the operation of the Vessel, the Owners, at their risk and expense, shall have the right provided that such right is declared at least 10 days prior to the expected redelivery date to carry out an underwater inspection of the Vessel by Class approved diver and in the presence of Class surveyor and Owners' and Charterers' representatives. Should any damages in the Vessel's underwater parts be found that will impose a condition or recommendation of Vessel's class then:

- a) In case Class imposes a condition or recommendation of class that does not require drydocking before next scheduled drydocking. Charterers shall pay to Owners the estimated cost to repair such damage in way which is acceptable to Class, which to be direct cost to repair such damage only, as per average quotation for the repair work obtained from two reputable independent shipyards at or in the vicinity of the redelivery port, one to be obtained by Owners and one by Charterers within 3 banking days from the date of imposition of the condition/recommendation unless the parties agree otherwise.
- b) In case Class require Vessel to be drydocked before the next scheduled drydocking the Charterers shall drydock the Vessel at their expense prior to redelivery of the Vessel to the Owners and repair same to Class satisfaction.

In such event the Vessel shall be redelivered at the port of the dockyard.

46. MORTGAGE NOTICE

The Charterers and place and keep prominently displayed in the chart room, master's cabin, and engine room of the Vessel a framed printed notice in plain type reading as follows:

“NOTICE OF SHIP MORTGAGE”

“This Vessel is covered by a First Preferred Ship Mortgage given to THE JUHACHI-SHINWA BANK, a banking corporation duly organized and existing under the laws of Japan, having its head office at 1-11, Doza-machi, Nagasaki, 8500841, Japan, acting through its Kurume Branch at 2-1, Mutsumon Machi, Kurume City, Fukuoka, 8300031, Japan, its successors and assigns under the authority of the laws of the Republic of Panama. Under the terms of said Mortgage, neither the owner of this Vessel, any charterer, the Master of this Vessel, nor any other person has any right, power or authority to create, incur or permit to be imposed upon the Vessel any liens, maritime or otherwise, other than the lien of said Mortgage and liens for crew's wages or salvage.”;

47. SALE OF VESSEL BY OWNERS

1. The Owners have the right to sell the Vessel to a reputable third party (“**Purchaser**”) at any time during the Charter Period with the prior written consent of the Charterers and provided that (i) the Purchaser agrees to take over the benefit and burden of this Charter, (ii) such ownership change does not result in any reflagging of the Vessel, (iii) such ownership change does not result in the Charterers being obliged to increase any payment under this Charter, (iv) such ownership change does not increase the actual or contingent obligations of the Charterers under this Charter, and (v) the Charterers shall not be liable for the costs and expenses (including legal fees) incurred in the sale of the Vessel by the Owners under this Clause 47.
2. The Owners shall give the Charterers at least one month's prior written notice of any sale.

3. Subject to 47.1, the Charterers and Owners undertake with each other to execute one or more novation agreements (or other documents required under applicable law) to novate the rights and obligations of the Owners under this Charter to the Purchaser such novation agreement(s) or other documents to be in such form and substance acceptable to the Charterers and such novation will be effective upon delivery of the Vessel from the Owners to the Purchaser.”

48. CHARTERERS’ OBLIGATION OR OPTION TO PURCHASE VESSEL

1. Charterers to have purchase option to purchase the Vessel starting at the end of 3rd year anniversary date of the Delivery Date at USD **6,600,000** net (the **“First Purchase Option Price”**) subject to Charterers declaration 3 months before such date.
2. Charterers further have an option to purchase, such purchase being declared at any time during the 3rd year and the 4th year and 5th year of the Delivery Date at the following price or pro-rata de-escalation until the maturity of the Charter Period (the **“Subsequent Purchase Option Price”**), provided that in any event Subsequent Purchase Option Price shall not be less than USD **1,600,000.-** irrespective of the actual purchase date of the Vessel.

At end of 3rd year	:	USD 6,600,000
At end of 4th year	:	USD 4,100,000.-
At end of 5th year	:	USD 1,600,000.-

(The purchase option price of the Vessel to be calculated in accordance with Clause 48.1 and 48.2 hereof, whether the Final Purchase Option Price or the First Option Price or the Subsequent Purchase Option Price, hereinafter called the **“Remaining Purchase Option Price”**).

3. Immediately prior to delivery of the Vessel by the Owners to the Charterers under the PO MOA (as defined in Clause 48.4) the Parties shall execute a Protocol of Redelivery and Acceptance under this Charter (the **“Redelivery Protocol”**) and save in respect of any claims accrued under this Charter prior to the date and time of the Redelivery Protocol, this Charter shall terminate forthwith.

4. Upon the date of any written notification by the Charterers to the Owners of their intention to purchase the Vessel, the Owners and the Charterers shall be deemed to have unconditionally entered into a contract to sell and purchase the Vessel for the Remaining Purchase Option Price on and in strict conformity with the terms and conditions contained in the Memorandum of Agreement attached to this Charter as Exhibit A (the "POMOA").

49. MISCELLANEOUS

- (a) The terms and conditions of this Charter and the respective rights of the Owners and the Charterers shall not be waived or varied otherwise than by an instrument in writing of the same date as or subsequent to this Charter executed by both parties or by their duly authorized representatives.
- (b) Unless otherwise provided in this Charter whether expressly or by implication, time shall be of the essence in relation to the performance by the Charterers of each and every one of their obligations hereunder.
- (c) No failure or delay on the part of the Owners or the Charterers in exercising any power, right or remedy hereunder or in relation to the Vessel shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right or power or the exercise of any other right, power or remedy.
- (d) If any terms or condition of this Charter shall to any extent be illegal invalid or unenforceable the remainder of this Charter shall not be affected thereby and all other terms and condition shall be legal valid and enforceable to the fullest extent permitted by law.
- (e) The respective rights and remedies conferred on the Owners and the Charterers by this Charter are cumulative, may be exercised as often as the Owners or the Charterers (as the case may be) think fit and are in addition to, and are not exclusive of, any rights and remedies provided by law.

50. COMMUNICATIONS

Except as otherwise provided for in this Charter, all notices or other communications under or in respect of this Charter to either party hereto shall be in writing and shall be made or given to such party at the address, facsimile number or e-mail address appearing below (or at such other address, facsimile number or e-mail address as such party may hereafter specify for such purposes to the other by notice in writing):-

(i) in the case of the Owners c/o Kotobuki Kaiun Co., Ltd.

Address : **3-2-4, Shiranuhi-Machi, Omuta-City, Fukuoka, 8360843, Japan**
Telephone : **+81-944-53-8100**
Telefax : **+81-944-56-8668**
E-mail : **vsl@kotobuki-kaiun.co.jp**

(ii) in the case of the Charterers c/o Navios Shipmanagement Inc.

Address : 85 Akti Miaouli Street, 18538, Piraeus, Greece
Telephone : 30-210-4595000
E-mail : ops@navios.com, legal@navios.com
tech@navios.com, legal_corp@navios.com

(iii) in the case of the Brokers c/o ITOCHU Corporation

Address : TOKBR Section, 5-1, Kiya-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077 Japan
Telephone : 81-3-3497-2939
Telefax : 81-3-3497-7111
E-mail : tokbr@itochu.co.jp

A written notice includes a notice by facsimile or e-mail. A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

Subject always to the foregoing sentence, any communication by personal delivery or letter shall be deemed to be received on delivery, any communication by e-mail shall be deemed to be received upon transmission of the automatic answerback of the addresses and any communication by facsimile shall be deemed to be received upon appropriate acknowledgment by the addressee's receiving equipment.

All communications and documents delivered pursuant to or otherwise relating to this Charter shall either be in English or accompanied by a certified English translation.

51. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risks as defined in Clause 26 without consent of the Owners provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

52. INVENTORIES, OIL AND STORES

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery under this Charter and again on redelivery of the Vessel under Clause 42 hereof.

The Owners shall at the time of redelivery under Clause 42 hereof take over and pay for all remaining bunkers, unused lubricating oil (for avoidance of any doubts, the lubricant oil in the machinery is included), unbroached provisions, paints, ropes and other unused consumable stores (excluding spare parts) in the said Vessel at the Charterers' purchased prices with supporting vouchers, provided that this payment shall be off-set against the Owner's claim under Clause 42 to the extent the sum equivalent to such payment. However, the Charterers shall not pay to the Owners at time of delivery for any bunkers, lubricating oil, provisions, paints, ropes and consumable stores which the Charterers have supplied to the Vessel at the Charterers' expense prior to delivery. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.

53. INDEMNITY FOR POLLUTION RISKS

Charterers shall indemnify the Owners against the following Pollution Risks:-

- (a) liability for damages or compensation payable to any person arising from pollution;

- (b) the costs of any measures reasonably taken for the purpose of preventing, minimizing or cleaning up any pollution together with any liability for losses or damages arising from any measures so taken;
- (c) liability which the Owners and/or the Charterers may incur, together with costs and expenses incidental thereto, as the result of escape or discharge or threatened escape discharge of oil or any other substance;
- (d) the costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority for the purpose of preventing or reducing pollution or the risk of pollution; provided always that such costs or liabilities are not recoverable under the Hull and Machinery Insurance Policies on the Vessel;
- (e) liability which the Owners and/or the Charterers may incur to salvors under the exception to the principal of “no cure-no pay” in Article 1 (b) of Lloyds Standard Form of Salvage Agreement (LOF 1990); and
- (f) liability which the Charterers may incur for the payment of fines in respect of pollution in so far as such liability may be covered under the rules of the P&I Club.

54. TRADE AND COMPLIANCE CLAUSE

- (a) The Charterers and the Owners hereby agree that no person/s or entity/ies under this Charter will be individual(s) or entity(ies) designated under any applicable national or international law imposing trade and economic sanctions, including sanction, prohibition or restriction imposed on any specified persons, entities or bodies including the designation of specified vessels or fleet under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Japan or United States of America (collectively, the “Sanctions”).
- (b) Further, the Charterers and the Owners agree that the performance of this Charter will not require any action prohibited by sanctions or restrictions under any applicable Sanctions.
- (c) Further to the above, Charterers shall take reasonable steps to confirm that at the date of this Charter Party and throughout the duration thereof, any sub-charterer of the Vessel (who is directly contracting with the Charterer in respect of the Vessel at any relevant time), the managers of the Vessel and the Vessel are not a sanctioned party/vessel under the Sanctions.

55. ANTI-BRIBERY AND ANTI-CORRUPTION

The Charterers and the Owners hereby agree that in connection with this Contract and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contractors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.

56. NAABSA Clause

The Owners agree to allow the vessels' calls at any safe port/berth in Brazil, Argentina and Uruguay where it is customary for similar size vessels to lie safely aground.

(end)

Subsidiaries Included in the Consolidation:

Company Name	Nature	Ownership Interest	Country of Incorporation	Statements of Operations		
				2021	2020	2019
Navios Maritime Holdings Inc.	Holding Company		Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios South American Logistics Inc.	Sub-Holding Company	63.8%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Containers L.P.	Holding Company	3.7%	Marshall Is.	—	1/1 - 8/29	11/30 - 12/31
Navios Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios International Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navimax Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Handybulk Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Hestia Shipping Ltd.	Operating Company	100%	Malta	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Anemos Maritime Holdings Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Shipmanagement Inc.	Management Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
NAV Holdings Limited	Sub-Holding Company	100%	Malta	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kleimar N.V.	Operating Company/ Vessel Owning Company/ Management Company	100%	Belgium	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kleimar Ltd.	Operating Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
Bulkinvest S.A.	Operating Company	100%	Luxembourg	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Primavera Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ginger Services Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aquis Marine Corp.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Tankers Management Inc.	Management Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
Astra Maritime Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Achilles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Apollon Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Herakles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Hios Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ionian Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Kypros Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Meridian Shipping Enterprises Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mercator Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Arc Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Horizon Shipping Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Magellan Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aegean Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31

Company Name	Nature	Ownership Interest	Country of Incorporation	Statements of Operations		
				2021	2020	2019
Star Maritime Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Corsair Shipping Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rowboat Marine Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rondine Management Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 9/30	3/22 - 12/31	—
Vernazza Shiptrade Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	9/25-12/31	—
Navios Corporation Management Inc.	Operating Company	100%	Marshall Is.	—	7/4 -8/29	—
Beaufiks Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Nostos Shipmanagement Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 6/30	1/1 - 12/31	1/1 - 12/31
Portorosa Marine Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Shikhar Ventures S.A.	Vessel Owning Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Sizzling Ventures Inc.	Operating Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rheia Associates Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Taharqa Spirit Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rumer Holding Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Pharos Navigation S.A.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Pueblo Holdings Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Quena Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Aramis Navigation Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 7/9	1/1 - 12/31	1/1 - 12/31
White Narcissus Marine S.A.	Vessel Owning Company	100%	Panama	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios GP L.L.C.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Red Rose Shipping Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Highbird Management Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Ducale Marine Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Vector Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Faith Marine Ltd.	Vessel Owning Company	100%	Liberia	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance II (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Tulsi Shipmanagement Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Cinthara Shipping Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Rawlin Services Company	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mauve International S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Serenity Shipping Enterprises Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Mandora Shipping Ltd	Vessel Owning Company	100%	Marshall Is.	1/1 - 3/30	1/1 - 12/31	1/1 - 12/31

Company Name	Nature	Ownership Interest	Country of Incorporation	Statements of Operations		
				2021	2020	2019
Solange Shipping Ltd.	Vessel Owning Company	100%	Marshall Is.	1/1 - 3/30	1/1 - 12/31	1/1 - 12/31
Diesis Ship Management Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Holdings Europe Finance Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Navios Asia LLC	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Iris Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Jasmine Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Emery Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/30	1/1 - 12/31
Lavender Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 6/30	1/1 - 12/31	1/1 - 12/31
Esmeralda Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	—	1/1 - 8/30
Triangle Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	—	1/1 - 8/30
Roselite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Smaltite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Motiva Trading Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Alpha Merit Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Thalassa Marine S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/1 - 12/31
Asteroid Shipping S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/12 - 12/31
Cloud Atlas Marine S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	1/15 - 12/31
Heodor Shipping Inc.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	2/13 - 12/31
Navios Maritime Containers GP LLC	Operating Company	100%	Marshall Is.	—	1/1 - 8/29	9/11 - 12/31
Navios Containers Management Inc.	Management Company	100%	Marshall Is.	—	1/1 - 8/29	1/1 - 12/31
Pacifico Navigation Corp.	Vessel Owning Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	11/7 - 12/31
Rider Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	12/4 - 12/31
Talia Shiptrade S.A.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31	10/11-12/31
Moonstone Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	6/30 – 12/31	—	—
Opal Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	6/30 – 12/31	—	—
Grimaud Ventures S.A.	Operating Company	100%	Marshall Is.	7/30 – 12/31	—	—

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Angeliki Frangou, certify that:

1. I have reviewed this annual report on Form 20-F of Navios Maritime Holdings Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 14, 2022

/s/ Angeliki Frangou

Angeliki Frangou
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Georgios Akhniotis, certify that:

1. I have reviewed this annual report on Form 20-F of Navios Maritime Holdings Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 14, 2022

/s/ Georgios Akhniotis

Georgios Akhniotis
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO § 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 20-F of Navios Maritime Holdings Inc. (the “Company”) for the annual period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Angeliki Frangou, the Chief Executive Officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of her knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2022

/s/ Angeliki Frangou

Angeliki Frangou
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO § 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 20-F of Navios Maritime Holdings Inc. (the "Company") for the annual period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Georgios Akhniotis, the Chief Financial Officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of his knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2022

/s/ Georgios Akhniotis

Georgios Akhniotis
Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-147186, 333-202141 and 333-222002) of Navios Maritime Holdings Inc. of our report dated April 13, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece

April 14, 2022

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (a) Registration Statement (Form S-8 No. 333-147186) of Navios Maritime Holdings Inc. ;
- (b) Registration Statement (Form S-8 No. 333-202141) of Navios Maritime Holdings Inc ; and
- (c) Registration Statement (Form S-8 No. 333-222002) of Navios Maritime Holdings Inc.

of our report dated April 12, 2022, with respect to the consolidated financial statements of Navios Maritime Partners L.P., included in Exhibit 15.3 to this Annual Report (Form 20-F) of Navios Maritime Holdings Inc. for the year ended December 31, 2021.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 14, 2022

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Report of Independent Registered Public Accounting Firm

To the Partners and the Board of Directors of Navios Maritime Partners L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Navios Maritime Partners L.P. (the “Company”) as of December 31, 2021, the related consolidated statements of operations, changes in partners’ capital and cash flows for the year then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 12, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of acquired intangible assets and unfavorable lease terms in Business Combinations

Description of the matter

As described in Note 3 to the consolidated financial statements, on March 31, 2021 and on August 25, 2021, the Company completed the acquisitions of Navios Maritime Containers L.P. (“Navios Containers”) and Navios Maritime Acquisition Corporation (“Navios Acquisition”), respectively, which resulted in \$112 million of intangible assets and \$231 million of unfavorable lease terms being recognized. As discussed in Note 2(m) of the consolidated financial statements, when a vessel along with the current charter contract are acquired as part of a business combination, intangible assets and unfavorable lease terms are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows deriving from the acquired charter contracts.

Auditing the valuation of intangible assets and unfavorable lease terms was complex given the judgement and estimation uncertainty involved in determining the discount rates. Significant changes in this assumption could impact the fair value of the intangible assets and unfavorable lease liabilities recognized.

How we addressed the matter in our audit

We obtained an understanding of the Company's valuation process, evaluated the design, and tested the operating effectiveness of the controls over management's development of discount rates in determining the fair value of intangible assets and unfavorable lease terms.

To test the discount rates applied by management, our procedures included, among others, reading the merger agreements and testing the completeness and accuracy of the data used to determine the discount rates. We evaluated the discount rates by considering the financial position of the acquirees, the cost of capital of comparable businesses and other industry factors. We involved internal valuation professionals with specialized skills and knowledge who assisted in evaluating the Company's discount rates by comparing them to discount rates that were independently developed using publicly available data for comparable entities. We also assessed the adequacy of the disclosures about the discount rates in Notes 2(m) and 3.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2021.

Athens, Greece

April 12, 2022

Report of Independent Registered Public Accounting Firm

To the Partners and Board of Directors of Navios Maritime Partners L.P.

Opinion on the Financial Statements

We have audited the consolidated balance sheet of Navios Maritime Partners L.P. and its subsidiaries (the “Company”) as of December 31, 2020, and the related consolidated statements of operations, changes in partners’ capital and cash flows for each of the two years in the period ended December 31, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece
March 31, 2021

We served as the Company’s auditor from 2007 to 2020.

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. Dollars except unit data)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 159,467	\$ 19,303
Restricted cash	4	9,979	11,425
Accounts receivable, net	5	23,774	16,969
Amounts due from related parties	2, 18	—	5,000
Prepaid expenses and other current assets	6	33,120	8,083
Total current assets		226,340	60,780
Vessels, net	7	2,852,570	1,041,138
Deposits for vessels acquisitions	16	46,335	—
Other long-term assets	11, 16	48,168	18,850
Deferred dry dock and special survey costs, net		69,882	37,045
Investment in affiliates	20	—	26,158
Amounts due from related parties	18	35,245	—
Intangible assets	8	100,422	2,000
Notes receivable, net of current portion	19	—	8,013
Operating lease assets	23	244,337	13,285
Total non-current assets		3,396,959	1,146,489
Total assets		\$ 3,623,299	\$ 1,207,269
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable	9	\$ 21,062	\$ 6,299
Accrued expenses	10	12,889	4,781
Deferred revenue	19	23,921	3,185
Operating lease liabilities, current portion	23	18,292	1,173
Amounts due to related parties	18	64,204	35,979
Current portion of financial liabilities, net	11	82,291	6,277
Current portion of long-term debt, net	11	172,846	195,558
Total current liabilities		395,505	253,252
Operating lease liabilities, net	23	225,512	11,980
Unfavorable lease terms	8	122,481	—
Long-term financial liabilities, net	11	465,633	56,481
Long-term debt, net	11	640,939	228,541
Deferred revenue	19	3,504	2,185
Total non-current liabilities		1,458,069	299,187
Total liabilities		\$ 1,853,574	\$ 552,439
Commitments and contingencies	16	—	—
Partners' capital:			
Common Unitholders (30,197,087 and 11,345,187 units issued and outstanding at December 31, 2021 and December 31, 2020, respectively)	13	1,743,717	652,013
General Partner (622,555 and 237,822 units issued and outstanding at December 31, 2021 and December 31, 2020, respectively)	13	26,008	2,817
Total partners' capital		1,769,725	654,830
Total liabilities and partners' capital		\$ 3,623,299	\$ 1,207,269

See notes to the consolidated financial statements

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

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Time charter and voyage revenues	2,14,17,19	\$ 713,175	\$ 226,771	\$ 219,379
Time charter and voyage expenses	2,23	(36,142)	(11,028)	(12,331)
Direct vessel expenses	2,18	(29,259)	(10,337)	(6,985)
Vessel operating expenses (entirely through related parties transactions)	2,18	(191,449)	(93,732)	(68,188)
General and administrative expenses	2,18	(41,461)	(24,012)	(20,984)
Depreciation and amortization of intangible assets	7,8	(112,817)	(56,050)	(53,255)
Amortization of unfavorable lease terms	8	108,538	—	—
Gain on sale of vessels, net	7	33,625	—	—
Vessels impairment loss	7	—	(71,577)	(36,680)
Interest expense and finance cost, net	11	(42,762)	(24,159)	(45,254)
Interest income	18,19,20	859	639	6,172
Impairment of receivable in affiliated company	18	—	(6,900)	—
Other income	22	289	5,055	1,053
Other expense	18,22	(9,738)	(4,344)	(4,990)
Equity in net earnings/ (loss) of affiliated companies	3,20	80,839	1,133	(40,071)
Transaction costs	3	(10,439)	—	—
Bargain gain	3	48,015	—	—
Net income/ (loss)		\$ 511,273	\$ (68,541)	\$ (62,134)
Net loss attributable to the noncontrolling interest		4,913	—	—
Net income/ (loss) attributable to Navios Partners' unitholders		\$ 516,186	\$ (68,541)	\$ (62,134)

Net income/ (loss) attributable to Navios Partners' unitholders

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Common Unitholders	\$ 505,862	\$ (67,173)	\$ (60,899)
General Partner	10,324	(1,368)	(1,235)
Net income/ (loss) attributable to Navios Partners' unitholders	\$ 516,186	\$ (68,541)	\$ (62,134)

Earnings/ (losses) attributable to Navios Partners' unitholders per unit (see Note 21):

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Earnings/ (losses) attributable to Navios Partners' unitholders per unit:			
Earnings/ (losses) attributable to Navios Partners' unitholders per common unit, basic	\$ 22.36	\$ (6.13)	\$ (5.62)
Earnings/ (losses) attributable to Navios Partners' unitholders per common unit, diluted	\$ 22.32	\$ (6.13)	\$ (5.62)

See notes to the consolidated financial statements

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

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
OPERATING ACTIVITIES:				
Net income/ (loss)		\$ 511,273	\$ (68,541)	\$ (62,134)
Adjustments to reconcile net income/ (loss) to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	7,8	112,817	56,050	53,255
Amortization of unfavorable lease terms	8	(108,538)	—	—
Vessels impairment loss	7	—	71,577	36,680
Navios Containers Impairment loss	20	—	—	42,603
Impairment of receivable in affiliated company	18	—	6,900	—
Non cash accrued interest income and amortization of deferred revenue	19	460	(1,588)	(12,638)
Allowance for credit losses	5	—	1,495	—
Non cash accrued interest income from receivable from affiliates	18	—	—	(279)
Amortization of operating lease assets	23	(401)	956	378
Amortization and write-off of deferred finance costs and discount		3,741	2,141	10,916
Amortization of deferred dry dock and special survey costs	2	16,143	10,337	6,916
Gain on sale of vessels, net	7	(33,625)	—	—
Bargain gain	3	(48,015)	—	—
Equity in net earnings of affiliated companies	3,20	(80,839)	(1,133)	(2,532)
Stock-based compensation	13	523	946	2,018
Changes in operating assets and liabilities:				
Decrease/ (increase) in accounts receivable		344	(6,495)	4,649
Decrease/ (increase) in prepaid expenses and other current assets		9,770	3,722	(6,262)
Increase/ (Decrease) in accounts payable	9	1,260	(2,320)	2,505
Decrease in accrued expenses	10	(7,736)	(1,668)	(75)
(Decrease)/ Increase in amounts due to related parties	18	(14,541)	27,505	—
Increase/ (Decrease) in deferred revenue		17,743	(1,310)	213
(Increase)/ Decrease in amounts due from related parties	18	(53,420)	20,581	17,528
Payments for dry dock and special survey costs		(49,786)	(24,021)	(22,928)
Operating lease liabilities short and long-term	23	—	(1,048)	(418)
Net cash provided by operating activities		277,173	94,086	70,395
INVESTING ACTIVITIES:				
Net cash proceeds from sale of vessels	7	121,080	8,183	5,978
Acquisition of/ additions to vessels, net of cash acquired	7	(217,032)	(72,417)	(21,166)
Deposits for acquisition/ option to acquire vessel	16	(61,848)	(10,685)	(2,533)
Cash acquired from business acquisitions	3	42,676	—	—
Repayments of notes receivable	19	8,872	4,687	4,687
Loans receivable from affiliates	18	—	—	(4,000)
Payable to affiliated company	18	—	(13,622)	—
Net cash used in investing activities		(106,252)	(83,854)	(17,034)
FINANCING ACTIVITIES:				
Cash distributions paid	21	(4,615)	(7,872)	(13,550)
Net proceeds from issuance of general partner units	13	9,960	47	8
Net proceeds from issuance of common units	13	198,495	2,231	—
Proceeds from long-term debt and financial liabilities	11	735,276	79,475	386,530
Repayment of long-term debt and financial liabilities	11	(959,154)	(82,672)	(448,215)
Payments of deferred finance costs		(12,165)	(1,115)	(4,688)
Acquisition of treasury stock	13	—	—	(4,499)
Net cash used in financing activities		\$ (32,203)	\$ (9,906)	\$ (84,414)
Increase/ (decrease) in cash, cash equivalents and restricted cash		138,718	326	(31,053)
Cash, cash equivalents and restricted cash, beginning of period		30,728	30,402	61,455
Cash, cash equivalents and restricted cash, end of period		\$ 169,446	\$ 30,728	\$ 30,402

See notes to the consolidated financial statements

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

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Supplemental disclosures of cash flow information			
Cash interest paid	\$ 50,382	\$ 23,717	32,869
Non cash financing activities			
Stock-based compensation	\$ 523	\$ 946	2,018
Debt assumed for the acquisition of four drybulk vessels	—	\$ —	(37,000)
Non cash investing activities			
Accrued interest on loan receivable from affiliates	—	\$ —	281
Loans receivable from affiliates	\$ —	\$ (9,992)	(15,205)
Acquisition of vessels	\$ (5,766)	\$ 37,999	96,461

See notes to the consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. Dollars except unit data)

	Limited Partners				Note Receivable	Non controlling interest	Total Navios Partners' Capital
	General Partner		Common Unitholders				
	Units	Amount	Units	Amount			
Balance, December 31, 2018	230,006	\$ 5,802	11,270,284	\$ 800,374	(29,423)	—	\$ 776,753
Cash distribution paid (\$1.22 per unit — see Note 21)	—	(276)	—	(13,274)	—	—	(13,550)
Acquisition of treasury stock (see Note 13)	—	—	(312,952)	(4,499)	—	—	(4,499)
Issuance of restricted common units (see Note 13)	518	8	29,396	191	—	—	199
Stock based compensation (see Note 13)	—	—	—	1,827	—	—	1,827
Issuance of capital surplus	—	—	1,058	—	—	—	—
Cancellation of units	—	—	(107)	—	—	—	—
Settlement of Note Receivable following Navios Europe I liquidation (see Note 18)	—	—	—	—	29,423	—	29,423
Net loss	—	(1,235)	—	(60,899)	—	—	(62,134)
Balance, December 31, 2019	230,524	\$ 4,299	10,987,679	\$ 723,720	—	—	\$ 728,019
Cash distribution paid (\$0.45 per unit — see Note 21)	—	(161)	—	(7,711)	—	—	(7,872)
Proceeds from public offering and issuance of units, net of offering costs (see Note 13)	7,298	47	357,508	2,231	—	—	2,278
Stock based compensation (see Note 13)	—	—	—	946	—	—	946
Net loss	—	(1,368)	—	(67,173)	—	—	(68,541)
Balance, December 31, 2020	237,822	\$ 2,817	11,345,187	\$ 652,013	—	—	\$ 654,830
Cash distribution paid (\$0.20 per unit — see Note 21)	—	(93)	—	(4,522)	—	—	(4,615)
Proceeds from public offering and issuance of units, net of offering costs (see Note 13)	149,597	4,156	7,330,222	198,495	—	—	202,651
Units issued for the acquisition of Navios Containers, net of expenses (see Note 3)	165,989	3,911	8,133,452	191,624	—	—	195,535
Stock based compensation (see Note 13)	—	—	—	523	—	—	523
Deemed contribution (see Note 3)	—	3,000	—	147,000	—	—	150,000
Fair value of noncontrolling interest (see Note 3)	—	—	—	—	—	57,635	57,635
Net income	—	10,324	—	505,862	—	(4,913)	511,273
Units issued for the acquisition of Navios Acquisition (see Note 3)	69,147	1,893	3,388,226	52,722	—	(52,722)	1,893
Balance, December 31, 2021	622,555	\$ 26,008	30,197,087	\$ 1,743,717	—	—	\$ 1,769,725

See notes to the consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

NOTE 1 – DESCRIPTION OF BUSINESS

Navios Maritime Partners L.P. (“Navios Partners” or the “Company”), is an international owner and operator of dry cargo and tanker vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands. Currently, the Company’s general partner is Olympos Maritime Ltd. (the “General Partner”) and holds a 2.0% ownership interest in Navios Partners (see Note 18 — Transactions with related parties and affiliates).

Navios Partners is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including crude oil, refined petroleum, chemicals, iron ore, coal, grain, fertilizer and also containers, chartering its vessels under short, medium and longer-term charters. The operations of Navios Partners are managed by Navios Shipmanagement Inc., (the “Manager”) and Navios Tankers Management Inc. (“Tankers Manager” and together with the Manager, the “Managers”) which are entities affiliated with the Company’s Chairwoman and Chief Executive Officer (see Note 18 — Transactions with related parties and affiliates).

As of December 31, 2021, there were 30,197,087 outstanding common units and 622,555 general partnership units. As of December 31, 2021, Navios Holdings held a 10.3% ownership interest in Navios Partners and the General Partner owned a 2.0% ownership interest in Navios Partners.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of presentation:** The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Based on internal forecasts and projections that take into account reasonably possible changes in our trading performance, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures, cash from sale of vessels and debt service obligations, for a period of at least twelve months from the date of issuance of these consolidated financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Reverse Stock Split:

On April 25, 2019, the Company’s unitholders approved a 1-for-15 reverse stock split of the Company’s outstanding common and general partner units, which was effected on May 21, 2019. The effect of the reverse stock split was to combine 15 units of outstanding common units into one new unit, with no change in authorized units or par value per unit, and to reduce the number of common units outstanding from approximately 164.7 million units to approximately 11.0 million units. 983 common units were issued in connection with the reverse stock split. All issued and outstanding common units contained in the financial statements, in accordance with Staff Accounting Bulletin Topic 4C, have been retroactively adjusted to reflect the reverse split for all periods presented.

(b) **Principles of consolidation:** The accompanying consolidated financial statements include Navios Partners’ wholly owned subsidiaries incorporated under the laws of Marshall Islands, Malta, Cayman Islands and Liberia from their dates of incorporation or from the date of acquiring control, for chartered-in vessels, from the dates charter-in agreements were in effect. All significant inter-company balances and transactions have been eliminated in Navios Partners’ consolidated financial statements.

NAVIOS MARITIME PARTNERS L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

Navios Partners also consolidates entities that are determined to be variable interest entities (“VIE”) as defined in the accounting guidance, if it determines that it is the primary beneficiary. A VIE is defined as a legal entity where either (i) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity’s residual risks and rewards, (ii) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity’s activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

Subsidiaries: Subsidiaries are those entities in which Navios Partners has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies of the entity

The accompanying consolidated financial statements include the following entities:

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Libra Shipping Enterprises Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Felicity Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Gemini Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Galaxy Shipping Corporation ⁽⁴⁾	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Palermo Shipping S.A	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fantastiks Shipping Corporation ⁽¹²⁾	Navios Fantastiks	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Sagittarius Shipping Corporation ⁽¹²⁾	Navios Sagittarius	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Golem Navigation Limited ⁽¹³⁾	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Perigiali Navigation Limited ⁽¹²⁾	Navios Beaufiks	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Finian Navigation Co. ⁽¹²⁾	Navios Ace	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Ammos Shipping Corp.	Navios Prosperity I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Wave Shipping Corp.	Navios Libertas	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Casual Shipholding Co. ⁽¹²⁾	Navios Sol	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Avery Shipping Company	Navios Symphony	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Coasters Ventures Ltd.	Navios Christine B	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Ianthe Maritime S.A.	Navios Aster	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fairy Shipping Corporation ⁽⁵⁾	Navios Utmost	Marshall Is.	03/31 – 12/31	—	—
Limestone Shipping Corporation ⁽⁵⁾	Navios Unite	Marshall Is.	03/31 – 12/31	—	—
Dune Shipping Corp.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Citrine Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31

NAVIOS MARITIME PARTNERS L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

Cavalli Navigation Inc.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Seymour Trading Limited ⁽²⁾	Navios Altair I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Goldie Services Company	Navios Symmetry	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Andromeda Shiptrade Limited	Navios Apollon I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Esmeralda Shipping Corporation	Navios Sphera	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Triangle Shipping Corporation	Navios Mars	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Oceanus Shipping Corporation ^{(7),(19)}	Castor N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Cronus Shipping Corporation ⁽⁷⁾	Protostar N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Leto Shipping Corporation ^{(7),(17)}	Esperanza N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Dionysus Shipping Corporation ^{(7),(30)}	Harmony N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Prometheus Shipping Corporation ^{(7),(18)}	Solar N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Camelia Shipping Inc. ⁽⁸⁾	Navios Camelia	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Anthos Shipping Inc. ⁽⁸⁾	Navios Anthos	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Azalea Shipping Inc. ^{(8),(1)}	Navios Azalea	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Amaryllis Shipping Inc. ⁽⁸⁾	Navios Amaryllis	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Zaffre Shipping Corporation ⁽¹⁴⁾	Serenitas N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Wenge Shipping Corporation ^{(14),(20)}	Joie N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Sunstone Shipping Corporation ⁽¹⁴⁾	Copernicus N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Fandango Shipping Corporation ⁽¹⁴⁾	Unity N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Flavescent Shipping Corporation ⁽¹⁴⁾	Odysseus N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Emery Shipping Corporation ⁽¹⁵⁾	Navios Gem	Marshall Is.	1/01 – 12/31	9/30 – 12/31	—
Rondine Management Corp. ⁽¹⁵⁾	Navios Victory	Marshall Is.	1/01 – 12/31	9/30 – 12/31	—
Prosperity Shipping Corporation	—	Marshall Is.	1/01 – 12/31	—	—
Aldebaran Shipping Corporation	—	Marshall Is.	1/01 – 12/31	—	—
JTC Shipping and Trading Ltd. ⁽¹¹⁾	Holding Company	Malta	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Maritime Operating LLC.	N/A	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Solange Shipping Ltd. ⁽¹⁶⁾	Navios Avior	Marshall Is.	03/30 – 12/31	—	—
Mandora Shipping Ltd. ⁽¹⁶⁾	Navios Centaurus	Marshall Is.	03/30 – 12/31	—	—
Olympia II Navigation Limited	Navios Domino	Marshall Is.	03/31 – 12/31	—	—
Pingel Navigation Limited	Navios Delight	Marshall Is.	03/31 – 12/31	—	—
Ebba Navigation Limited	Navios Destiny	Marshall Is.	03/31 – 12/31	—	—
Clan Navigation Limited	Navios Devotion	Marshall Is.	03/31 – 12/31	—	—
Sui An Navigation Limited ⁽²³⁾	Navios Dedication	Marshall Is.	03/31 – 12/31	—	—
Beryl Ventures Co.	Navios Azure	Marshall Is.	03/31 – 12/31	—	—
Silvanus Marine Company	Navios Summer	Marshall Is.	03/31 – 12/31	—	—
Anthimar Marine Inc.	Navios Amarillo	Marshall Is.	03/31 – 12/31	—	—
Enplo Shipping Limited	Navios Verde	Marshall Is.	03/31 – 12/31	—	—
Morven Chartering Inc.	Navios Verano	Marshall Is.	03/31 – 12/31	—	—
Rodman Maritime Corp.	Navios Spring	Marshall Is.	03/31 – 12/31	—	—
Isolde Shipping Inc.	Navios Indigo	Marshall Is.	03/31 – 12/31	—	—
Velour Management Corp.	Navios Vermilion	Marshall Is.	03/31 – 12/31	—	—
Evian Shiptrade Ltd.	Navios Amaranth	Marshall Is.	03/31 – 12/31	—	—
Theros Ventures Limited	Navios Lapis	Marshall Is.	03/31 – 12/31	—	—
Legato Shipholding Inc.	Navios Tempo	Marshall Is.	03/31 – 12/31	—	—
Inastros Maritime Corp.	Navios Chrysalis	Marshall Is.	03/31 – 12/31	—	—
Zoner Shiptrade S.A.	Navios Dorado	Marshall Is.	03/31 – 12/31	—	—
Jasmer Shipholding Ltd.	Navios Nerine	Marshall Is.	03/31 – 12/31	—	—
Thetida Marine Co.	Navios Magnolia	Marshall Is.	03/31 – 12/31	—	—
Jaspero Shiptrade S.A.	Navios Jasmine	Marshall Is.	03/31 – 12/31	—	—
Peran Maritime Inc.	Navios Felicitas	Marshall Is.	03/31 – 12/31	—	—
Nefeli Navigation S.A.	Navios Unison	Marshall Is.	03/31 – 12/31	—	—
Crayon Shipping Ltd	Navios Miami	Marshall Is.	03/31 – 12/31	—	—
Chernava Marine Corp.	Bahamas	Marshall Is.	03/31 – 12/31	—	—
Proteus Shiptrade S.A	Bermuda	Marshall Is.	03/31 – 12/31	—	—
Vythos Marine Corp.	Navios Constellation	Marshall Is.	03/31 – 12/31	—	—
Navios Maritime Containers Sub L.P.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Navios Partners Containers Finance Inc.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Boheme Navigation Company	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Navios Partners Containers Inc.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Iliada Shipping S.A.	Operating Company	Marshall Is.	03/31 – 12/31	—	—

NAVIOS MARITIME PARTNERS L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

Vinette Marine Company	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Afros Maritime Inc.	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Cavos Navigation Co.(9)	Navios Libra	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Perivoia Shipmanagement Co.(10)	Navios Amitie	Marshall Is.	1/01 – 12/31	1/01 – 12/31	9/25 – 12/31
Pleione Management Limited(10)	Navios Star	Marshall Is.	1/01 – 12/31	1/01 – 12/31	9/25 – 12/31
Bato Marine Corp.(21)	TBN I	Marshall Is.	03/05 – 12/31	—	—
Agron Navigation Company(21)	TBN II	Marshall Is.	03/05 – 12/31	—	—
Teuta Maritime S.A.(22)	TBN VII	Marshall Is.	03/05 – 12/31	—	—
Ambracia Navigation Company(21)	TBN IV	Marshall Is.	03/05 – 12/31	—	—
Artala Shipping Co.(22)	TBN V	Marshall Is.	03/05 – 12/31	—	—
Migen Shipmanagement Ltd.	Sub-Holding Company	Marshall Is.	03/05 – 12/31	—	—
Bole Shipping Corporation(24)	Spectrum N	Marshall Is.	04/28 – 12/31	—	—
Brandeis Shipping Corporation(24)	Ete N	Marshall Is.	05/10 – 12/31	—	—
Buff Shipping Corporation(24)	Fleur N	Marshall Is.	05/10 – 12/31	—	—
Morganite Shipping Corporation(25)	TBN VI	Marshall Is.	06/01 – 12/31	—	—
Balder Maritime Ltd.(26)	Navios Koyo	Marshall Is.	06/04 – 12/31	—	—
Melpomene Shipping Corporation(27)	TBN VIII	Marshall Is.	06/23 – 12/31	—	—
Urania Shipping Corporation(27)	TBN IX	Marshall Is.	06/23 – 12/31	—	—
Terpsichore Shipping Corporation(28)	TBN X	Marshall Is.	06/23 – 12/31	—	—
Erato Shipping Corporation(28)	TBN XI	Marshall Is.	06/23 – 12/31	—	—
Lavender Shipping Corporation(12) (29)	Navios Ray	Marshall Is.	06/30 – 12/31	—	—
Nostos Shipmanagement Corp.(12) (29)	Navios Bonavis	Marshall Is.	06/30 – 12/31	—	—
Navios Maritime Acquisition Corporation	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Acquisition Europe Finance Inc.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Acquisition Finance (US) Inc.	Co-Issuer of Ship Mortgage Notes	Delaware	08/25 – 12/31	—	—
Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	08/25 – 12/31	—	—
Letil Navigation Ltd.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Partners Finance (US) Inc.	Sub-Holding Company	Delaware	08/25 – 12/31	—	—
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Amorgos Shipping Corporation	Nave Cosmos	Marshall Is.	08/25 – 12/31	—	—
Andros Shipping Corporation	Nave Polaris	Marshall Is.	08/25 – 12/31	—	—
Antikithira Shipping Corporation	Nave Equator	Marshall Is.	08/25 – 12/31	—	—
Antiparos Shipping Corporation	Nave Atria	Marshall Is.	08/25 – 12/31	—	—
Antipaxos Shipping Corporation	Nave Dorado	Marshall Is.	08/25 – 12/31	—	—
Antipsara Shipping Corporation	Nave Velocity	Marshall Is.	08/25 – 12/31	—	—
Crete Shipping Corporation	Nave Cetus	Marshall Is.	08/25 – 12/31	—	—
Delos Shipping Corporation	Nave Photon	Marshall Is.	08/25 – 12/31	—	—
Folegandros Shipping Corporation	Nave Andromeda	Marshall Is.	08/25 – 12/31	—	—
Ikaria Shipping Corporation	Nave Aquila	Marshall Is.	08/25 – 12/31	—	—
Ios Shipping Corporation	Nave Cielo	Cayman Islands	08/25 – 12/31	—	—
Iraklia Shipping Corporation	Bougainville	Marshall Is.	08/25 – 12/31	—	—
Kimolos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kithira Shipping Corporation	Nave Orbit	Marshall Is.	08/25 – 12/31	—	—
Kos Shipping Corporation	Nave Bellatrix	Marshall Is.	08/25 – 12/31	—	—
Lefkada Shipping Corporation	Nave Buena Suerte	Marshall Is.	08/25 – 12/31	—	—
Leros Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Mytilene Shipping Corporation	Nave Orion	Marshall Is.	08/25 – 12/31	—	—
Oinousses Shipping Corporation	Nave Jupiter	Marshall Is.	08/25 – 12/31	—	—
Psara Shipping Corporation	Nave Luminosity	Marshall Is.	08/25 – 12/31	—	—
Rhodes Shipping Corporation	Nave Cassiopeia	Marshall Is.	08/25 – 12/31	—	—
Samos Shipping Corporation	Nave Synergy	Marshall Is.	08/25 – 12/31	—	—
Samothrace Shipping Corporation	Nave Pulsar	Marshall Is.	08/25 – 12/31	—	—
Serifos Shipping Corporation	Nave Estella	Marshall Is.	08/25 – 12/31	—	—
Sifnos Shipping Corporation	Nave Titan	Marshall Is.	08/25 – 12/31	—	—
Skiathos Shipping Corporation	Nave Capella	Marshall Is.	08/25 – 12/31	—	—
Skopelos Shipping Corporation	Nave Ariadne	Cayman Islands	08/25 – 12/31	—	—
Skyros Shipping Corporation	Nave Sextans	Marshall Is.	08/25 – 12/31	—	—
Syros Shipping Corporation	Nave Alderamin	Marshall Is.	08/25 – 12/31	—	—
Thera Shipping Corporation	Nave Atropos	Marshall Is.	08/25 – 12/31	—	—
Tilos Shipping Corporation	Nave Spherical	Marshall Is.	08/25 – 12/31	—	—

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Tinos Shipping Corporation	Nave Rigel	Marshall Is.	08/25 – 12/31	—	—
Zakynthos Shipping Corporation	Nave Quasar	Marshall Is.	08/25 – 12/31	—	—
Cyrus Investments Corp.	Baghdad	Marshall Is.	08/25 – 12/31	—	—
Olivia Enterprises Corp.	Erbil	Marshall Is.	08/25 – 12/31	—	—
Limnos Shipping Corporation	Nave Pyxis	Marshall Is.	08/25 – 12/31	—	—
Thasos Shipping Corporation	Nave Equinox	Marshall Is.	08/25 – 12/31	—	—
Agistri Shipping Limited	Operating Subsidiary	Malta	08/25 – 12/31	—	—
Paxos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Donoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Schinoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Alonnisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Makronisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Shinyo Loyalty Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Navigator Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Shinyo Dream Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Kannika Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Kieran Limited	Nave Universe	British Virgin Islands	08/25 – 12/31	—	—
Shinyo Ocean Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Saowalak Limited	Nave Constellation	British Virgin Islands	08/25 – 12/31	—	—
Sikinos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kerkyra Shipping Corporation	Nave Galactic	Marshall Is.	08/25 – 12/31	—	—
Doxa International Corp.	Nave Electron	Marshall Is.	08/25 – 12/31	—	—
Alkmene Shipping Corporation	Star N	Marshall Is.	08/25 – 12/31	—	—
Aphrodite Shipping Corporation	Aurora N	Marshall Is.	08/25 – 12/31	—	—
Dione Shipping Corporation	Lumen N	Marshall Is.	08/25 – 12/31	—	—
Persephone Shipping Corporation	Hector N	Marshall Is.	08/25 – 12/31	—	—
Rhea Shipping Corporation	Perseus	Marshall Is.	08/25 – 12/31	—	—
Tzia Shipping Corporation (21)	TBN XIV	Marshall Is.	08/25 – 12/31	—	—
Boysenberry Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Cadmium Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Celadon Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Cerulean Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kleio Shipping Corporation (6)	TBN XII	Marshall Is.	08/12 – 12/31	—	—
Polymnia Shipping Corporation (6)	TBN XIII	Marshall Is.	08/12 – 12/31	—	—
Goddess Shiptrade Inc. (21)	TBN III	Marshall Is.	08/02 – 12/31	—	—
Navios Acquisition Merger Sub.Inc.	Merger SPV	Marshall Is.	08/23 – 12/31	—	—
Aramis Navigation Inc.(3)	Navios Azimuth	Marshall Is.	07/09 – 12/31	—	—
Thalia Shipping Corporation (6)	TBN XVII	Marshall Is.	11/17-12/31	—	—
Muses Shipping Corporation (6)	TBN XVIII	Marshall Is.	11/17-12/31	—	—
Euterpe Shipping Corporation (28)	TBN XVI	Marshall Is.	11/17-12/31	—	—
Calliope Shipping Corporation (28)	TBN XV	Marshall Is.	11/17-12/31	—	—

- (1) The vessel was sold on August 13, 2021.
- (2) The vessel was sold on October 29, 2021.
- (3) The vessel was acquired on July 9, 2021, from Navios Holdings (see Note 7—Vessels, net).
- (4) The vessel was sold on April 23, 2019.
- (5) The vessel agreed to be sold in February 2022 (see Note 24 – Subsequent events).
- (6) Expected to be delivered by the second half of 2024.
- (7) The vessels were acquired on December 13, 2019, following the liquidation of Navios Europe I.
- (8) The vessels were acquired on December 16, 2019.
- (9) The vessel was delivered on July 24, 2019 (see Note 23—Leases).
- (10) The vessels were delivered on May 28, 2021 and June 10, 2021 (see Note 23—Leases).
- (11) Not a vessel-owning subsidiary and only holds right to charter-in contracts.
- (12) Vessels under the sale and leaseback transaction.
- (13) The vessel was sold on December 10, 2020 (see Note 7 – Vessels, net).
- (14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II (see Note 7—Vessels, net).
- (15) The vessels were acquired on September 30, 2020, from Navios Holdings (see Note 7—Vessels, net).
- (16) The vessels were acquired on March 30, 2021, from Navios Holdings (see Note 7 – Vessels, net).
- (17) The vessel was sold on January 13, 2021(see Note 7 – Vessels, net).

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- (18) The vessel was sold on January 28, 2021 (see Note 7 – Vessels, net).
- (19) The vessel was sold on February 10, 2021 (see Note 7 – Vessels, net).
- (20) The vessel was sold on March 25, 2021 (see Note 7 – Vessels, net).
- (21) Expected to be delivered by the second half of 2022.
- (22) Expected to be delivered in the first half of 2023.
- (23) The vessel was sold on July 31, 2021.
- (24) The vessels were acquired on May 10, 2021 (see Note 7 – Vessels, net).
- (25) Expected to be delivered in the first half of 2023.
- (26) The vessel was acquired on June 4, 2021, from Navios Holdings (see Note 7—Vessels, net).
- (27) Expected to be delivered by the second half of 2023.
- (28) Expected to be delivered by the first half of 2024.
- (29) The vessel was acquired on June 30, 2021, from Navios Holdings (see Note 7—Vessels, net).
- (30) The vessel was sold on August 16, 2021.

Investments in Affiliates: Affiliates are entities over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but it does not exercise control. Investments in these entities are accounted for under the equity method of accounting. Under this method, the Company records an investment in the stock of an affiliate at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliates, provided that the issuance of such shares qualifies as a sale of such shares. When the Company's share of losses in an affiliate equals or exceeds its interest in the affiliate, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate. For the year ended December 31, 2020, the amount of \$6,900 was recognized as impairment of receivable in affiliated company, related to the other-than-temporary impairment recognized in the Navios Partners' receivable from Navios Europe II (see Note 20 — Investment in affiliates).

Affiliates included in the financial statements accounted for under the equity method: In the consolidated financial statements of Navios Partners, the following entities are included as affiliates and are accounted for under the equity method for such periods: (i) Navios Containers and its subsidiaries (with an ownership interest 35.7% as of December 31, 2020). Following the completion of the NMCI Merger (as defined herein), as of March 31, 2021, Navios Containers was acquired by Navios Partners and ownership was 100%; (ii) Navios Europe I and its subsidiaries with an ownership interest of 5% through the date of its liquidation on December 13, 2019; and (iii) Navios Europe II and its subsidiaries with an ownership interest of 5% through the date of its liquidation on June 29, 2020 (see Note 18 — Transactions with related parties and affiliates, Note 20 – Investment in affiliates and Note 3 – Acquisition of Navios Containers and Navios Acquisition).

(c) Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets and scrap value, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, valuation of intangible assets and liabilities acquired in business combinations, provisions for legal disputes, and contingencies and the valuation estimates inherent in the deconsolidation gain. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

(d) Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

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(e) Restricted Cash: Restricted cash, at each of December 31, 2021 and December 31, 2020, included \$9,979 and \$6,152, respectively, which related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Partners' credit facilities and financial liabilities. Also, as of December 31, 2020, restricted cash included \$5,273 as cash collateral to the NIBC Credit Facility, due to the release of the Navios Soleil.

(f) Accounts Receivable, Net: Accounts receivable includes receivables from charterers for hire, freight and demurrage billings. On January 1, 2020, the Company adopted Accounting Standards Update 2016-13, "Financial Instruments—Credit Losses" ("ASC 326"). At each balance sheet date, the Company maintains an allowance for credit losses for expected uncollectible accounts receivable (see Note 5 – Accounts Receivable, net). Navios Partners has filed claims for lost revenues in connection with the 2016 filing by Hanjin for rehabilitation, which was later followed by entry into liquidation in 2017. In October 2020, the bankruptcy court ruled against one of the two claims filed by the Company. The Company has fully provided for these amounts in its books. The allowance for credit losses was \$2,990 as of December 31, 2021 and 2020, respectively.

(g) Inventories: Inventories, which are comprised of: (i) bunkers (when applicable) on board of the vessels, valued at cost as determined on the first-in, first-out basis; and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, valued at cost as determined on the first-in, first-out basis.

(h) Vessels, Net: Vessels are stated at historical cost, which consists of the contract price and pre-delivery costs incurred during the construction and delivery of newbuildings, including capitalized interest, and any material expenses incurred upon acquisition (improvements and delivery expenses) of second hand vessels. Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. The fair value of the vessels is determined based on vessel valuations, from independent third party shipbrokers. Subsequent expenditures for major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying Consolidated Statements of Operations. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of the Company's drybulk, containerships and tankers based on a scrap value cost of steel times the weight of the ship noted in lightweight ton ("LWT"). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and affect depreciation expense in the period of the revision and future periods. The estimated scrap rate used to calculate the vessel's scrap value is \$340 per LWT as of each of December 31, 2021 and 2020.

Management estimates the useful life of the Company's vessels to be 25 years for drybulk and tanker vessels and 30 years from the containerships, respectively from the original construction. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

(i) Assets Held for Sale: It is the Company's policy to dispose of vessels and other fixed assets when suitable opportunities occur and not necessarily to keep them until the end of their useful life. The Company classifies assets and disposal groups as being held for sale when the following criteria are met: management has committed to a plan to sell the vessel (disposal group); the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of vessels; an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These vessels are not depreciated once they meet the criteria to be held for sale. No assets were classified as held for sale as of December 31, 2021 and 2020.

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(j) Impairment of Long Lived Assets: Vessels, other fixed assets and other long lived assets held and used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Partners' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, ballast water treatment system costs, exhaust gas cleaning system costs and other capitalized items, if any, related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel or the carrying value of deposits for newbuildings. Within the shipping industry, vessels are customarily bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to the current market rates. The loss recognized either on impairment or on disposition will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

The management of the Company has considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook. As of December 31, 2021, the Company concluded that events and circumstances did not trigger the existence of potential impairment of its vessels and the related intangible assets and that step one of the impairment analysis was not required.

As of December 31, 2020, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' long-lived assets might exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Company determined the undiscounted projected net operating cash flows for each vessel and compared it to the vessels' carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs, exhaust gas cleaning system costs and other capitalized items, if any, related to the vessel and the carrying value of the related intangible assets, if applicable. The significant factors and assumptions the Company used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (Navios Partners' remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates for the first year and ten-year average historical one-year time charter rates for the remaining period), over the remaining economic life of each vessel, net of brokerage and address commissions, and excluding days of scheduled off-hires, vessel operating expenses as determined by the Management Agreements (as defined herein) in effect until December 2024 and thereafter assuming an increase of 3.0% every second year and utilization rate of 98.6% based on the fleet's historical performance.

Where the undiscounted projected net operating cash flows do not exceed the carrying value of an asset group, management proceeded to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determined fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations from independent ship brokers performed on an individual vessel basis. The significant factors and assumptions used by management in determining fair value of vessels included those in developing the projected net operating cash flows over the remaining economic life of each vessel and the discount rate.

During the fourth quarter of fiscal year 2020, the Company's assessment concluded that step two of the impairment analysis was required for certain of its vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of \$50,991 for four of its vessels, being the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 7 — Vessels, net).

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As of June 30, 2020, the Company's assessment concluded that step two of the impairment analysis was required for three containerships held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of \$6,800 for these vessels, being the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

As of December 31, 2019, the Company's assessment concluded that step two of the impairment analysis was required for certain of its vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of \$29,335 for one vessel, being the difference between the fair value and the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 7 — Vessels, net).

During the years ended December 31, 2020 and 2019, an impairment loss of \$13,786 and \$7,345, respectively, was also recognized in connection with the committed sales of the Navios Soleil in December 2020, the Esperanza N in January 2021, the Castor N in February 2021 and the Navios Galaxy in April 2019, as the carrying amount of each asset group was not recoverable and exceeded its fair value less costs to sell (see Note 7 — Vessels, net).

The total impairment loss recognized amounted to \$0, \$71,577 and \$36,680 for the years ended December 31, 2021, 2020 and 2019, respectively, and is presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

(k) Deferred Drydock and Special Survey Costs: Navios Partners' vessels are subject to regularly scheduled drydocking and special surveys which are generally carried out every 30 or 60 months, depending on the vessels' ages to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. The cost of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For the years ended December 31, 2021, 2020 and 2019, the amortization expense was \$16,143, \$10,337 and \$6,916, respectively and are presented under the caption "Direct vessel expenses" in the Consolidated Statements of Operations.

(l) Deferred Finance Costs: Deferred finance costs include fees, commissions and legal expenses associated with obtaining or modifying credit facilities and financial liabilities. Deferred finance costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related facility using the effective interest rate method, and are presented under the caption "Interest expense and finance cost, net". Amortization and write-off of deferred finance costs, including amortization of debt discount, for each of the years ended December 31, 2021, 2020 and 2019 were \$3,741, \$2,141 and \$10,916, respectively.

(m) Intangible Assets and Unfavorable Lease Terms: Navios Partners' intangible assets and liabilities consist of favorable lease terms and unfavorable lease terms. When a vessel along with the current charter contract are acquired as part of a business combination, intangible assets and unfavorable lease terms are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires Navios Partners to make significant assumptions and estimates of many variables including market charter rates, contracted charter rates, remaining duration of the charter agreements, the level of utilization of its vessels and its relevant discount rate. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on Navios Partners' financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense is included under the captions "Depreciation and amortization of intangible assets" and "Amortization of unfavorable lease terms", respectively in the Consolidated Statements of Operations.

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The amortizable value of favorable leases would be considered impaired if their carrying values could not be recovered from the future undiscounted cash flows associated with the assets. As of December 31, 2021, the management of the Company has considered various indicators and concluded that events and circumstances did not trigger the existence of potential impairment of its intangible assets and that step one of the impairment analysis was not required as described in paragraph (j) above. As of December 31, 2020 and 2019, the management, after considering various indicators, performed an impairment test which included intangible assets as described in paragraph (j) above. As of December 31, 2021, 2020 and 2019 there was no impairment of intangible assets.

(n) Foreign Currency Translation: Navios Partners' functional and reporting currency is the U.S. Dollar. Navios Partners engages in worldwide commerce with a variety of entities. Although, its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. Additionally, Navios Partners' wholly-owned vessel subsidiaries transacted a nominal amount of their operations in Euros; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the Statements of Operations. The foreign currency gains/ (losses) recognized in the accompanying Consolidated Statements of Operations under the captions "Other income" or "Other expense", for each of the years ended December 31, 2021, 2020 and 2019 were not material for any of these periods.

(o) Provisions: Navios Partners, in the ordinary course of its business, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisors, will provide for a contingent loss in the financial statements if the contingency had been incurred as of the balance sheet date and the likelihood of loss was probable and the amount of the loss can be reasonably estimated. If Navios Partners has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, Navios Partners will accrue the lower amount of the range.

Navios Partners, through the Management Agreements (as defined herein), participates in Protection and Indemnity (P&I) insurance coverage plans provided by mutual insurance societies known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums (supplementary calls) to fund operating deficits incurred by the clubs ("back calls"). Obligations for back calls are accrued annually based on information provided by the P&I clubs.

(p) Segment Reporting: Navios Partners reports financial information and evaluates its operations by charter revenues and not by the length of ship employment for its customers. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or vessel type. Management does not identify expenses, profitability or other financial information by charter type. As a result, management reviews operating results solely by revenue per day and operating results of the fleet and thus Navios Partners has determined that it operates under one reportable segment (see Note 14 — Segment information).

(q) Revenue and Expense Recognition:

Revenue from time chartering

Revenues from time chartering and bareboat chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average lease revenue over the rental periods of such charter agreements, as service is performed. A time charter involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Short period charters for less than three months are referred to as spot-charters. Charters extending three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease components will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel. Revenue from time chartering and bareboat chartering of vessels amounted to \$669,185, \$218,809 and \$204,920 for the years ended December 31, 2021, 2020 and 2019, respectively.

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Revenue from voyage contracts

Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. Upon adoption of ASC 606, the Company recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract. Revenue from voyage contracts amounted to \$25,199, \$3,754 and \$9,416 for the years ended December 31, 2021, 2020 and 2019, respectively.

Pooling arrangements

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel's age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. Revenue from vessels operating in pooling arrangements amounted to \$17,982, \$4,208 and \$5,043 for the years ended December 31, 2021, 2020 and 2019, respectively.

Revenue from profit-sharing

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer's average daily income (calculated on a quarterly or semi annual basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable. Profit sharing revenue for the years ended December 31, 2021, 2020 and 2019 amounted to \$809, nil and nil, respectively.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive) on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Deferred Revenue and Cash Received in Advance: Deferred revenue primarily relates to cash received from charterers prior to it being earned and the compensation received for the future reduction in the daily hire rates payable by Hyundai Merchant Marine Co. ("HMM"). These amounts are recognized as revenue over the voyage or charter period.

Time Charter and Voyage Expenses: Time charter and voyage expenses comprise all expenses related to each particular voyage, including time charter hire paid and voyage freight paid, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter and voyage expenses are provisions for losses on time charters and voyages in progress at year-end, direct port terminal expenses and other miscellaneous expenses. Time charter expenses are expensed over the period of the time charter and voyage expenses are recognized as incurred.

Direct Vessel Expenses: Direct vessel expenses comprise the amortization related to drydocking and special survey costs of certain vessels of Navios Partners' fleet and certain extraordinary fees and costs (pursuant to the terms of the management agreements).

Prepaid Voyage Costs: Prepaid voyage costs relate to cash paid in advance for expenses associated with voyages. These amounts are recognized as expenses over the voyage or charter period.

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Vessel operating expenses: Pursuant to the management agreement (the “Management Agreement”), the Manager, provided commercial and technical management services to Navios Partners’ vessels for a daily fee of: (a) \$4.23 daily rate per Ultra-Handymax vessel; (b) \$4.33 daily rate per Panamax vessel; (c) \$5.25 daily rate per Capesize vessel; (d) \$6.70 daily rate per Containership of TEU 6,800; (e) \$7.40 daily rate per Containership of more than TEU 8,000 and (f) \$8.75 daily rate per very large Containership of more than TEU 13,000 through December 2019. These fixed daily fees cover the vessels’ operating expenses, other than certain extraordinary fees and costs (pursuant to the terms of the management agreements).

In August 2019, Navios Partners extended the duration of its Management Agreement with the Manager until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party. Vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) \$4.35 daily rate per Ultra-Handymax Vessel; (b) \$4.45 daily rate per Panamax Vessel; (c) \$5.41 daily rate per Capesize Vessel; and (d) \$6.90 daily rate per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise. In December 2019, the Management Agreement was further amended to include from January 1, 2020, a \$6.1 daily rate per Sub-Panamax/Panamax Containership.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships and following the liquidation of Navios Europe II, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax vessels. As per the Management Agreement, as amended in December 2019, vessel operating expenses are fixed for two years commencing from January 1, 2020 at \$6.1 daily rate per Sub-Panamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Following the completion of the NMCI Merger, the fleet of Navios Containers is included in Navios Partners’ owned fleet and continued to be operated by the Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the NMCI management agreement (the “NMCI Management Agreement”), vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) \$6.22 daily rate per Containership of TEU 3,000 up to 4,999, respectively; (b) \$7.78 daily rate per Containership of TEU 8,000 up to 9,999, respectively; and (c) \$8.27 daily rate per Containership of TEU 10,000 up to 11,999, respectively. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners’ owned fleet and continued to be operated by Tankers Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the Navios Acquisition management agreement with Tankers Manager (the “NNA Management Agreement” and together with the Management Agreement and the NMCI Management Agreement, the “Management Agreements”), vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) \$6.8 per day per MR2 and MR1 product tanker and chemical tanker vessel; (b) \$7.23 per day per LR1 product tanker vessel; and (c) \$9.7 per day per VLCC. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel, an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

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Following completion of the Mergers, the Managers provide commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) \$4.45 daily per Panamax Vessel; (b) \$4.35 daily per Ultra-Handymax Vessel; (c) \$5.41 daily per Capesize Vessel; (d) \$6.1 daily per owned container vessel of 1,300TEU to 3,400TEU; (e) \$6.22 daily rate per Containership of TEU 3,000 up to 4,999; (f) \$6.9 daily per 6,800 TEU Containership; (g) \$7.78 daily rate per Containership of TEU 8,000 up to 9,999; (h) \$8.27 daily rate per Containership of TEU 10,000 up to 11,999; (i) \$6.83 per day per MR2 and MR1 product tanker and chemical tanker vessel; (j) \$7.23 per day per LR1 product tanker vessel; and (k) \$9.65 per day per VLCC.

The Management Agreements also provide for payment of a termination fee, equal to the fees charged for the full calendar year (for Navios Partners, Navios Containers and Navios Acquisition) preceding the termination date in the event the agreements are terminated on or before December 31, 2024.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under the Company's Management Agreements, amounted to \$11,408 and \$3,366, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the Consolidated Statements of Cash Flows. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to \$5,811 are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to \$2,034 are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Vessel operating expenses for each of the years ended December 31, 2021, 2020 and 2019 amounted to \$191,449, \$93,732 and \$68,188, respectively.

General and administrative expenses: Pursuant to the administrative services agreement (the "Administrative Services Agreement"), the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. Under the Administrative Services Agreement, which provide for allocable general and administrative costs, the Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In August 2019, Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager until January 1, 2025, to be automatically renewed for another five years. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date in the event the Administrative Services Agreement is terminated on or before December 31, 2024.

Total general and administrative expenses charged by the Managers for each of the years ended December 31, 2021, 2020 and 2019 amounted to \$28,805, \$13,708 and \$10,406, respectively.

(r) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, trade receivables and payables, other receivables and other liabilities, long-term debt and financial liabilities. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

Financial Risk Management: Navios Partners' activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, fuel prices, credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

Credit risk: Navios Partners closely monitors its credit exposure to customers and counter-parties for credit risk. Navios Partners has entered into the Management Agreements with the Managers, pursuant to which the Managers agreed to provide commercial and technical management services to Navios Partners. When negotiating on behalf of Navios Partners' various vessel employment contracts, the Managers have policies in place to ensure that they trade with customers and counterparties with an appropriate credit history.

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Financial instruments that potentially subject Navios Partners to concentrations of credit risk are accounts receivable and cash and cash equivalents. Navios Partners does not believe its exposure to credit risk is likely to have a material adverse effect on its financial position, results of operations or cash flows.

For the year ended December 31, 2021, Singapore Marine Pte. Ltd (“Singapore Marine”) represented approximately 14.5% of our total revenues. For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of the Company’s total revenues. For the year ended December 31, 2019 HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of the Company’s total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

Liquidity Risk: Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and financial liabilities and the ability to close out market positions. Navios Partners monitors cash balances appropriately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statements of Operations.

(s) Cash Distribution: As per the partnership agreement, within 45 days following the end of each quarter, to the extent and as may be declared by the Board, an amount equal to 100% of Available Cash (as defined herein) with respect to such quarter shall be distributed to the partners as of the record date selected by the Board of Directors.

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 the 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 U.S. GAAP 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.

Cash distributions are recorded in the Company’s financial statements in the period in which they are declared. Navios Partners paid \$4,615, \$7,872 and \$13,550 to its unitholders of common and general partner units during the years ended December 31, 2021, 2020 and 2019, respectively.

Maintenance and Replacement Capital Expenditures: 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, and expansion capital expenditures are those capital expenditures that increase the operating capacity of or the revenue generated by the capital assets. To the extent, however, that capital expenditures associated with acquiring a new vessel increase the revenues or the operating capacity of the Company’s fleet, those capital expenditures would be classified as expansion capital expenditures. As of December 31, 2021, 2020 and 2019, maintenance and replacement capital expenditures reserve approved by the Board of Directors was \$83,147, \$36,455 and \$29,039, respectively.

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(t) Stock-based compensation: In February 2019, December 2019, December 2018 and December 2017, Navios Partners granted restricted common units to its directors and officers, which are based solely on service conditions and vest over four years each, respectively. Following the NNA Merger, Navios Partners assumed the restricted common units granted in December 2018 and December 2017 to directors and officers of Navios Acquisition, which are based solely on service conditions and vest over four years each, respectively. Upon the NNA Merger, the unvested restricted common units were 11,843 after exchange on a 1 to 0.1275 basis. The fair value of restricted common units is determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. The effect of compensation expense arising from the restricted common units described above amounted to \$523, \$946 and \$2,018 for the years ended December 31, 2021, 2020 and 2019, respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, 347,389 restricted common units were vested, cumulatively.

(u) Income Taxes: The Company is a Marshall Islands Corporation. Pursuant to various treaties and the United States Internal Revenue Code, the Company believes that substantially all its operations are exempt from income taxes in the Marshall Islands and the United States of America. Under the laws of Marshall Islands, Malta, Cayman Islands, Liberia, British Virgin Islands and Hong Kong, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes which have been included in vessel operating expenses in the accompanying Consolidated Statements of Operations.

(v) (Loss)/Earnings Per Unit: Basic (losses)/earnings per unit is computed by dividing net (loss)/income attributable to Navios Partners common unitholders by the weighted average number of common units outstanding during the periods presented. Diluted earnings per unit reflect the potential dilution that would occur if securities or other contracts to issue common units were exercised or converted. Diluted earnings per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units.

(w) Guarantees: An asset for the fair value of a right undertaken in issuing the guarantee is recognized. The recognition of fair value is not required for certain guarantees such as the parent's guarantee of a subsidiary's debt to a third party or guarantees on product warranties. For those guarantees excluded from the above guidance requiring the fair value recognition of the asset, financial statement disclosures of their terms are made.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into an agreement (the "Navios Holdings Guarantee") by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of \$20,000. In October 2020, Navios Holdings paid an amount of \$5,000 to Navios Partners. In April 2021, Navios Holdings paid an amount of \$5,000 to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to \$0 and \$5,000, respectively. The guarantee claim receivable is presented under the caption "Amounts due from related parties" under current assets in the Consolidated Balance Sheets as of December 31, 2020.

(x) Leases: Vessel leases where Navios Partners is regarded as the lessor are classified as either operating leases or sales type/ direct financing leases, based on an assessment of the terms of the lease.

For charters classified as finance leases the minimum lease payments are recorded as the gross investment in the lease. The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease. For charters classified as operating leases where Navios Partners is regarded as the lessor, (see Note 2(q) — Summary of Significant Accounting Policies).

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In cases of lease agreements where the Company acts as the lessee, the Company recognizes a right-of-use asset and a corresponding lease liability on the consolidated balance sheet. After lease commencement, the Company measures the lease liability for an operating lease at the present value of the remaining lease payments using the discount rate determined at lease commencement. The right-of-use asset is subsequently measured at the amount of the remeasured lease liability, adjusted for the remaining balance of any lease incentives received, any cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term and any unamortized initial direct costs. Any changes made to leased assets to customize it for a particular use or need of the lessee are capitalized as leasehold improvements. Amounts attributable to leasehold improvements are presented separately from the related right-of-use asset. In cases of Navios Acquisition's lease agreements at the date of obtaining control, the Company measured the lease liability at the present value of the remaining lease payments as if these lease agreements were a new lease of the Company at the date of obtaining control. For finance leases, interest expense is determined using the effective interest method and amortization on the right-of-use asset is recognized on a straight line basis over the lease term. For charters classified as operating leases, lease expense is recognized on a straight line basis over the rental periods of such charter agreements. The expense is included under the caption "Time charter and voyage expenses" in the Consolidated Statement of Operations.

In cases of sale and leaseback transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and leaseback and is accounted for as a financing transaction. For a sale to have occurred, the control of the asset would need to be transferred to the buyer, and the buyer would need to obtain substantially all the benefits from the use of the asset.

Operating lease assets used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest. If step two of the impairment analysis is required, the analysis includes the use of the discounted cash flow which comprises various assumptions, including the Company's weighted average cost-of capital ("WACC").

As of December 31, 2021, the management of the Company has considered various indicators, and concluded that events and circumstances did not trigger the existence of potential impairment of its operating lease assets and that step one of the impairment analysis was not required.

As of December 31, 2020, the management concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' operating lease assets might exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations. As a result, an impairment assessment of operating lease assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for each chartered-in vessel and compared it to operating lease asset's carrying value together with the carrying value of deposits for the option to acquire a vessel including expenses and interest. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on three-year average historical time charter rates) over the remaining lease term, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat chartered-in vessels), vessel operating expenses in accordance with the terms of Management Agreements (assuming an annual increase of 3.0% every second year for the bareboat chartered-in vessels).

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As of December 31, 2020 and 2019, the Company's impairment assessments indicated that the undiscounted projected net operating cash flows determined for each asset group exceeded their carrying value. The impairment assessments performed as of December 31, 2020 and 2019 did not result in impairment charges.

(y) Financial Instruments and Fair Value: Guidance on Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to guidance on Fair Value Measurements.

(z) Recent Accounting Pronouncements:

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments (“ASU 2021-05”). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of adoption to the consolidated and combined financial statements and related disclosures.

In March 2020, the Financial Accounting Standards Board issued ASU No. 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”).” ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued Accounting Standard Update (“ASU”) 2021-01 (Topic 848), which amends and clarifies the existing accounting standard issued in March 2020 (“ASU”) 2020-04 for Reference Rate Reform. Reference rates such as LIBOR, are widely used in a broad range of financial instruments and other agreements. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities under way in global financial markets (the “discounting transition”). The ASU 2020-04 is effective for adoption at any time between March 12, 2020 and December 31, 2022, for all entities and the ASU 2021-01 is effective for all entities as of January 7, 2021 through December 31, 2022. As of December 31, 2021, the Company has not made any contract modifications to replace the reference rate in any of its agreements and will continue to evaluate the effects of this standard on its consolidated financial position, results of operations, and cash flows.

NOTE 3 – ACQUISITION OF NAVIOS CONTAINERS AND NAVIOS ACQUISITION

ACQUISITION OF NAVIOS CONTAINERS

On March 31, 2021, Navios Partners completed the merger (the “NMCI Merger”) contemplated by the Agreement and Plan of Merger (the “NMCI Merger Agreement”), dated as of December 31, 2020, by and amongst Navios Partners, its direct wholly-owned subsidiary NMM Merger Sub LLC (“Merger Sub”), Navios Maritime Containers L.P. (“Navios Containers”) and Navios Maritime Containers GP LLC, Navios Containers’ general partner. Pursuant to the NMCI Merger Agreement, Merger Sub merged with and into Navios Containers, with Navios Containers continuing as the surviving partnership. As a result of the NMCI Merger, Navios Containers became a wholly-owned subsidiary of Navios Partners. Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. Following the exercise of the optional second merger (“Second Merger”), Navios Containers merged with and into Navios Maritime Containers Sub LP, with Navios Maritime Containers Sub LP continuing as the surviving partnership, and Migen Shipmanagement Ltd, a wholly owned subsidiary of Navios Partners, became Navios Containers’ general partner.

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Navios Partners accounted for the NMCI Merger “as a business combination achieved in stages”, which results in the application of the “acquisition method,” as defined under ASC 805, Business Combinations. Navios Partners’ previously held equity interest in Navios Containers was remeasured to its fair value at March 31, 2021, the date the controlling interest was acquired and the resulting gain was recognized in earnings. Under the acquisition method, the fair value of the consideration paid by Navios Partners in connection with the transaction was allocated to Navios Containers’ net assets based on their estimated fair values at the date of the completion of the NMCI Merger. The excess of the fair value of the identifiable net assets acquired of \$342,674 over the total purchase price consideration of \$298,621, resulted in a bargain purchase gain of \$44,053. The transaction resulted in a bargain purchase gain as a result of the share price of Navios Containers trading at a discount to their net asset value (“NAV”). The fair value of the vessels was determined based on vessel valuations, obtained from independent third party shipbrokers, which are among other things, based on recent sales and purchase transactions of similar vessels. The fair value of the unfavorable lease terms (intangible liabilities) was determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to (ii) the current market charter rates for a similar contract and (iii) discounted using the Company’s relevant discount factor of 8.89%.

As of March 31, 2021, Navios Partners previously held interest of 35.7% in Navios Containers was remeasured to a fair value of \$106,997, determined using the closing price per common unit of \$9.23 of NMCI as of the closing date of the NMCI merger, resulting in revaluation gain of \$75,387 which along with the equity gain of \$5,452 from the operations of Navios Containers upon the closing date aggregate to a gain on acquisition of control in the amount of \$80,839 and is presented in, “Equity in net earnings of affiliated companies”, in the accompanying Consolidated Statement of Operations. The acquisition of the remaining interest of 64.3% through the issuance of newly issued common units in Navios Partners was recorded at a fair value of \$191,624 on the basis of 8,133,452 common units issued at a closing price per common unit of \$23.56 as of the closing date of the NMCI Merger.

Upon completion of the NMCI Merger on March 31, 2021, beginning from April 1, 2021, the results of operations of Navios Containers are included in Navios Partners’ Consolidated Statements of Operations. Total time charter and voyage revenues and net income of Navios Containers for the period from April 1, 2021 to December 31, 2021 included in the Consolidated Statement of Operations amounted to \$168,322 and \$182,479, respectively.

Transaction costs amounted to \$247 and have been expensed in the Consolidated Statement of Operations under the caption “Transaction costs” in the accompanying Consolidated Statements of Operations.

The following table summarizes the consideration exchanged and the fair value of assets acquired and liabilities assumed on March 31, 2021:

Purchase price:	
Fair value of previously held interest (35.7%)	\$ 106,997
Equity issuance (8,133,452 Navios Partners units * \$23.56)	<u>191,624</u>
Total purchase price	298,621
Fair value of assets acquired and liabilities assumed:	
Vessels	770,981
Current assets (including cash of \$10,282)	29,033
Unfavorable lease terms	(224,490)
Long term debt and financial liabilities assumed (including current portion)	(227,434)
Current liabilities	<u>(5,416)</u>
Fair value of net assets acquired	342,674
Bargain gain	<u>\$ 44,053</u>

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The acquired intangible, listed below, as determined at the acquisition date and are amortized under the straight line method over the period indicated below:

	Within One Year	Year Two	Year Three	Year Four	Year Five	Year Six	Total
Time charters with unfavorable lease terms	\$(126,710)	(52,501)	(20,431)	(12,462)	(11,445)	(941)	\$(224,490)

Intangible liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero.

The following is a summary of the acquired identifiable intangible liability:

Description	Amount
Unfavorable lease terms	\$(224,490)

ACQUISITION OF NAVIOS ACQUISITION

On August 25, 2021 (date of obtaining control), Navios Partners purchased 44,117,647 newly issued shares of Navios Acquisition, thereby acquiring a controlling interest of 62.4% in Navios Acquisition, and the results of operations of Navios Acquisition are included in Navios Partners' consolidated statements of operations commencing on August 26, 2021.

On October 15, 2021, Navios Partners completed the merger with Navios Acquisition (the "NNA Merger" and together with the NMCI Merger, the "Mergers") and as a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Each outstanding share of common stock of Navios Acquisition that was held by a stockholder other than Navios Partners was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public stockholders of Navios Acquisition.

Navios Partners accounted for the control obtained "as a business combination", which resulted in the application of the "acquisition method," as defined under ASC 805, Business Combinations, as well as the recognition of the equity interest in Navios Acquisition not held by Navios Partners to its fair value at the date the controlling interest is acquired by Navios Partners as noncontrolling interest on the consolidated balance sheet. The excess of the fair value of Navios Acquisition's identifiable net assets acquired of \$211,597 over the fair value of the consideration transferred of \$150,000 and the fair value of the noncontrolling interest of \$57,635, resulted in a bargain gain upon obtaining control of \$3,962.

The fair value of the consideration of \$150,000 has been treated as deemed contribution with an equal increase in total partner's capital. The fair value of the noncontrolling interest was determined by using the Navios Acquisition's closing price of \$2.17 as of August 25, 2021 (date of obtaining control). The fair value of the vessels was determined based on vessel valuations, obtained from independent third party shipbrokers, which are among other things, based on recent sales and purchase transactions of similar vessels. The fair value of the favorable and unfavorable lease terms (intangible assets and liabilities) were determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to (ii) the current market charter rates for a similar contract and (iii) discounted using the Company's relevant discount factor of 10.43%.

Total time charter and voyage revenues and net loss of Navios Acquisition for the period from August 26, 2021 to December 31, 2021 included in the Consolidated Statement of Operations amounted to \$82,477 and \$17,946, respectively.

Transaction costs amounted to \$10,192 presented under the caption "Transaction costs" in the accompanying Consolidated Statements of Operations.

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The following table summarizes the fair value of the consideration transferred the fair value of assets acquired and liabilities assumed and the fair value of the noncontrolling interest in Navios Acquisition assumed on August 25, 2021:

Purchase consideration:	
Fair value of the consideration	\$ 150,000
Fair value of noncontrolling interest (37.6%)	57,635
Total purchase consideration	<u>207,635</u>
Fair value of Navios Acquisition's assets acquired and liabilities assumed:	
Vessels	1,003,040
Other long-term assets	27,291
Operating lease assets	128,619
Current assets (including cash and restricted cash of \$32,394)	64,180
Favorable lease terms	112,139
Unfavorable lease terms	(6,529)
Long term debt and financial liabilities assumed (including current portion)	(811,608)
Operating lease liabilities (including current portion)	(128,619)
Current liabilities	(176,916)
Fair value of Navios Acquisition's net assets	<u>211,597</u>
Bargain gain upon obtaining control	<u>\$ 3,962</u>

The intangible assets and liabilities, listed below, as determined at the date of obtaining control and are amortized under the straight line method over the period indicated below:

	Within One Year	Year Two	Year Three	Year Four	Year Five	Year Six and thereafter	Total
Time charters with favorable lease terms	\$24,398	18,232	18,156	17,702	11,182	22,469	\$112,139
Time charters with unfavorable lease terms	\$ (4,672)	(1,857)	—	—	—	—	\$ (6,529)

Intangible assets and liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero.

The following is a summary of the identifiable intangible asset and liability at the date of obtaining control:

Description	<u>Amount</u>
Favorable lease terms	\$112,139
Unfavorable lease terms	\$ (6,529)

If the acquisitions of Navios Containers and Navios Acquisition had been consummated as of January 1, 2020, Navios Partners' pro-forma revenues and net income for the year ended December 31, 2021 would have been \$924,978 and \$377,071, respectively, and for the year ended December 31, 2020 would have been \$715,397 and \$97,047, respectively. These pro-forma results do not include non-recurring items directly related to the business combinations as follows: (a) the gain on remeasurement of the previously held interest on Navios Containers and the equity gain from the operations of Navios Containers upon the closing date in the amount of \$80,839; (b) the total bargain gain in the amount of \$48,015; and (c) the transaction costs related to the Mergers in the amount of \$11,169. The pro forma results are for comparative purposes only and do not purport to be indicative of the results that would have actually been obtained if the acquisition of Navios Containers and the consolidation of Navios Acquisition had occurred at the beginning of the period presented. In addition, these results are not intended to be a projection of future results and do not reflect any synergies that might be achieved from the combined operations.

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NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 159,467	\$ 19,303
Restricted cash	9,979	11,425
Total cash and cash equivalents and restricted cash	\$ 169,446	\$ 30,728

As of December 31, 2021 and December 31, 2020, restricted cash amounted to \$9,979 and \$11,425, respectively and relates to amounts held in retention accounts in order to service debt and interest payments, as required by certain of the Company's credit facilities and financial liabilities.

Cash deposits and cash equivalents in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and equivalents in excess of government-provided insurance limits. Navios Partners also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

NOTE 5 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2021	December 31, 2020
Accounts receivable	\$ 26,764	\$ 19,959
Less: Provision for credit losses	(2,990)	(2,990)
Accounts receivable, net	\$ 23,774	\$ 16,969

Charges to provisions for credit losses are summarized as follows:

	Balance at beginning of period	Charges to costs and expenses	Amount utilized	Balance at end of period
Allowance for credit losses				
Year ended December 31, 2021	\$ (2,990)	\$ —	\$ —	\$ (2,990)
Year ended December 31, 2020	\$ (1,495)	\$ (1,495)	\$ —	\$ (2,990)
Year ended December 31, 2019	\$ (1,495)	\$ —	\$ —	\$ (1,495)

Concentration of credit risk with respect to accounts receivable is limited due to the Company's large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. For the year ended December 31, 2021, one customer accounted for 14.5% of the Company's total revenues. For the year ended December 31, 2020, three customers accounted for 23.4%, 19.5% and 11.4%, respectively, of the Company's total revenues and for the year ended December 31, 2019, three customers accounted for 25.9%, 12.3% and 10.9%, respectively, of the Company's total revenues.

NOTE 6 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31, 2021	December 31, 2020
Prepaid voyage costs	\$ 2,829	\$ 284
Inventories	21,072	6,267
Claims receivable	5,568	633
Other	3,651	899
Total prepaid expenses and other current assets	\$ 33,120	\$ 8,083

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Inventories are comprised of bunkers, lubricants and stores remaining on board as of December 31, 2021.

Claims receivable mainly represent claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts.

NOTE 7 – VESSELS, NET

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2018	\$1,360,231	\$ (316,981)	\$1,043,250
Additions/ (Depreciation)	113,391	(52,088)	61,303
Disposals	(5,696)	81	(5,615)
Vessels impairment loss	(97,170)	60,490	(36,680)
Balance December 31, 2019	\$1,370,756	\$ (308,498)	\$1,062,258
Additions/ (Depreciation)	110,416	(54,884)	55,532
Disposals	(5,233)	158	(5,075)
Vessels impairment loss	(161,199)	89,622	(71,577)
Balance December 31, 2020	\$1,314,740	\$ (273,602)	\$1,041,138
Additions/ (Depreciation)	1,996,820	(98,739)	1,898,081
Disposals	(90,933)	4,284	(86,649)
Balance December 31, 2021	\$3,220,627	\$ (368,057)	\$2,852,570

During the years ended December 31, 2021 and 2020, the Company capitalized certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, amounted to \$11,408 and \$3,366, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the Consolidated Statements of Cash Flows (see Note 18 — Transactions with related parties and affiliates).

Acquisition of Vessels

2021

Upon acquisition of the majority of outstanding stock of Navios Acquisition and the completion of the NMCI Merger, the fleets of Navios Acquisition and Navios Containers were included in Navios Partners' owned fleet (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

On July 9, 2021, Navios Partners acquired the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$30,003 (including \$3 capitalized expenses) (see Note 18 – Transactions with related parties and affiliates).

On June 30, 2021, Navios Partners acquired the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt and the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt, from its affiliate, Navios Holdings, for an aggregate purchase price of \$58,000 (see Note 18 — Transactions with related parties and affiliates).

On June 4, 2021, Navios Partners acquired the Navios Koyo, a 2011-built Capesize vessel of 181,415 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$28,567 (including \$67 capitalized expenses) (see Note 18 — Transactions with related parties and affiliates).

On May 10, 2021, Navios Partners acquired the Ete N, a 2012-built Containership of 2,782 TEU, the Fleur N, a 2012-built Containership of 2,782 TEU and the Spectrum N, a 2009-built Containership of 2,546 TEU from Navios Acquisition, for an aggregate purchase price of \$55,500 (see Note 18 — Transactions with related parties and affiliates).

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$39,320 (including \$70 capitalized expenses), including working capital balances of \$(5,766) (see Note 18 — Transactions with related parties and affiliates).

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The acquisition of the individual vessels from Navios Holdings (except for the Navios Koyo) and Navios Acquisition was effected through the acquisition of all of the capital stock of the respective vessel-owning companies, which held the ownership and other contractual rights and obligations related to each of the acquired vessels. Management accounted for each acquisition as an asset acquisition under ASC 805.

2020

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of \$51,000 (see Note 18 — Transactions with related parties and affiliates).

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of \$56,050 in total, following the liquidation of Navios Europe II (see Note 18 — Transactions with related parties and affiliates).

2019

On December 16, 2019, Navios Partners acquired four drybulk vessels, from an entity affiliated with the Company's Chairwoman and CEO, for a fair value of \$40,379, in total, through bank financing of \$37,000 (see Note 18 — Transactions with related parties and affiliates).

On December 13, 2019, Navios Partners acquired three Sub-Panamax and two Panamax Containerships for a fair value of \$56,083, in total, following the liquidation of Navios Europe I (see Note 18 — Transactions with related parties and affiliates).

Sale of Vessels

2021

On October 29, 2021, Navios Partners sold the Navios Altair I, a 2006-built Panamax vessel of 74,475 dwt, to an unrelated third party for a net sales price of \$13,465. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of \$29, amounted to \$10,189 as at the date of the sale.

On August 16, 2021, Navios Partners sold the Harmony N, a 2006-built Containership of 2,824 TEU, to an unrelated third party for a net sales price of \$28,420.

On August 13, 2021, Navios Partners sold the Navios Azalea, a 2005-built Panamax vessel of 74,759 dwt, to an unrelated third party for a net sales price of \$12,610. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of \$777, amounted to \$10,137 as at the date of the sale.

On July 31, 2021, Navios Partners sold the Navios Dedication, a 2008-built Containership of 4,250 TEU to an unrelated third party for a net sales price of \$33,893.

On March 25, 2021, the Company sold the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sales price of \$8,190.

On February 10, 2021, the Company sold the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sales price of \$8,869.

On January 28, 2021, the Company sold the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sales price of \$11,074.

On January 13, 2021, the Company sold the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sales price of \$4,559.

Following the sale of the vessels during the year ended December 31, 2021, the aggregate net amount of \$33,625, was presented under the caption "Gain on sale of vessels, net" in the Consolidated Statements of Operations.

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2020

On December 10, 2020, Navios Partners sold the Navios Soleil to an unrelated third party for a net sales price of \$8,183. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry dock and special survey cost of \$3,108, amounted to \$18,163 as at the date of sale. Following the impairment loss of \$9,980, recognized as of December 31, 2020, no loss on sale occurred upon the sale of the vessel.

2019

On April 23, 2019, Navios Partners sold the Navios Galaxy I to an unrelated third party, for a net sales price of \$5,978. Following the impairment loss of \$7,345 recognized as of March 31, 2019, no loss on sale occurred upon the sale of the vessel.

Vessels impairment loss

2021

As of December 31, 2021, events and circumstances did not trigger the existence of potential impairment of the vessels, mainly due to the market improvement. As a result, there was no impairment charge for the year ended December 31, 2021.

2020

In November 2020, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Castor N for a net sales price of \$8,869. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of December 31, 2020. As of December 31, 2020, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of \$2,026 has been recognized under the caption "Vessels impairment loss" in the Consolidated Statements of Operations as of December 31, 2020.

In October 2020, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Esperanza N for a net sales price of \$4,559. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of December 31, 2020. As of September 30, 2020, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of \$1,780 has been recognized under the caption "Vessels impairment loss" in the Consolidated Statements of Operations as of December 31, 2020. The vessel was sold on January 13, 2021.

2019

On March 21, 2019, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Navios Galaxy I for a net sales price of \$5,978. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of March 31, 2019. As of March 31, 2019, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of \$7,345 has been recognized under the caption "Vessels impairment loss" in the Consolidated Statements of Operations as of December 31, 2019. The vessel was sold on April 23, 2019.

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NOTE 8 – INTANGIBLE ASSETS AND LIABILITIES

Intangible assets as of December 31, 2021 and December 31, 2020 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Favorable lease terms December 31, 2018	\$ 83,716	\$ (79,384)	\$ 4,332
Additions/ (Amortization)	—	(1,166)	(1,166)
Favorable lease terms December 31, 2019	\$ 83,716	\$ (80,550)	\$ 3,166
Additions/ (Amortization)	—	(1,166)	(1,166)
Favorable lease terms December 31, 2020	\$ 83,716	\$ (81,716)	\$ 2,000
Additions/ (Amortization)	112,138	(13,716)	98,422
Favorable lease terms December 31, 2021	\$195,854	\$ (95,432)	\$100,422

Amortization expense of favorable lease terms for each of the years ended December 31, 2021, 2020 and 2019 is presented in the following table:

	Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Favorable lease terms	\$ (13,716)	\$ (1,166)	\$ (1,166)
Total	\$ (13,716)	\$ (1,166)	\$ (1,166)

The aggregate amortization of the intangibles for the years ending December 31, is estimated to be as follows:

Year	Amount
2022	\$ 21,836
2023	18,156
2024	18,120
2025	14,251
2026 and thereafter	28,059
Total	\$100,422

Intangible assets subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. The weighted average useful lives are 6.1 years for the remaining favorable lease terms, at inception.

Intangible liabilities as of December 31, 2021 and December 31, 2020 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Unfavorable lease terms December 31, 2020	\$ —	\$ —	\$ —
Additions/ (Amortization)	231,019	(108,538)	122,481
Unfavorable lease terms December 31, 2021	\$231,019	\$ (108,538)	\$122,481

Amortization income of unfavorable lease terms for each of the years ended December 31, 2021, 2020 and 2019 is presented in the following table:

	Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Unfavorable lease terms	\$ 108,538	\$ —	\$ —
Total	\$ 108,538	\$ —	\$ —

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The aggregate amortization of the intangible liabilities for the 12-month periods ending December 31 is estimated to be as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 68,142
2023	25,889
2024	13,184
2025	11,680
2026 and thereafter	3,586
Total	<u>\$122,481</u>

Intangible liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. The weighted average useful lives are 2.7 years for the remaining unfavorable lease terms.

NOTE 9 – ACCOUNTS PAYABLE

Accounts payable as of December 31, 2021 and 2020 consisted of the following:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Creditors	\$ 10,614	\$ 2,684
Brokers	6,828	2,786
Professional and legal fees	3,620	829
Total accounts payable	<u>\$ 21,062</u>	<u>\$ 6,299</u>

NOTE 10 – ACCRUED EXPENSES

Accrued expenses as of December 31, 2021 and 2020 consisted of the following:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accrued voyage expenses	\$ 5,666	\$ 1,436
Accrued loan interest	3,329	1,738
Accrued legal and professional fees	3,894	1,607
Total accrued expenses	<u>\$ 12,889</u>	<u>\$ 4,781</u>

As of December 31, 2021 and December 31, 2020, the amount of \$320 and \$630, respectively, was included in accrued legal and professional fees that was authorized and approved by the Compensation Committee of Navios Partners in December 2021 and 2020 to the directors and officers of the Company, subject to fulfillment of certain service conditions that were provided and completed as of December 31, 2021, and as of December 31, 2020, respectively. The total amount of \$5,738, \$4,970 and \$4,645 was recorded in general and administrative expenses in the statements of operations for the years ended December 31, 2021, 2020 and 2019, respectively, and comprised of compensation authorized to the directors and officers of the Company.

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NOTE 11 – BORROWINGS

Borrowings as of December 31, 2021 and December 31, 2020 consisted of the following:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Credit facilities	\$ 825,267	\$ 427,287
Financial liabilities	549,178	63,882
Total borrowings	\$ 1,374,445	\$ 491,169
Less: Current portion of long-term borrowings, net	(255,137)	(201,835)
Less: Deferred finance costs, net	(12,736)	(4,312)
Long-term borrowings, net	\$ 1,106,572	\$ 285,022

As of December 31, 2021, the total borrowings, net of deferred finance costs under the Navios Partners' credit facilities were \$1,361,709.

Term Loan B Facility: On March 14, 2017, Navios Partners completed the issuance of a \$405,000 Term Loan B Facility. The Term Loan B Facility bore an interest rate of LIBOR plus 500 bps, it was set to mature on September 14, 2020 and was repayable in equal quarterly installments of 1.25% of the initial principal amount. Navios Partners used the net proceeds of the Term Loan B Facility to: (i) refinance a Term Loan B Facility existing at the time; and (ii) pay fees and expenses related to the Term Loan B. On August 10, 2017, Navios Partners completed the issuance of a \$53,000 add-on to the Term Loan B Facility. The add-on to the Term Loan B Facility bore the same terms as the Term Loan B Facility. Navios Partners used the net proceeds to partially finance the acquisition of three vessels.

During the year ended December 31, 2018, four drybulk vessels were released from security of the Term Loan B Facility and in exchange, five drybulk vessels and \$2,000 in cash substituted the released vessels, as collateral to the Term Loan B Facility. In April and May 2019, Navios Partners prepaid \$73,478 and released five vessels from the collateral package of the Term Loan B Facility. In August 2019, Navios Partners prepaid \$85,500 and released five vessels from the collateral package of the Term Loan B Facility. On October 10, 2019, Navios Partners fully prepaid the Term Loan B Credit Facility's outstanding balance of \$253.8 million initially repayable on September 14, 2020. Following the prepayments, an amount of \$1,973 and \$4,101 was written off from the deferred fees and discount, respectively, and presented under the caption "Interest expense and finance costs" in the Consolidated Statement of Operations.

BNP PARIBAS Credit Facilities: On June 26, 2017, Navios Partners entered into a credit facility with BNP PARIBAS of up to \$32,000 (divided into two tranches) in order to partially finance the acquisition of the Navios Ace and the Navios Sol. On June 28, 2017, the first tranche of credit facility of \$17,000 was drawn. On July 18, 2017, the second tranche of credit facility of \$15,000 was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the first tranche in the amount of \$15,070. Following this repayment, an amount of \$117 was written-off from the deferred finance fees. On April 9, 2019, Navios Partners amended the existing credit facility, in order to refinance two vessels and replace the existing collateral under the credit facility. The facility matured in the third quarter of 2021 and bore interest at LIBOR plus 300 bps per annum. In May 2021, the outstanding balance of the loan amounting to \$7,377 was prepaid and refinanced.

On April 28, 2021, Navios Partners entered into new credit facility with BNP PARIBAS for a total amount of \$40,000 to refinance the existing credit facility dated June 26, 2017, as amended on April 9, 2019 and to finance the acquisition of two 2012 built 2,782 TEU containerships. On May 10, 2021, the full amount of the credit facility was drawn. As of December 31, 2021, the remaining outstanding balance was \$37,143 and is repayable in 14 equal consecutive quarterly installments of \$1,429 each, with a final balloon payment of \$17,140 to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

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DVB Credit Facilities: On July 31, 2018, Navios Partners entered into a credit facility with DVB Bank S.E. of up to \$44,000 (divided into two tranches) in order to finance the acquisition of the Navios Sphera and the Navios Mars. The amounts of \$17,500 and \$26,500 were drawn on August 30, 2018. Pursuant to the supplemental letter dated March 30, 2021, the repayment was amended. As of December 31, 2021, the remaining outstanding balance of the DVB credit facility was \$33,633 and is repayable in four consecutive quarterly installments of \$798 each, with a final balloon payment of \$30,443 to be repaid on the last repayment date. The facility matures in the fourth quarter 2022 and bears interest at LIBOR plus 290 bps per annum.

On February 12, 2019, Navios Partners entered into a credit facility with DVB Bank S.E. of up to \$66,000 (divided into four tranches) in order to refinance the DVB credit facility dated June 28, 2017 and three capesize vessels previously included in the Term Loan B collateral package. On April 15, 2019, Navios Partners drew the two tranches of \$15,675 each. On October 10, 2019, Navios Partners drew the two additional tranches of \$14,820 each. Pursuant to the supplemental letter dated March 30, 2021, as of December 31, 2021 the remaining outstanding balance of the facility was \$41,593 and is repayable in five consecutive quarterly installments of \$1,859 each, with a final balloon payment of \$32,297, to be repaid on the last repayment date. The facility matures in the first quarter of 2023 and bears interest at LIBOR plus 260 bps per annum.

HCOB Credit Facilities: On September 26, 2019, Navios Partners entered into a new credit facility with Hamburg Commercial Bank AG of up to \$140,000 in order to refinance eight drybulk vessels and five Containerships, previously included in the Term Loan B collateral package. On October 10, 2019, the amount of \$140,000 of credit facility was drawn. The facility matured in the third quarter of 2021 and bore interest at LIBOR plus 320 bps per annum. In June 2021, the outstanding balance of the loan amounting to \$107,750 was prepaid and refinanced.

On May 11, 2021, Navios Partners entered into a new credit facility with Hamburg Commercial Bank for a total amount of up to \$160,000, in order to: (i) refinance its existing HCOB credit facility dated September 26, 2019; (ii) refinance the existing facility of one dry bulk vessel; and (iii) to partially finance the acquisition of one dry bulk vessel. On June 8, 2021, the full amount of the credit facility was drawn. In October 2021, following the sale of one 2006-built panamax vessel, the amount of \$3,836 was prepaid. Following the partial prepayment, as of December 31, 2021, the outstanding balance of the credit facility was \$143,820 and is repayable in six consecutive quarterly installments of \$6,094 each and eight consecutive quarterly installments of \$3,656 each, with a final balloon payment of \$78,004 to be repaid on the last repayment date. The facility matures in the second quarter of 2025, bears interest at LIBOR plus 310 bps per annum.

Hellenic Bank Credit Facility: On June 25, 2020, the Company entered into a new credit facility with Hellenic Bank Public Company Limited in order to partially refinance the ABN credit facility dated December 12, 2019, relating to four of the containerships acquired from Navios Europe I, of up to \$17,000. In the first quarter of 2021, following the sale of a 2006-built Containership of 3,398 TEU and a 2007-built Containership of 3,091 TEU, an aggregate amount of \$7,893 was prepaid. On April 23, 2021, Navios Partners extended the credit facility with Hellenic Bank Public Company Limited dated June 25, 2020 for an amount of \$8,850 in order to partially finance the acquisition of one containership from Navios Acquisition. On April 28, 2021, the amount of \$8,850 was drawn. In August 2021, following the sale of one 2006-built containership of 2,824 TEU, the amount of \$3,998 was prepaid. In October 2021, an additional amount of \$468 was prepaid. As of December 31, 2021, the remaining outstanding balance was \$10,094 and is repayable in two consecutive quarterly installments of \$858 each, two consecutive quarterly installments of \$437 each, seven consecutive quarterly installments of approximately \$296 each and one quarterly installment of approximately \$437 with a final balloon payment of \$4,993 to be repaid on the last repayment date. The credit facility matures in the fourth quarter of 2024 and bears interest at LIBOR plus a margin ranging from 300 bps to 350 bps per annum.

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Nordea/Skandinaviska Enskilda/NIBC Credit Facilities: On March 26, 2018, Navios Partners entered into a new credit facility with Nordea Bank AB, Skandinaviska Enskilda Bank AB and NIBC Bank N.V. of up to \$14,300 (divided into two tranches) in order to partially finance the acquisition of the Navios Symmetry and the Navios Altair I. On May 18, 2018, the first tranche of the credit facility of \$7,150 was drawn. On June 1, 2018 the second tranche of the March 2018 credit facility of \$7,150 was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the second tranche in the amount of \$6,554. Following this repayment, an amount of \$95 was written-off from the deferred finance fees. As of December 31, 2021, the outstanding balance of the credit facility was \$2,978 and is repayable in six equal consecutive quarterly installments of \$298 each, with a final balloon payment of \$1,190 to be repaid on the last repayment date. The facility matures in the second quarter of 2023 and bears interest at LIBOR plus 300 bps per annum.

On December 28, 2018, Navios Partners entered into a new credit facility with NIBC Bank N.V. of up to \$28,500 (divided into three tranches) in order to refinance three Ultra-Handymax vessels, previously included in the Term Loan B collateral package. On May 8, 2019, the first tranche of the credit facility of \$11,915 was drawn. On October 10, 2019, the two remaining tranches of the credit facility of \$13,475 in total were drawn. Following an amendment in December 2020, one Ultra-Handymax vessel was released from security of the credit facility and one other Handymax vessel was collateralized. As of December 31, 2021, the outstanding balance of the credit facility was \$18,873 and is repayable in eight consecutive quarterly installments of \$751 each, with a final balloon payment of \$12,862 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 275 bps per annum.

ABN Credit Facilities: On December 12, 2019, the Company entered into a new credit facility with ABN Amro Bank N.V. of up to \$23,500 in order to finance the acquisition of the five container vessels from Navios Europe I which had subsequently been refinanced from Hellenic Bank Public Company Limited in June 2020. On September 30, 2020, the Company entered into a second supplemental agreement with ABN Amro Bank N.V., to extend the terms of the then outstanding balance. The credit facility matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to February 28, 2021 and 600 bps per annum up to maturity date. In January 13, 2021, the outstanding balance of the loan amounting to \$3,369 was fully repaid.

On June 26, 2020, the Company entered into a new credit facility with ABN Amro Bank N.V. of up to \$32,200 in order to finance the acquisition of the five drybulk vessels acquired from Navios Europe II. In March 2021, following the sale of one 2011-built Ultra-Handymax vessel of 56,557 dwt, the amount of \$4,581 was prepaid. The facility matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to December 31, 2020 and 425 bps per annum up to maturity date. In June 2021, the outstanding balance of the loan amounting to \$21,525 was prepaid and refinanced.

DORY Credit Facility: On December 16, 2019, the Company entered into a credit facility with Dory Funding DAC of up to \$37,000 in order to finance the acquisition of four drybulk vessels. The facility was scheduled to mature in the third quarter of 2022 and bore interest at LIBOR plus 475 bps per annum for the first twelve-month period after the utilization date, 600 bps for the following twelve-month period and 700 bps for the period commencing 24 months after the utilization date through the termination date. On January 25, 2021, an amount of \$9,500 was repaid under the facility for the release of one handymax vessel. In June 2021, the outstanding balance of the loan amounting to \$24,975 was prepaid and refinanced.

NBG Credit Facility: On June 17, 2021, Navios Partners entered into a new credit facility with National Bank of Greece for a total amount of up to \$43,000, in order to refinance the existing credit facilities of six dry bulk vessels. On June 18, 2021, the full amount was drawn. In August 2021, following the sale of one 2005-built Panamax vessel of 74,759 dwt, the amount of \$6,019 was prepaid. As of December 31, 2021, the remaining outstanding balance was \$34,401 and is repayable in two consecutive quarterly installments of \$1,290 each followed by 16 consecutive quarterly installments of \$1,075 each, together with a final balloon payment of \$14,620 to be paid on the last repayment date. The facility matures in the second quarter of 2026 and bears interest at LIBOR plus 300 bps per annum.

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DNB BANK ASA Credit Facilities: On April 5, 2019, Navios Partners entered into a new credit facility with DNB Bank ASA of up to \$40,000 (divided into two tranches) in order to refinance two Capesize vessels, previously included in the Term Loan B collateral package. On October 10, 2019, the two tranches of the credit facility of \$34,350 were drawn. The facility was scheduled to mature in the second quarter of 2024 and bore interest at LIBOR plus 275 bps per annum. In December 2021, the outstanding balance of the loan amounting to \$26,710 was prepaid and refinanced and the vessels were released from the facility.

On August 19, 2021, Navios Partners entered into a new credit facility with DNB Bank ASA for a total amount of up to \$18,000, in order to finance part of the acquisition cost of the Navios Azimuth. On August 20, 2021, the full amount was drawn. As of December 31, 2021, the remaining outstanding balance was \$17,360 and is repayable in 19 consecutive quarterly installments of \$640 each together with a final balloon payment of \$5,200 to be paid on the last repayment date. The facility matures in the third quarter of 2026 and bears interest at LIBOR plus 285 bps per annum.

On December 13, 2021, Navios Partners entered into a new sustainability linked credit facility with DNB Bank ASA of up to \$72,710 for the refinancing of the existing credit facilities of three tanker vessels and two dry bulk vessels. On December 15, 2021, the full amount was drawn. As of December 31, 2021, the total outstanding balance was \$72,710 and is repayable in 19 consecutive quarterly installments of \$2,230 each following a final balloon payment of \$30,340 to be paid on the last repayment date. The facility matures in the fourth quarter of 2026 and bears interest at LIBOR plus a margin (ranging from 270 bps to 280 bps per annum depending on the emission efficiency ratio of the vessels as defined in the loan agreement).

CACIB Credit Facilities: On July 4, 2019, Navios Partners entered into a new credit facility with Credit Agricole Corporate and Investment Bank (“CACIB”) of up to \$52,800 (divided into four tranches) in order to refinance three Capesize vessels and one Panamax vessel, previously included in the Term Loan B collateral package. In August 2019, the three tranches of the credit facility of \$36,516, in total were drawn. In October 2019, the fourth tranche of the credit facility of \$16,284 was drawn. On August 23, 2021, Navios Partners prepaid \$11,404 of the credit facility and released one vessel from the collateral package of the credit facility. The Company entered into a new sale and leaseback agreement of \$15,000 for the released vessel (see also Financial Liabilities below). As of December 31, 2021, the remaining outstanding balance of the credit facility was \$26,496 and is repayable in seven consecutive six-month installments of \$2,300 each, with a final balloon payment of \$10,396 to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 275 bps per annum.

On September 28, 2020, the Company entered into a credit facility with CACIB of up to \$33,000 in order to finance the acquisition of the two drybulk vessels acquired from Navios Holdings. The facility was drawn in full on September 30, 2020 and bore interest at LIBOR plus 325 bps per annum. In March 30, 2021, the outstanding balance of the loan amounting to \$32,150 was prepaid and refinanced.

On March 23, 2021, Navios Partners entered into a new credit facility with CACIB of \$58,000 in order to refinance the CACIB credit facility dated September 28, 2020 and to partially finance the acquisition of the Navios Centaurus and the Navios Avior. On March 30, 2021, the full amount was drawn. As of December 31, 2021, the remaining outstanding balance was \$52,400 is repayable in 17 consecutive quarterly installments of \$1,600 each, together with a final balloon payment of \$25,200 to be repaid on the last repayment date. The credit facility matures in the first quarter of 2026 and bears interest at LIBOR plus 300 bps per annum.

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Upon completion of the NMCI Merger, Navios Partners assumed the following credit facilities:

ABN AMRO BANK N.V Facility: On December 3, 2018, Navios Containers entered into a facility agreement with ABN AMRO for an amount of up to \$50,000 divided into two tranches: (i) the first tranche is for an amount of up to \$41,200 in order to refinance the outstanding debt of four containerships and to partially finance the acquisition of one containership; and (ii) the second tranche is for an amount of up to \$8,800 in order to partially finance the acquisition of one containership. This loan bears interest at a rate of LIBOR plus 350 bps. Navios Containers drew the entire amount under this facility, net of the loan's discount of \$500 in the fourth quarter of 2018. On June 28, 2019, Navios Containers entered into a supplemental agreement with ABN AMRO, under which Navios Containers made a partial prepayment of the loan in the aggregate amount of \$9,400 and two containerships were released from the facility. In December 2021, following an additional supplemental agreement with the ABN AMRO, the Company made a partial prepayment of the loan in the aggregate amount of \$2,000 and three containerships were released from the facility. As of December 31, 2021, the remaining outstanding balance of the credit facility was \$13,050 and is repayable in four equal consecutive quarterly installments of \$750 each, with a final balloon payment of \$10,050 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2022 and bears interest at LIBOR plus 350 bps per annum.

BNP Paribas Facility: On June 26, 2019, Navios Containers entered into a facility agreement with BNP Paribas for an amount of up to \$54,000 to refinance the existing facilities of seven containerships. On June 27, 2019, Navios Containers drew \$48,750 net of loan's discount of \$405. As of December 31, 2021, the remaining outstanding balance of the credit facility was \$30,469 and is repayable in ten equal consecutive quarterly installments of approximately \$1,693 each, with a final balloon payment of \$13,542 to be repaid on the last repayment date. The loan bears interest at a rate of LIBOR plus 300 bps and matures in the second quarter of 2024.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following credit facilities:

8 1/8% First Priority Ship Mortgages: On August 26, 2021, Navios Acquisition called for redemption all of its outstanding 8 1/8% First Priority Ship Mortgages ("Ship Mortgage Notes") by delivery of a redemption notice to the registered holders of the Ship Mortgage Notes and remitted to the indenture trustee the aggregate redemption price payable to the holders of the Ship Mortgage Notes to satisfy and discharge Navios Acquisition's obligations under the indenture relating to the Ship Mortgage Notes. Navios Acquisition funded the approximately \$397,478 aggregate redemption price with net proceeds from (i) the sale by Navios Acquisition pursuant to the NNA Merger (in reliance on the exemption from registration provided for under Section 4(a)(2) of the Securities Act) of 44,117,647 shares of Navios Acquisition common stock to Navios Partners for an aggregate purchase price of \$150,000, and borrowings under the Hamburg Commercial Bank AG facility dated in August 2021 and BNP Paribas S.A. Bank facility dated in August 2021. The Ship Mortgage Notes were redeemed in full on September 25, 2021.

DVB Bank S.E. and Credit Agricole Corporate and Investment Bank: On December 29, 2011, Navios Acquisition entered into a loan agreement with DVB Bank SE and Credit Agricole Corporate and Investment Bank of up to \$56,250 (divided into two tranches of \$28,125 each) to partially finance the purchase price of two MR2 product tanker vessels. Each tranche of the facility was repayable in 32 quarterly installments of \$391 each with a final balloon payment of \$15,625 to be repaid on the last repayment date. The repayment started three months after the delivery of the respective vessel and bore interest at a rate of LIBOR plus: (a) up to but not including the drawdown date, 175 bps per annum; (b) thereafter until, but not including, the tenth repayment date, 250 bps per annum; and (c) thereafter 300 bps per annum. On December 15, 2021, the outstanding balance of the loan amounting to \$33,594 was prepaid and refinanced.

BNP Paribas S.A. Bank Facilities: On December 18, 2015, Navios Acquisition, through certain of its wholly owned subsidiaries, entered into a term loan facility agreement of up to \$44,000 with BNP Paribas, as agent and the lenders named therein, for the partial post-delivery financing of a LR1 product tanker and a MR2 product tanker. The credit facility was repayable in 12 equal consecutive semi-annual installments in the amount of \$2,000 each, with a final balloon payment of \$20,000 repaid on the last repayment date. The loan matured in December 2021. The loan bore interest at LIBOR plus 230 bps per annum. In December 2021, the outstanding balance of the loan amounting to \$22,000 was fully repaid.

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In August 2021, Navios Acquisition, entered into a loan facility agreement of up to \$96,000 with BNP Paribas, in order to partially refinance the existing indebtedness of five tanker vessels. Pursuant to an amendment in December 2021, one container vessel was added as collateral. Following the amendment, as of December 31, 2021, the remaining outstanding balance of the credit facility was \$91,375 and is repayable in 15 equal consecutive quarterly installments in the amount of \$5,000 each, with a final balloon payment of \$16,375 to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

Hamburg Commercial Bank AG Facilities: In June 2017, Navios Acquisition entered into a loan facility for an amount of \$24,000 to refinance the credit facility with ABN AMRO Bank N.V. of its two chemical tankers. The facility was repayable in 17 equal consecutive quarterly installments of \$572 each, with a final balloon payment of the balance to be repaid on the last repayment date. The facility was scheduled to mature in September 2021 and bore interest at LIBOR plus 300 bps per annum. In August 2021, the outstanding balance of the loan amounting to \$14,847 was prepaid and refinanced.

In October 2019, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG of up to \$31,800 in order to refinance the existing facility of one VLCC. The facility was repayable in four quarterly installments of \$846 each with a final balloon payment of \$28,416 repayable on the last repayment date. The facility was expected to mature in October 2020 and bore interest at LIBOR plus 280 bps per annum. In October 2020, Navios Acquisition extended the maturity date of the loan to October 2024. The remaining balance of the facility was repayable in 16 quarterly installments of \$846 each with a final balloon payment of \$14,880 repayable on the last repayment date and bore interest at LIBOR plus 390 bps per annum. In August 2021, the outstanding balance of the loan amounting to \$25,878 was prepaid and refinanced.

In August 2021, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG of \$190,216 in order to partially refinance the existing indebtedness of seven tanker vessels. Pursuant to an amendment in December 2021, two container vessels were added as collaterals. Following the amendment and as of December 31, 2021, the remaining outstanding balance of the credit facility was \$182,872 and is repayable in ten quarterly installments of \$7,343 each, and four quarterly installments of \$4,518 each, with a final balloon payment of \$91,367, to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 295 bps per annum.

Eurobank S.A.: In June 2020, Navios Acquisition entered into a loan agreement with Eurobank S.A. of \$20,800 in order to refinance two LR1s. As of December 31, 2021, the remaining outstanding balance of the credit facility was \$16,000 and is repayable in ten quarterly installments of \$800 each with a final balloon payment of \$8,000 repayable on the last repayment date. The facility matures in the second quarter of 2024 and bears interest at LIBOR plus 300 bps per annum.

Financial Liabilities

In December 2018, the Company entered into two sale and leaseback agreements of \$25,000 in total, with unrelated third parties for the Navios Fantastiks and the Navios Beaufiks. Navios Partners has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreements as a financial liability. Navios Partners is obligated to make 69 and 60 consecutive monthly payments, respectively, of approximately \$161 and \$155 each, respectively, commencing in December 2018. As of December 31, 2021, the outstanding balance under the sale and leaseback agreements of the Navios Fantastiks and the Navios Beaufiks was \$18,520 in total. The agreements mature in the third quarter of 2024 and fourth quarter of 2023, respectively, with a purchase obligation of \$6,300 per vessel on the last repayment date.

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On April 5, 2019, the Company entered into a new sale and leaseback agreement of \$20,000, with unrelated third parties for the Navios Sol, a 2009-built Capesize vessel of 180,274 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On April 11, 2019, the amount of \$20,000 was drawn. Navios Partners is obligated to make 120 consecutive monthly payments of approximately \$190 each that commenced in April 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Sol was \$16,843. The agreement matures in the second quarter of 2029, with a purchase obligation of \$6,300 on the last repayment date.

On June 7, 2019, the Company entered into a new sale and leaseback agreement of \$7,500, with unrelated third parties for the Navios Sagittarius, a 2006-built Panamax vessel of 75,756 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2019, the amount of \$7,500 was drawn. Navios Partners is obligated to make 36 consecutive monthly payments of approximately \$178 each that commenced in June 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Sagittarius was \$2,820. The agreement matures in the second quarter of 2022, with a purchase obligation of \$2,000 on the last repayment date.

On July 2, 2019, the Company entered into a new sale and leaseback agreement of \$22,000, with unrelated third parties for the Navios Ace, a 2011-built Capesize vessel of 179,016 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On July 24, 2019, the amount of \$22,000 was drawn. Navios Partners is obligated to make 132 consecutive monthly payments of approximately \$198 each that commenced in July 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Ace was \$19,113. The agreement matures in the third quarter of 2030, with a purchase obligation of \$6,300 on the last repayment date.

In June 2021, the Company entered into a new sale and leaseback agreement of \$15,000, with unrelated third parties for the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2021, the amount of \$15,000 was drawn. Navios Partners is obligated to make 72 consecutive monthly payments of approximately \$192 that commenced in June 2021. The agreement matures in the second quarter of 2027, with a purchase obligation of \$5,000 on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Bonavis was \$14,148.

In June 2021, the Company entered into a new sale and leaseback agreement of \$18,500, with unrelated third parties for the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2021, the amount of \$18,500 was drawn. Navios Partners is obligated to make 108 consecutive monthly payments of approximately \$186 each that commenced in June 2021. The agreement matures in the second quarter of 2030, with a purchase obligation of \$5,000 on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Ray was \$17,784.

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On August 16, 2021, the Company entered into a new sale and leaseback agreement of \$15,000 with an unrelated third party for the Navios Pollux, a 2009-built Capesize vessel of 180,727 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On August 25, 2021, the amount of \$15,000 was drawn. Navios Partners is obligated to make 72 consecutive monthly payments of approximately \$192 each that commenced in August 2021. The agreement matures in the third quarter of 2027, with a purchase obligation of \$5,000 on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Pollux was \$14,394.

Upon completion of the NMCI Merger, Navios Partners assumed the following financial liabilities:

On May 25, 2018, Navios Containers entered into a \$119,000 sale and leaseback transaction with unrelated third parties in order to refinance the outstanding balance of the existing facilities of 18 containerships. Navios Containers has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, Navios Containers did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. On June 29, 2018, Navios Containers completed the sale and leaseback of the first six vessels for \$37,500. On July 27, 2018 and on August 29, 2018, Navios Containers completed the sale and leaseback of four additional vessels for \$26,000. On November 9, 2018, Navios Containers completed the sale and leaseback of four additional vessels for \$26,700. Navios Containers did not proceed with the sale and leaseback transaction of the four remaining vessels. In July 2021, following the sale of one 2008-built container vessel of 4,250 TEU, the amount of \$4,778 was prepaid. Following the prepayment, Navios Containers is obligated to make 28 monthly payments in respect of all 13 vessels ranging from \$254 to \$797 each. Navios Containers also has an obligation to purchase the vessels at the end of the fifth year for \$41,850. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was \$57,135.

On March 11, 2020, Navios Containers completed a \$119,060 sale and leaseback transaction with unrelated third parties to refinance the existing credit facilities of two 8,204 TEU containerships and two 10,000 TEU containerships. Navios Containers has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, Navios Containers did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. Navios Containers drew the entire amount on March 13, 2020, net of discount of \$1,191. Navios Containers also has an obligation at maturity to purchase: (i) the two 10,000 TEU containerships for \$25,500 in the aggregate; and (ii) the two 8,204 TEU containerships for \$18,000 in the aggregate. The sale and leaseback agreement: (i) is repayable in 28 quarterly installments of \$2,010 each, in the aggregate, matures in March 2027 and bears interest at LIBOR plus 310 bps per annum for the two 10,000 TEU containerships; and (ii) is repayable in 20 quarterly installments of: (a) \$16.0 per day, in the aggregate, for the first eight installments; and (b) \$6.9 per day, in the aggregate, for the remaining 12 installments, matures in March 2025 and bears interest at LIBOR plus 335 bps per annum for the two 8,204 TEU containerships. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was \$94,747.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following financial liabilities:

On March 31, 2018, Navios Acquisition entered into a \$71,500 sale and leaseback agreement with unrelated third parties to refinance the outstanding balance of the existing facility on four product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was accounted for as a failed sale. In accordance with ASC 842-40 the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under sale and lease back agreement as a financial liability. In April 2018, the Company drew \$71,500 under this agreement. The agreement will be repayable in 24 equal consecutive quarterly installments of approximately \$1,490 each, with a repurchase obligation of \$35,750 on the last repayment date. The sale and leaseback agreement matures in April 2024 and bears interest at LIBOR plus 305 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was \$49,156.

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In March and April 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for \$103,155 in order to refinance \$50,250 outstanding on the existing facility on three product tankers and to finance two product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. Following a prepayment made in April 2021, the agreements will be repayable in 17 equal consecutive quarterly installments of \$2,267 each, followed by one quarterly installment of \$1,369, with a purchase obligation of \$33,975 to be repaid on the last repayment date. The sale and leaseback agreements mature in March and April 2026 respectively, and bear interest at LIBOR plus 350 bps per annum. As of December 31, 2021, the outstanding balance under these agreements was \$73,886.

In August 2019, Navios Acquisition entered into an additional sale and leaseback agreement of \$15,000, with unrelated third parties in order to refinance one product tanker. Navios Acquisition has a purchase option in place and an assessment has been performed indicating that the likelihood of the vessel remaining in the property of the lessor at the end of the lease term is remote. In such a case, the buyer-lessor does not obtain control of the vessel and under ASC 842-40, the transaction was determined to be a failed sale. Navios Acquisition is obligated to make 60 consecutive monthly payments of approximately \$156, commencing as of August 2019, with a purchase obligation of \$5,625 to be repaid on the last repayment date. The agreement matures in August 2024 and bears interest at LIBOR plus an implied margin of 380 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was \$10,469.

In September 2019, Navios Acquisition entered into additional sale and leaseback agreements with unrelated third parties for \$47,220 in order to refinance three product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. Following a prepayment made in April 2021, the agreements will be repaid through periods ranging from four to seven years in consecutive quarterly installments of up to \$1,362 each, with a purchase obligation of \$17,950 to be repaid on the last repayment date. The agreements mature in September 2023 and September 2026 and bear interest at LIBOR plus a margin ranging from 350 bps to 360 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under this agreement was \$33,709.

In October 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for \$90,811 in order to refinance six product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. The agreements will be repaid through periods ranging from three to eight years in consecutive quarterly installments of up to \$2,827 each, with a repurchase obligation of up to \$25,810 in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 335 bps to 355 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under these agreements was \$68,198.

In June 2020, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for \$72,053 in order to refinance one MR1, one MR2 and two LR1s. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. Following a prepayment made in April 2021, the agreements will be repaid through periods ranging from four to seven years in consecutive quarterly installments of up to \$1,791 each, with a repurchase obligation of up to \$23,913 in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 390 bps to 410 bps per annum, depending on vessel financed. As of December 31, 2021, the outstanding balance under the agreements was \$58,256.

As of December 31, 2021, the security deposits under certain sale and leaseback agreements were \$10,078, and are presented under "Other long-term assets" in the Consolidated Balance Sheets.

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Amounts drawn of the credit facilities are secured by first preferred mortgages on certain Navios Partners' vessels and other collateral and are guaranteed by the respective vessel-owning subsidiaries. The credit facilities and certain financial liabilities contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners' vessels; changing the commercial and technical management of Navios Partners' vessels; selling or changing the beneficial ownership or control of Navios Partners' vessels; not maintaining Navios Holdings', Angeliki Frangou's or their affiliates' ownership in Navios Partners of at least 5.0%; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the Management Agreements.

The Company's credit facilities and certain financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a required security ranging over 105% to 140%; (ii) minimum free consolidated liquidity in an amount equal to \$500 per owned vessel and a number of vessels as defined in the Company's credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company's credit facilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth ranging from \$30,000 to \$135,000.

It is an event of default under the credit facilities and certain financial liabilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

As of December 31, 2021, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities and certain financial liabilities.

The annualized weighted average interest rates of the Company's total borrowings were 4.1%, 4.5% and 6.7% for the years ended December 31, 2021, 2020 and 2019, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Partners outstanding as of December 31, 2021, based on the repayment schedules of the respective credit facilities and financial liabilities (as described above).

<u>Year</u>	<u>Amount</u>
2022	\$ 260,200
2023	284,903
2024	224,023
2025	328,527
2026	162,121
2027 and thereafter	114,671
Total	<u>\$1,374,445</u>

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value amounts of many of Navios Partners' financial instruments, including accounts receivable and accounts payable approximate their fair value due primarily to the short-term maturity of the related instruments.

Fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

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Restricted Cash: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Amounts due from related parties, short-term: The carrying amount of due from related parties, short-term reported in the Consolidated Balance Sheets approximates its fair value due to the short-term nature of these receivables.

Amounts due from related parties, long-term: The carrying amount of due from related parties long-term reported in the balance sheet approximates its fair value due to the long-term nature of these receivables.

Notes receivable, net of current portion: The carrying amount of the fixed rate notes receivable approximates its fair value.

Amounts due to related parties, short-term: The carrying amount of due to related parties, short-term reported in the Consolidated Balance Sheets approximates its fair value due to the short-term nature of these payables.

Long-term borrowings, including current portion, net: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate loans and financial liabilities continues to approximate its fair value, excluding the effect of any deferred finance costs.

The estimated fair values of the Navios Partners' financial instruments are as follows:

	December 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 159,467	\$ 159,467	\$ 19,303	\$ 19,303
Restricted cash	\$ 9,979	\$ 9,979	\$ 11,425	\$ 11,425
Amounts due from related parties, short-term	\$ —	\$ —	\$ 5,000	\$ 5,000
Amounts due from related parties, long-term	\$ 35,245	\$ 35,245	\$ —	\$ —
Amounts due to related parties, short-term	\$ (64,204)	\$ (64,204)	\$ (35,979)	\$ (35,979)
Notes receivable, net of current portion	\$ —	\$ —	\$ 8,013	\$ 8,013
Long-term borrowings, including current portion, net	\$(1,361,709)	\$(1,374,445)	\$(486,857)	\$(491,169)

Fair Value Measurements

The estimated fair value of the Company's financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level III inputs as of December 31, 2021 and December 31, 2020.

	Fair Value Measurements as at December 31, 2021			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 159,467	\$159,467	\$ —	\$ —
Restricted cash	\$ 9,979	\$ 9,979	\$ —	\$ —
Amounts due from related parties, long-term	\$ 35,245	\$ —	\$ 35,245	\$ —
Amounts due to related parties, short-term	\$ (64,204)	\$ —	\$ (64,204)	\$ —
Long-term borrowings, net ⁽¹⁾	\$(1,374,445)	\$ —	\$(1,374,445)	\$ —

	Fair Value Measurements as at December 31, 2020			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 19,303	\$19,303	\$ —	\$ —
Restricted cash	\$ 11,425	\$11,425	\$ —	\$ —
Amounts due from related parties, short-term	\$ 5,000	\$ —	\$ 5,000	\$ —
Notes receivable, net of current portion ⁽²⁾	\$ 8,013	\$ —	\$ 8,013	\$ —
Amounts due to related parties, long-term	\$ (35,979)	\$ —	\$ (35,979)	\$ —
Long-term borrowings, net ⁽¹⁾	\$(491,169)	\$ —	\$(491,169)	\$ —

- (1) The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account its creditworthiness.
- (2) The fair value is estimated based on currently available information on the Company's counterparty with similar contract terms, interest rate and remaining maturities.

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As of December 31, 2021, there were no assets measured at fair value on a non-recurring basis.

As of December 31, 2020, the Company's assets measured at fair value on a non-recurring basis were:

	Fair Value Measurements as at December 31, 2020			
	Total	Level I	Level II	Level III
Vessels, net	\$ 62,789	\$ 13,428	\$ 49,361	\$ —

NOTE 13 – ISSUANCE OF UNITS

On May 21, 2021, Navios Partners entered into a new Continuous Offering Program Sales Agreement (“\$110.0m Sales Agreement”) for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to \$110,000. As of December 31, 2021, since the commencement of the \$110.0m Sales Agreement, Navios Partners has issued 3,963,249 units and received net proceeds of \$103,691. No additional sales will be made under this program. Pursuant to the issuance of the common units, Navios Partners issued 80,883 general partnership units to its General Partner in order to maintain its 2.0% ownership interest. The net proceeds from the issuance of the general partnership units were approximately \$2,172.

On April 9, 2021, Navios Partners entered into a Continuous Offering Program Sales Agreement (“\$75.0m Sales Agreement”) for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to \$75,000. As of December 31, 2021, since the commencement of the \$75.0m Sales Agreement, Navios Partners has issued 2,437,624 units and received net proceeds of \$73,117. No additional sales will be made under this program. Pursuant to the issuance of the common units, Navios Partners issued 49,747 general partnership units to its General Partner in order to maintain its 2.0% ownership interest. The net proceeds from the issuance of the general partnership units were approximately \$1,530.

On November 18, 2016, Navios Partners entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to \$25,000. An amended Sales Agreement was entered into on August 3, 2020. As of December 31, 2021, since the commencement of sales pursuant to the amended Sales Agreement, Navios Partners has issued 1,286,857 units and received net proceeds of \$23,918. No additional sales will be made under this program. Pursuant to the issuance of the common units, Navios Partners issued 26,265 general partnership units to its general partner in order to maintain its 2.0% ownership interest. The net proceeds from the issuance of the general partnership units were \$501.

Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. As a result of the NMCI Merger, 8,133,452 common units of Navios Partners were issued to former public unitholders of Navios Containers. Pursuant to the issuance of the common units, Navios Partners issued 165,989 general partner units, resulting in net proceeds of \$3,911 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

Pursuant to the terms of the NNA merger agreement, each outstanding common unit of Navios Containers that was held by a stockholder other than Navios Partners, was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public stockholders of Navios Acquisition. Pursuant to the issuance of the common units, Navios Partners issued 69,147 general partner units, resulting in net proceeds of \$1,893 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

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On April 25, 2019, Navios Partners announced that its Board of Directors had approved 1-for-15 reverse stock split of its issued and outstanding shares of common units and general partner units. The reverse stock split was effective on May 21, 2019 and the common units commenced trading on such date on a split adjusted basis.

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to \$50,000 of the Company's common units over a two year period. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in Navios Partners' discretion and without notice. Repurchases were subject to restrictions under Navios Partners' credit facilities. As of December 31, 2021, since the commencement of the common unit repurchase program, Navios Partners had repurchased and cancelled 312,952 common units on a split adjusted basis, for a total cost of approximately \$4,499. There were no repurchases during the year ended December 31, 2021, and the program expired in January 2021.

In December 2019, Navios Partners authorized the granting of 4,000 restricted common units, which were issued on December 18, 2019, to its directors and officers, which are based solely on service conditions and vest over four years. The effect of compensation expense arising from the restricted common units described above amounted to \$18, \$35 and \$0 for the years ended December 31, 2021, 2020 and 2019, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2021 and 2020.

In February 2019, Navios Partners authorized the granting of 25,396 restricted common units, which were issued on February 1, 2019, to its directors and officers, which are based solely on service conditions and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Navios Partners also issued 518 general partnership units to its general partner for net proceeds of \$8. The effect of compensation expense arising from the restricted common units described above for the years ended December 31, 2021, 2020 and 2019, amounted to \$63, \$116 and to \$190 respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2021, 2020 and 2019.

In December 2018, Navios Partners authorized the granting of 97,633 restricted common units, which were issued on December 24, 2018, to its directors and officers, which are based solely on service conditions and vest over four years. Navios Partners also issued 1,993 general partnership units to its general partner for net proceeds of \$27. The effect of compensation expense arising from the restricted common units described above amounted to \$187, \$348 and \$669 for the years ended December 31, 2021, 2020 and 2019 respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2021, 2020 and 2019.

In December 2017, Navios Partners authorized the granting of 91,336 restricted common units, which were issued on January 11, 2018, to its directors and officers, which are based solely on service conditions and vest over four years. The fair value of the restricted common units was determined by reference to the quoted common unit price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized when it is probable that the performance criteria will be met based on a graded expense model over the vesting period. Navios Partners also issued 1,864 general partnership units to its general partner for net proceeds of \$64. The effect of compensation expense arising from the restricted common units described above amounted to \$186, \$447 and \$833 for the years ended December 31, 2021, 2020 and 2019, respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2021, 2020 and 2019.

The effect of compensation expense arising from the restricted common units granted in December 2016, amounted to \$325 for the year ended December 31, 2019 and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations.

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Following the NNA Merger, Navios Partners assumed the following graded restricted common units:

In December 2018, Navios Acquisition authorized and issued in the aggregate 129,269 restricted shares of common stock to its directors and officers. These awards of restricted common stock are based on service conditions only and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Upon the NNA Merger, the unvested restricted common units were 8,116 after exchange on a 1 to 0.1275 basis. The effect of compensation expense arising from the restricted common units described above for the year ended December 31, 2021 amounted to \$32, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the year ended December 31, 2021.

In December 2017, Navios Acquisition authorized and issued in the aggregate 118,328 restricted shares of common stock to its directors and officers. These awards of restricted common stock are based on service conditions only and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Upon the NNA Merger, the unvested restricted common units were 3,727 after exchange on a 1 to 0.1275 basis. The effect of compensation expense arising from the restricted common units described above for the year ended December 31, 2021 amounted to \$37, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the year ended December 31, 2021.

As of December 31, 2021, the estimated compensation cost relating to service conditions of non-vested restricted common units granted in 2017, 2018 and 2019 not yet recognized was \$166.

Restricted common units outstanding and not vested were 42,916 units, on a split adjusted basis, as of December 31, 2021.

NOTE 14 – SEGMENT INFORMATION

ASC 280, "Segment Reporting," establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in financial statements for details on the Company's business segments. The Company uses the "management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments.

Navios Partners reports financial information and evaluates its operations by charter revenues. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or by sector. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet as a whole, determining where to allocate resources and drive business forward by examining consolidated results. Thus Navios Partners has determined that it operates under one reportable segment.

The following table sets out operating revenue by geographic region for Navios Partners' reportable segment. Revenue is allocated on the basis of the geographic region in which the customer is located. Drybulk, Containerships and Tankers operate worldwide. Revenues from specific geographic region, which contribute over 10% of total revenue, are disclosed separately.

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Revenue by Geographic Region

Vessels operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries.

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Asia	\$ 431,631	\$ 136,515	\$ 119,344
Europe	225,349	71,531	95,542
North America	56,195	18,576	3,118
Australia	—	149	1,375
Total	\$ 713,175	\$ 226,771	\$ 219,379

NOTE 15 – INCOME TAXES

Marshall Islands, Malta and Liberia do not impose a tax on international shipping income. Under the laws of Marshall Islands, Malta, Cayman Islands, Liberia, British Virgin Islands and Hong Kong, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes, which have been included in vessel operating expenses in the accompanying Consolidated Statements of Operations.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state, which is calculated on the basis of the relevant vessel's tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece. The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company, the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel outside Greece.

Pursuant to Section 883 of the Internal Revenue Code of the United States, U.S. source income from the international operation of ships is generally exempt from U.S. income tax if the company operating the ships meets certain incorporation and ownership requirements. Among other things, in order to qualify for this exemption, the company operating the ships must be incorporated in a country, which grants an equivalent exemption from income taxes to U.S. corporations. All the vessel-owning subsidiaries satisfy these initial criteria.

In addition, these companies must meet an ownership test. The management of Navios Partners believes that this ownership test was satisfied prior to the IPO by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company. Although not free from doubt, management also believes that the ownership test will be satisfied based on the trading volume and ownership of Navios Partners' units, but no assurance can be given that this will remain so in the future.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Navios Partners is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where Navios Partners believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. Management believes the ultimate disposition of these matters will be immaterial individually and in the aggregate to Navios Partners' financial position, results of operations or liquidity.

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In November 2017, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, the Navios Libra, a newbuilding Panamax vessel of 82,011 dwt, delivered on July 24, 2019. Navios Partners agreed to pay in total \$5,540, representing a deposit for the option to acquire the vessel after the end of the fourth year, of which the first half of \$2,770 was paid during the year ended December 31, 2017 and the second half of \$2,770 was paid during the year ended December 31, 2018. As of December 31, 2021, the total amount of \$6,485, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

On October 18, 2019, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract each, from an unrelated third party, the Navios Amitie and the Navios Star, two newbuilding Panamax vessels of 82,002 dwt and 81,994 dwt, respectively. The vessels were delivered in Navios Partner's fleet on May 28, 2021 and June 10, 2021, respectively. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charters. Navios Partners had agreed to pay in total \$12,328, representing a deposit for the option to acquire the vessels after the end of the fourth year, of which \$1,434 was paid during the year ended December 31, 2019, \$10,034 was paid during the year ended December 31, 2020, and the remaining amount of \$860 was paid upon the delivery of the vessels. As of December 31, 2021, the total amount of \$13,721, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

On January 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract each, from an unrelated third party, three newbuilding Capesize vessels of approximately 180,000 dwt each. Navios Partners has the options to acquire the vessels after the end of year four for the remaining period of the bareboat charters. Navios Partners agreed to pay in total \$10,500, representing a deposit for the options to acquire the vessels after the end of the fourth year, of which \$5,250 was paid in August 2021 and the remaining amount of \$5,250 will be paid upon the delivery of the vessels. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2022 and the first half of 2023. As of December 31, 2021, the total amount of \$5,333, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

On March 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total \$3,500, representing a deposit for the option to acquire the vessel after the end of the fourth year of which \$1,750 was paid in August 2021 and the remaining amount of \$1,750 will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the first half of 2023. As of December 31, 2021, the total amount of \$1,777, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

Pursuant to a novation agreement dated December 20, 2021, the Company agreed to novate the shipbuilding contract and to simultaneously enter into a bareboat charter agreement to bareboat charter-in a newbuilding Panamax vessel, under a ten-year bareboat contract, from an unrelated third party. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the second half of 2022. Navios Partners agreed to pay in total \$6,316, of which \$3,158 was paid in April 2021 and the remaining amount of \$3,158 will be paid during the first quarter of 2022. In December 2021, Navios Partners declared its option to purchase the vessel. As of December 31, 2021, the total amount of \$3,158 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In June 2021, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total \$12,000, representing a deposit for the option to acquire the vessel after the end of the fourth year of which \$6,000 was paid in September 2021 and the remaining amount of \$6,000 will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the second half of 2022. In September 2021, Navios Partners declared its option to purchase the vessel. As of December 31, 2021, the total amount of \$6,082, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

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On June 30, 2021, Navios Partners agreed to acquire a newbuilding Panamax vessel, from an unrelated third party, for a purchase price of \$34,300. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the first half of 2023. Navios Partners agreed to pay in total \$34,300, of which \$3,430 was paid in July 2021 and the remaining amount of \$30,870 will be paid during 2022 and first half of 2023. In January 2022, Navios Partners declared its option to purchase the vessel. As of December 31, 2021, the total amount of \$3,430 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

On July 2, 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships, from an unrelated third party, for a purchase price of \$61,600 each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2023 and first half of 2024. Navios Partners agreed to pay in total \$18,480 in three installments for each vessel and the remaining amount of \$43,120 for each vessel plus extras will be paid upon delivery of the vessel. On August 13, 2021, the first installment of each vessel of \$6,160, or \$24,640 accumulated for the four vessels, was paid. As of December 31, 2021, the total amount of \$24,640 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

On October 1, 2021, Navios Partners exercised its option to acquire two 5,300 TEU newbuilding containerships, from an unrelated third party, for a purchase price of \$61,600 each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2024. Navios Partners agreed to pay in total \$18,480 in three installments for each vessel and the remaining amount of \$43,120 for each vessel plus extras will be paid upon delivery of the vessel. On November 15, 2021, the first installment of each vessel of \$6,160, or \$12,320 accumulated for the two vessels, was paid. As of December 31, 2021, the total amount of \$12,320 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In November 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships (two plus two optional), from an unrelated third party, for a purchase price of \$62,825 each. The vessels are expected to be delivered into Navios Partners' fleet during the first and the second half of 2024. Navios Partners agreed to pay in total \$25,130 in four installments for each vessel and the remaining amount of \$37,695 plus extras for each vessel will be paid upon delivery of the vessel. The closing of the transaction of the two optional containerships is subject to completion of customary documentation.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following commitments:

In September 2018, Navios Acquisition agreed to a 12-year bareboat charter-in agreement with de-escalating purchase options for Baghdad and Erbil, two newbuilding Japanese VLCCs of 313,433 dwt and 313,486 dwt, respectively. On October 28, 2020, Navios Acquisition took delivery of the vessel Baghdad. The average daily rate under bareboat charter-in agreement of Baghdad amounts to \$21. On February 17, 2021, Navios Acquisition took delivery of the vessel Erbil. The average daily rate under bareboat charter-in agreement of Erbil amounts to \$21. As of December 31, 2021, the total amount of \$2,685 is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

In the first quarter of 2019, Navios Acquisition exercised its option to a 12-year bareboat charter-in agreement with de-escalating purchase options for Nave Electron, a newbuilding Japanese VLCC of 313,239 dwt. On August 30, 2021, Navios Partners took delivery of the vessel Nave Electron. The average daily rate under bareboat charter-in agreement of the Nave Electron amounts to \$21. As of December 31, 2021, the total amount of \$1,942 is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

In the second quarter of 2020, Navios Acquisition exercised its option for a fourth newbuilding Japanese VLCC of approximately 310,000 dwt under a 12-year bareboat charter agreement with de-escalating purchase options and expected delivery in the second half of 2022. The average daily rate under this bareboat charter-in agreement will amount to \$21. As of December 31, 2021, the total amount of \$65 is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

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As of December 31, 2021, the Company's future minimum lease commitments under the Company's charter-in contracts, are as follows:

Year	<u>Amount</u>
2022	\$ 38,385
2023	60,652
2024	61,961
2025	61,539
2026	61,260
2027 and thereafter	436,850
Total	<u>\$720,647</u>

NOTE 17 – FUTURE MINIMUM CONTRACTUAL REVENUE

The future minimum contractual lease income (charter-out rates are presented net of commissions and assume no off-hires days) as of December 31, 2021, is as follows:

Year	<u>Amount</u>
2022	\$ 649,858
2023	427,190
2024	355,629
2025	293,848
2026	215,074
2027 and thereafter	404,381
Total	<u>\$2,345,980</u>

NOTE 18 – TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

Vessel operating expenses:

Pursuant to the Management Agreement, the Manager, provided commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) \$4.23 daily rate per Ultra-Handymax vessel; (b) \$4.33 daily rate per Panamax vessel; (c) \$5.25 daily rate per Capesize vessel; (d) \$6.70 daily rate per Containership of TEU 6,800; (e) \$7.40 daily rate per Containership of more than TEU 8,000 and (f) \$8.75 daily rate per very large Containership of more than TEU 13,000 through December 2019. These fixed daily fees cover the vessels' operating expenses, other than certain extraordinary fees and costs (pursuant to the terms of the management agreements).

In August 2019, Navios Partners extended the duration of its Management Agreement with the Manager until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party. Vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) \$4.35 daily rate per Ultra-Handymax Vessel; (b) \$4.45 daily rate per Panamax Vessel; (c) \$5.41 daily rate per Capesize Vessel; and (d) \$6.90 daily rate per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise. In December 2019, the Management Agreement was further amended to include from January 1, 2020, a \$6.1 daily rate per Sub-Panamax/Panamax Containership.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships and following the liquidation of Navios Europe II, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax vessels. As per the Management Agreement, as amended in December 2019, vessel operating expenses are fixed for two years commencing from January 1, 2020 at \$6.1 daily rate per Sub-Panamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

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Following the completion of the NMCI Merger, the fleet of Navios Containers is included in Navios Partners' owned fleet and continued to be operated by the Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the NMCI Management Agreement, vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) \$6.22 daily rate per Containership of TEU 3,000 up to 4,999, respectively; (b) \$7.78 daily rate per Containership of TEU 8,000 up to 9,999, respectively; and (c) \$8.27 daily rate per Containership of TEU 10,000 up to 11,999, respectively. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet and continued to be operated by Tankers Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the NNA Management Agreement, vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) \$6.8 per day per MR2 and MR1 product tanker and chemical tanker vessel; (b) \$7.23 per day per LR1 product tanker vessel; and (c) \$9.7 per day per VLCC. The agreement also provides for a technical and commercial management fee of \$0.05 per day per vessel, an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Following completion of the Mergers, the Managers provide commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) \$4.45 daily per Panamax Vessel; (b) \$4.35 daily per Ultra-Handymax Vessel; (c) \$5.41 daily per Capesize Vessel; (d) \$6.1 daily per owned container vessel of 1,300TEU to 3,400TEU; (e) \$6.22 daily rate per Containership of TEU 3,000 up to 4,999; (f) \$6.9 daily per 6,800 TEU Containership; (g) \$7.78 daily rate per Containership of TEU 8,000 up to 9,999; (h) \$8.27 daily rate per Containership of TEU 10,000 up to 11,999; (i) \$6.83 per day per MR2 and MR1 product tanker and chemical tanker vessel; (j) \$7.23 per day per LR1 product tanker vessel; and (k) \$9.65 per day per VLCC.

The Management Agreements also provide for payment of a termination fee, equal to the fees charged for the full calendar year (for Navios Partners, Navios Containers and Navios Acquisition) preceding the termination date in the event the agreements are terminated on or before December 31, 2024.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under the Company's Management Agreements, amounted to \$11,408 and \$3,366, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the Consolidated Statements of Cash Flows. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to \$5,811 are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to \$2,034 are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Vessel operating expenses for each of the years ended December 31, 2021, 2020 and 2019 amounted to \$191,449, \$93,732 and \$68,188, respectively.

General and administrative expenses: Pursuant to the Administrative Services Agreement, the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. Under the Administrative Services Agreement, which provide for allocable general and administrative costs, the Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In August 2019, Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager until January 1, 2025, to be automatically renewed for another five years. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date in the event the Administrative Services Agreement is terminated on or before December 31, 2024.

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Total general and administrative expenses charged by the Managers for each of the years ended December 31, 2021, 2020 and 2019 amounted to \$28,805, \$13,708 and \$10,406, respectively.

Balance due from/(to) related parties: Balance due from related parties (both short and long term) as of December 31, 2021 and December 31, 2020 amounted to \$35,245 and \$5,000, respectively, of which the current receivable was \$0 and \$5,000, respectively and the long-term receivable was \$35,245, and \$0, respectively. The balance as of December 31, 2020, consisted of the receivable from the Navios Holdings Guarantee of \$5,000. Balance due to related parties, short-term as of December 31, 2021 and December 31, 2020 amounted to \$64,204 and \$35,979, respectively, and mainly consisted of payables to the Managers. The balances mainly consisted of administrative fees, drydocking, extraordinary fees and costs related to regulatory requirements including ballast water treatment system, other expenses, as well as fixed vessel operating expenses, in accordance with the Management Agreement.

Impairment of receivable in affiliated company: Navios Holdings, Navios Acquisition and Navios Partners have made available to Navios Europe II revolving loans of up to \$43,500 to fund working capital requirements (collectively, the “Navios Revolving Loans II”). In March 2017, the availability under the Navios Revolving Loans II was increased by \$14,000 (see Note 20 — Investment in Affiliates).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for \$5,000. Navios Europe II owned seven container vessels and seven dry bulk vessels. Navios Partners had a net receivable of approximately \$17,276 from Navios Europe II.

As of March 31, 2020, the decline in the fair value of the investment was considered as other-than-temporary and, therefore, an aggregate loss of \$6,900 was recognized and included in the accompanying Consolidated Statements of Operations for the year ended December 31, 2020, as “Impairment of receivable in affiliated company”. The fair value of the Company’s investment was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiring date. The transaction was completed on June 29, 2020.

As a result of the Europe II Liquidation, Navios Partners acquired 100% of the stock of the five vessels owning Companies owning the dry bulk vessels of Navios Europe II with a fair value of \$56,050 and working capital balances of \$(2,718). The acquisition was funded through a new credit facility (Note 11 – Borrowings) and cash on hand for total of \$36,056 and the satisfaction of its receivable balances in the amount of approximately \$17,276 representing the Revolving Loan, Term Loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions “Amounts due from related parties” and “Loans receivable from affiliates”.

Following the liquidation of Navios Europe II, there was no balance due from Navios Europe II as of December 31, 2021 and December 31, 2020.

Note receivable from affiliates: On March 17, 2017, Navios Holdings transferred to Navios Partners its rights to the fixed 12.7% interest on the Navios Europe I Navios Term Loans I and Navios Revolving Loans I (including the respective accrued receivable interest) in the amount of \$33,473, which included a cash consideration of \$4,050 and 871,795 newly issued common units of Navios Partners, on a split adjusted basis. At the date of this transaction, the Company recognized a receivable at the fair value of its newly issued common units totaling \$29,423 based on the closing price of \$33.75 per unit as of March 16, 2017 given as consideration. The receivable relating to the consideration settled with the issuance of 871,795 Navios Partners’ common units in the amount of \$29,423 has been classified contra equity. The receivable from Navios Holdings was payable on maturity in December 2023. Interest would accrue through maturity and would be recognized within “Interest income” for the receivable relating to the cash consideration of \$4,050. On October 23, 2019, Navios Partners’ Conflicts Committee agreed to cancel an amortizing penalty from Navios Holdings of approximately \$3,182 as of December 2019, due to early liquidation of the structure. Following the liquidation of Navios Europe I, the long-term note receivable from Navios Holdings amounted to \$0.

Others: Navios Partners has entered into an omnibus agreement with Navios Holdings (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

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Navios Partners entered into an omnibus agreement with Navios Acquisition and Navios Holdings (the “Acquisition Omnibus Agreement”) in connection with the closing of Navios Acquisition’s initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containerships and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

In connection with the Navios Maritime Midstream Partners L.P. (“Navios Midstream”) initial public offering effective November 18, 2014, Navios Partners entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Holdings pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

In connection with the Navios Containers private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Partners entered into an omnibus agreement with Navios Containers, Navios Holdings, Navios Acquisition and Navios Midstream (the “Navios Containers Omnibus Agreement”), pursuant to which Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream have granted to Navios Containers a right of first refusal over any containerships to be sold or acquired in the future. The omnibus agreement contains significant exceptions that will allow Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream to compete with Navios Containers under specified circumstances.

Navios Holdings Guarantee: On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of \$20,000. In October 2020, Navios Holdings paid an amount of \$5,000 to Navios Partners. In April 2021, Navios Holdings paid an amount of \$5,000 to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to \$0 and \$5,000, respectively. The guarantee claim receivable is presented under the caption “Amounts due from related parties-short term” in the Consolidated Balance Sheets as of December 31, 2020.

General partner and Navios Holdings: In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interest in Navios Partners to N Shipmanagement Acquisition Corp. and related entities, affiliated with Navios Holdings’ Chairwoman and Chief Executive Officer, Angeliki Frangou.

Acquisition of vessels:

2021

On July 9, 2021, Navios Partners acquired the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$30,003 (including \$3 capitalized expenses).

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On June 30, 2021, Navios Partners acquired the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt and the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt, from its affiliate, Navios Holdings, for an aggregate purchase price of \$58,000.

On June 4, 2021, Navios Partners acquired the Navios Koyo, a 2011-built Capesize vessel of 181,415 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$28,567 (including \$67 capitalized expenses).

On May 10, 2021, Navios Partners acquired the Ete N, a 2012-built Containership of 2,782 TEU, the Fleur N, a 2012-built Containership of 2,782 TEU and the Spectrum N, a 2009-built Containership of 2,546 TEU from Navios Acquisition, for an aggregate purchase price of \$55,500.

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, from Navios Holdings, for an acquisition cost of \$39,320 (including \$70 capitalized expenses), including working capital balances of \$(5,766).

2020

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of \$51,000, including working capital balances of \$(4,378). The acquisition was funded through a new credit facility of \$33,000 (see Note 11 — Borrowings) and the balance of \$13,622 seller's credit by Navios Holdings was repaid on October 2, 2020, presented under the caption "Payable to affiliated company" in the Consolidated Statements of Cash Flows.

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of \$56,050 in total, following the liquidation of Navios Europe II.

2019

On November 26, 2019, Navios Partners entered into a share purchase agreement for the acquisition of five containerships, following the liquidation of Navios Europe I. The vessels were acquired on December 13, 2019 (see Note 7 — Vessels, net).

On November 25, 2019, Navios Partners entered into a share purchase agreement for the acquisition of three Panamax and one Ultra-Handymax drybulk vessels from an entity affiliated with its Chairwoman and CEO for \$37,000 (plus working capital adjustment) in a transaction approved by the Conflicts Committee of the Board of Directors of Navios Partners. The vessels were acquired on December 16, 2019 (see Note 7 — Vessels, net).

Navios Acquisition Credit Facility: On August 24, 2021, Navios Partners and Navios Acquisition entered into a loan agreement under which Navios Partners agreed to make available to Navios Acquisition a working capital facility of up to \$45,000. As of the date hereof, the full amount of the facility has been drawn. The full amounts borrowed, including accrued and unpaid interest are due and payable on the date that is one year following the date hereof. The facility bears interest at the rate of 11.50% per annum. As of December 31, 2021, the outstanding balance of \$45,000 was eliminated upon consolidation.

Loan payable to affiliated company: On March 19, 2021, Navios Acquisition entered into a secured loan agreement with a subsidiary of N Shipmanagement Acquisition Corp. ("NSM"), an entity affiliated with Navios Acquisition's Chairwoman and Chief Executive Officer, for a loan of up to \$100,000 to be used for general corporate purposes (the "NSM Loan Agreement"). The loan would be repayable in two years and bears interest at a rate of 11% per annum, payable quarterly. Navios Acquisition may elect to defer all scheduled capital and interest payments, in which case the applicable interest rate is 12.5% per annum.

In August 2021, Navios Acquisition entered into a supplemental agreement (the "Supplemental Loan Agreement") to amend the NSM Loan Agreement. The Supplemental Loan Agreement provided for: (i) the issuance of 8,823,529 newly-issued shares of common stock of Navios Acquisition in settlement of \$30,000 of the outstanding balance of the NSM Loan Agreement; and (ii) the repayment of \$35,000 of the outstanding balance of the NSM Loan Agreement in cash as of the date of the Supplemental Loan Agreement and the repayment in cash on January 7, 2022 of the remainder of the outstanding balance of the NSM Loan Agreement, of approximately \$33,112.

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On December 23, 2021, the outstanding amount of \$33,112 was repaid. As of December 31, 2021, there was no outstanding balance of the NSM Loan Agreement. Upon completion of the NNA Merger, the newly-issued shares of common stock of Navios Acquisition were converted into common units of Navios Partners on the same terms as is applicable to other outstanding shares of common stock of Navios Acquisition.

As of December 31, 2021, there were outstanding 30,197,087 common units and 622,555 general partnership units, and Navios Holdings held a 10.3% ownership interest in Navios Partners, represented by 3,183,199 common units. Olympos Maritime Ltd. held an ownership of 2.0% represented by all 622,555 outstanding general partner units.

NOTE 19 – NOTES RECEIVABLE

On July 15, 2016, the Company entered into a charter restructuring agreement for the reduction of the hire rate for five Containerships chartered out to HMM which resulted in a decrease in cash charter hire to be received of approximately \$38,461. More specifically, the reduction of the hire rate will be applied as follows:

- With effect from (and including) July 18, 2016 until (and including) December 31, 2019, hire rate shall be reduced to \$24,400 per day pro rata.
- With effect from (and including) January 1, 2020, hire rate shall be restored to the rate of \$30,500 per day pro rata until redelivery.

In exchange for the reduction of the hire rate, the Company received (i) \$7,692 on principal amount of senior, unsecured notes, amortizing subject to available cash flows, accruing interest at 3% per annum payable on maturity in July 2024 and (ii) 3,657 freely tradable securities of HMM (publicly traded at the Stock Market Division of the Korean Exchange).

On July 18, 2016, the Company recognized the fair value of the HMM securities totaling \$40,277 and also recognized the fair value of the senior unsecured notes totaling \$6,074. The total fair value of the non-cash compensation received was recognized as deferred revenue, which will be amortized over the remaining duration of each time charter. The Company recognized non-cash interest income and discount unwinding totaling to \$859, \$458 and \$470, respectively, for these instruments under the caption "Interest income" in the Consolidated Statements of Operations for each of the years ended December 31, 2021, 2020 and 2019, respectively. On May 14, 2021, the outstanding balance of the notes receivable was settled. As of December 31, 2021 and December 31, 2020, the outstanding balance of the notes receivable, including accrued interest and discount unwinding, amounted to \$0 and \$8,013, respectively, presented under the caption "Notes Receivable, net of current portion" in the Consolidated Balance Sheets.

For each of the years ended December 31, 2021, 2020 and 2019, the Company recorded an amount of \$1,127, \$1,130 and \$12,121, respectively, of deferred revenue amortization in the Consolidated Statements of Operations under the caption "Time charter and voyage revenues".

As of December 31, 2021, the outstanding balances of the current and non-current portion of deferred revenue in relation to HMM amounted to \$1,127 and \$1,057, respectively. As of December 31, 2020, the outstanding balances of the current and non-current portion of deferred revenue in relation to HMM amounted to \$1,127 and \$2,185, respectively.

On January 12, 2017, the Company sold the MSC Cristina for a gross sales price of \$126,000 and received a cash payment of \$107,250 and a note receivable of \$18,750 accruing interest at 6% per annum payable in 16 quarterly instalments. As of December 31, 2021 and 2020, the outstanding balances of the current and non-current note receivable amounted to \$0. For each of the years ended December 31, 2021, 2020 and 2019, the Company recorded interest income of \$0, \$140 and \$424, respectively, including accrued interest income of \$0, \$0 and \$38 under the caption "Interest income" in the Consolidated Statements of Operations.

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NOTE 20 – INVESTMENT IN AFFILIATES

Navios Europe I: On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe I and had ownership interests of 47.5%, 47.5% and 5.0%, respectively. On December 18, 2013, Navios Europe I acquired ten vessels for aggregate consideration consisting of: (i) cash which was funded with the proceeds of senior loan facilities (the “Senior Loans I”) and loans aggregating \$10,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the “Navios Term Loans I”) and (ii) the assumption of a junior participating loan facility (the “Junior Loan I”). In addition to the Navios Term Loans I, Navios Holdings, Navios Acquisition and Navios Partners have made available to Navios Europe I revolving loans of up to \$24,100 to fund working capital requirements (collectively, the “Navios Revolving Loans I”). In December 2018, the availability under the Revolving Loans I was increased by \$30,000.

Following the liquidation of Navios Europe I, Navios Partners acquired five vessel owning companies for a fair value of \$56,083 in total.

Navios Europe II: On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe II and have ownership interests of 47.5%, 47.5% and 5.0%, respectively. From June 8, 2015 through December 31, 2015, Navios Europe II acquired fourteen vessels for aggregate consideration consisting of: (i) cash consideration of \$145,550 (which was funded with the proceeds of a \$131,550 senior loan facilities net of loan discount amounting to \$3,375 (the “Senior Loans II”) and loans aggregating \$14,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the “Navios Term Loans II”); and (ii) the assumption of a junior participating loan facility (the “Junior Loan II”) with a face amount of \$182,150 and fair value of \$99,147, at the acquisition date. In addition to the Navios Term Loans II, Navios Holdings, Navios Acquisition and Navios Partners have also made available to Navios Europe II revolving loans up to \$43,500 to fund working capital requirements (collectively, the “Navios Revolving Loans II”). In March 2017, the amount of funds available under the Navios Revolving Loans II was increased by \$14,000.

Following the liquidation of Navios Europe II, Navios Partners acquired five vessel owning companies for a fair value of \$56,050 in total.

Navios Containers:

As of December 31, 2020 and 2019, Navios Partners held 11,592,276 common units, representing an ownership interest in Navios Containers of 35.7% and 33.5% respectively. Investment income of \$1,133 and \$2,532 was recognized in the Consolidated Statements of Operations under the caption of “Equity in net earnings of affiliated companies” for each of the years ended December 31, 2020 and 2019, respectively.

Based on the Company’s evaluation of the duration and magnitude of the fair value decline for approximately twelve months as of December 31, 2019, the Company concluded that the decline in the fair value of its investment below its carrying value was not temporary. Thus, an OTTI loss of \$42,603 was recognized as of December 31, 2019, being the difference between the fair value of \$25,025 and the carrying value of the investment of \$67,628.

The fair value of Navios Partners’ equity investment in Navios Containers was based on unadjusted quoted prices in active markets for Navios Containers’ common units. The fair value of Navios Partners’ equity investment in Navios Containers as at December 31, 2020 was \$47,528 compared with its carrying value of \$26,158.

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On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company would acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the “Transaction”). The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The General Partner of Navios Containers had consented to the NMCI Merger, and the Company voted the Navios Containers’ common units it holds in favor of the Transaction. The Transaction was completed on March 31, 2021. Under the terms of the Transaction, Navios Partners acquired all of the publicly held common units of Navios Containers through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers common unit (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

Following the results of the significant tests performed by the Company, it was concluded that Navios Containers met the significance threshold requiring summarized financial information for the affiliated company to be presented for each of the years ended December 31, 2020 and 2019. Since Navios Europe I and Navios Europe II were liquidated on December 13, 2019 and June 29, 2020, balances are presented only for the year ended December 31, 2019.

Income Statement	For the year ended December 31, 2019	
	Navios Europe I	Navios Europe II
Revenue	\$ 36,822	\$ 46,718
Net loss	\$(18,575)	\$(30,203)

NOTE 21 – CASH DISTRIBUTIONS AND EARNINGS PER UNIT

The amount of distributions paid by Navios Partners and the decision to make any distribution is determined by the Company’s board of directors and will depend on, among other things, Navios Partners’ cash requirements as measured by market opportunities and restrictions under its credit agreements and other debt obligations and such other factors as the Board of Directors may deem advisable. There is no guarantee that the Company will pay the quarterly distribution on the common units in any quarter. The Company is prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under its existing credit facilities.

There are incentive distribution rights held by Navios GP L.L.C., which are analyzed as follows:

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions		
		Common Unitholders	Incentive Distribution Right Holder	General Partner
Minimum Quarterly Distribution	up to \$5.25	98%	—	2%
First Target Distribution	up to \$6.0375	98%	—	2%
Second Target Distribution	above \$ 6.0375 up to \$6.5625	85%	13%	2%
Third Target Distribution	above \$6.5625 up to \$7.875	75%	23%	2%
Thereafter	above \$7.875	50%	48%	2%

The first 98% of the quarterly distribution is paid to all common unitholders. The incentive distributions rights (held by Navios GP L.L.C.) apply only after a minimum quarterly distribution of \$6.0375.

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The authorized quarterly cash distributions for all quarters during the years ended December 2021, 2020, 2019, are presented below:

Date	Authorized Quarterly Cash Distribution for the three months ended	Date of record of Common and General Partner unit Unitholders	Payment of Distribution	\$/ Unit	Amount of the declared distribution
January 2019	December 31, 2018	February 11, 2019	February 14, 2019	\$ 0.30	\$ 3,458
April 2019	March 31, 2019	May 10, 2019	May 14, 2019	\$ 0.30	\$ 3,364
July 2019	June 30, 2019	August 6, 2019	August 9, 2019	\$ 0.30	\$ 3,364
October 2019	September 30, 2019	November 7, 2019	November 14, 2019	\$ 0.30	\$ 3,364
January 2020	December 31, 2019	February 11, 2020	February 13, 2020	\$ 0.30	\$ 3,365
April 2020	March 31, 2020	May 11, 2020	May 14, 2020	\$ 0.30	\$ 3,366
July 2020	June 30, 2020	August 10, 2020	August 13, 2020	\$ 0.05	\$ 562
October 2020	September 30, 2020	November 9, 2020	November 13, 2020	\$ 0.05	\$ 579
January 2021	December 31, 2020	February 9, 2021	February 12, 2021	\$ 0.05	\$ 579
April 2021	March 31, 2021	May 11, 2021	May 14, 2021	\$ 0.05	\$ 1,127
July 2021	June 30, 2021	August 9, 2021	August 12, 2021	\$ 0.05	\$ 1,368
October 2021	September 30, 2021	November 8, 2021	November 12, 2021	\$ 0.05	\$ 1,541
January 2022	December 31, 2021	February 9, 2022	February 11, 2022	\$ 0.05	\$ 1,541

Navios Partners calculates earnings/(losses) per unit by allocating reported net income/(loss) attributable to Navios Partners' unitholders for each period to each class of units based on the distribution waterfall for available cash specified in Navios Partners' partnership agreement, net of the unallocated earnings (or losses). Basic earnings/(losses) per common unit are determined by dividing net income/(loss) attributable to Navios Partners common unitholders by the weighted average number of common units outstanding during the period. Diluted earnings per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units. Net loss per unit undistributed is determined by taking the distributions in excess of net income and allocating between common units and general partner units on a 98%-2% basis. There were no options or phantom units outstanding during each of the years ended December 31, 2021, 2020 and 2019.

The calculations of the basic and diluted earnings per unit are presented below.

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net income / (loss) attributable to Navios Partners' unitholders	\$ 516,186	\$ (68,541)	\$ (62,134)
Income / (loss) attributable to:			
Common unitholders	\$ 505,862	\$ (67,173)	\$ (60,899)
Weighted average units outstanding basic			
Common unitholders	22,620,324	10,966,518	10,830,959
Earnings/ (losses) per unit basic:			
Common unitholders	\$ 22.36	\$ (6.13)	\$ (5.62)
Weighted average units outstanding diluted			
Common unitholders	22,663,240	10,966,518	10,830,959
Earnings/ (losses) per unit diluted:			
Common unitholders	\$ 22.32	\$ (6.13)	\$ (5.62)

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Earnings per unit distributed basic:			
Common unitholders	\$ 0.20	\$ 0.45	\$ 1.22
Earnings per unit distributed diluted:			
Common unitholders	\$ 0.20	\$ 0.45	\$ 1.22
Earnings/ (losses per unit)—undistributed basic:			
Common unitholders	\$22.16	\$(6.58)	\$(6.84)
Earnings/ (losses) per unit undistributed diluted			
Common unitholders	\$22.12	\$(6.58)	\$(6.84)

Potential common units of 42,916 for the year ended December 31, 2021 are included in the calculation of diluted earnings per unit. Potential common units of 92,699 and 146,541 relating to unvested restricted common units for each of the years ended December 31, 2020 and 2019, respectively, have an anti-dilutive effect (i.e. those that increase income per unit or decrease loss per unit) and are therefore excluded from the calculation of diluted earnings per unit.

NOTE 22 – OTHER INCOME – OTHER EXPENSE

As of December 31, 2020, the amount of \$2,697 relating to settlement of claims and recovery of other receivables of one of the Company’s vessels is included under the caption “Other income” of the Consolidated Statements of Operations.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of \$20,000. In October 2020, Navios Holdings paid an amount of \$5,000 to Navios Partners. In April 2021, Navios Holdings paid an amount of \$5,000 to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to \$0 and \$5,000, respectively. The guarantee claim receivable is presented under the caption “Amounts due from related parties-short term” in the Consolidated Balance Sheets as of December 31, 2020. As of December 31, 2019, the amount of \$3,638 related to the change in estimate of the guarantee claim receivable and is included under the caption “Other expense” of the Consolidated Statements of Operations.

NOTE 23 – LEASES

Time charter out contracts and pooling arrangements

The Company’s contract revenues from time chartering, bareboat chartering and pooling arrangements are governed by ASC 842. Upon adoption of ASC 842, the timing and recognition of earnings from the time charter contracts and pool arrangements to which the Company is party did not change from previous practice. For further analysis, (see Note 2— Summary of Significant Accounting Policies).

Bareboat charter-in contracts

On July 24, 2019, Navios Partners took delivery of the Navios Libra, a 2019-built Panamax vessel of 82,011 dwt, for a ten-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of \$6. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

On May 28, 2021 and June 10, 2021, Navios Partners took delivery of the Navios Amitie and the Navios Star, two 2021-built Panamax vessels of 82,002 dwt and 81,994 dwt, respectively. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of \$5.9. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

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Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners took delivery of two 12-year bareboat charter-in vessels, with de-escalating purchase options, the Baghdad, a 2020-built Japanese VLCC of 313,433 dwt and the Erbil, a 2021-built Japanese VLCC of 313,486 dwt. The average daily rate under bareboat charter-in agreement each of Baghdad and Erbil, amounts to \$21. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. The Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

On August 30, 2021, Navios Partners took delivery of the Nave Electron, a 2021-built VLCC vessel of 313,329 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of \$21. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

Based on management estimates and market conditions, the lease term of the leases is being assessed at each balance sheet date. At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment. The Company then applies the respective incremental borrowing rate based on the remaining lease term of the specific lease. Navios Partners' incremental borrowing rates were approximately 7% for Navios Libra, 5% for Navios Amite and Navios Star, 6% for Baghdad and Erbil and 4% for Nave Electron.

As of December 31, 2021 and December 31, 2020 the unamortized balance of the lease liability amounted \$243,804 and \$13,153, respectively, and is presented under the captions "Operating lease liabilities, current portion" and "Operating lease liabilities, net" in the Consolidated Balance Sheets. Right of use assets amounted \$244,337 and \$13,285 as at December 31, 2021 and December 31, 2020, respectively, and are presented under the caption "Operating lease assets" in the Consolidated Balance Sheets.

The Company recognizes the lease payments for its operating leases as charter hire on a straight-line basis over the lease term. Lease expense for the year ended December 31, 2021, 2020 and 2019 amounted to \$12,757, \$2,086, and \$918, respectively, and is included under the caption "Time charter and voyage expenses" in the Consolidated Statements of Operations.

As of December 31, 2021, the management of the Company has considered various indicators, and concluded that events and circumstances did not trigger the existence of potential impairment of its operating lease assets and that step one of the impairment analysis was not required.

As of December 31, 2020, the Company proceeded with step one of impairment assessment of the unamortized balance of the Right of use asset in relation to vessel Navios Libra. As the undiscounted projected net operating cash flows exceed the carrying value of the right-of-use asset, no impairment loss was recognized as of December 31, 2020.

No impairment loss was recognized as of each of December 31, 2021, 2020 and 2019.

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The table below provides the total amount of lease payments on an undiscounted basis on the Company's chartered-in contracts as of December 31, 2021:

	Charter-in vessels in operation
December 31, 2022	\$ 30,603
December 31, 2023	30,558
December 31, 2024	30,508
December 31, 2025	30,368
December 31, 2026	30,257
December 31, 2027 and thereafter	166,021
Total	<u>\$318,315</u>
Operating lease liabilities, including current portion	\$243,804
Discount based on incremental borrowing rate	\$ 74,511

Bareboat charter-out contract

Subsequently to the charter-in agreement, the Company entered into bareboat charter-out agreements for a firm charter period of 10-years for the vessels Baghdad and Erbil. The agreement includes an optional period of 5 years. The Company performed also an assessment of the lease classification under the ASC 842 and concluded that the arrangements are operating leases.

The Company recognizes in relation to the operating leases for the charter-out agreements the charter-out hire income in the consolidated statements of operations on a straight-line basis. As of December 31, 2021, the charter hire income (net of commissions, if any) amounted to \$7,031 and it is included in the consolidated statements of operations under the caption "Time charter and voyage revenues".

NOTE 24 – SUBSEQUENT EVENTS

On March 28, 2022, Navios Partners entered into a new credit facility with a commercial bank for a total amount of up to \$55,000 in order to refinance the existing indebtedness of three of its vessels and for general corporate purposes. The credit facility matures in March 2027 and bears interest at daily cumulative or non-cumulative compounded RFR rate (as defined in the loan agreement) plus 2.25% per annum. On March 31, 2022, the entire amount was drawn under this loan.

In February 2022, Navios Partners agreed to sell the Navios Utmost and the Navios Unite, two 2006-built Containerships of 8,204 TEU each, to an unrelated third party, for an aggregate sales price of \$220,000. The sale is expected to be completed during the second half of 2022 and the gain on sale of vessels is expected to be approximately \$144,304.

In January 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2021 of \$0.05 per unit. The distribution was paid on February 11, 2022 to all unitholders of common units and general partner units of record as of February 9, 2022. The aggregate amount of the declared distribution was \$1,541.