



Navios Maritime Holdings Inc.

Navios Maritime Holdings Inc. Reports Financial Results for the First Quarter Ended March 31, 2020

June 4, 2020

Revenue

- **\$91.1 million for Q1 2020**

Cash used in operating activities

- **\$1.5 million for Q1 2020**

Adjusted EBITDA (a non-GAAP measure)

- **\$28.7 million for Q1 2020**

Liquidation of Navios Europe II expected in Q2 2020

MONACO, June 04, 2020 (GLOBE NEWSWIRE) -- Navios Maritime Holdings Inc. ("Navios Holdings" or "the Company") (NYSE: NM), a global seaborne shipping and logistics company, today reported financial results for the first quarter ended March 31, 2020.

Angeliki Frangou, Chairman and Chief Executive Officer, stated, "While the humanitarian crises caused by the pandemic has been heart breaking, we have also been strengthened by the courage and compassion of the first responders, particularly the many dedicated health care workers. I am proud of the members of the Navios family as they have shown admirable resilience during this unprecedented time of uncertainty, and we have taken the necessary measures to ensure safety of our people while keeping our fleet functioning."

Angeliki Frangou continued, "For the first quarter of 2020, Navios Holdings reported revenue of \$91.1 million, Adjusted EBITDA of \$28.7 million and a TCE equivalent of \$7,082. We experienced weak charter rates in the drybulk market in the first quarter and so far in the second quarter. Year to date 2020, the capesize 5TC rate averaged around \$5,000 per day versus the 2019 average of \$18,000 per day. We anticipate growth in the second half of the year as global economic activity returns."

HIGHLIGHTS – RECENT DEVELOPMENTS

Fleet update

In May 2020, the Company sold to an unrelated third party the Navios Star, a 2002-built Panamax vessel of 76,662 dwt, for a sale price of \$6.7 million.

In May 2020, the Company took delivery of the Navios Magellan II, a newbuilt Panamax vessel of 82,037 dwt under bareboat charter.

In March 2020, the Company took delivery of the Navios Galaxy II, a newbuilt Panamax vessel of 81,789 dwt under bareboat charter.

In March 2020, the Company acquired from an unrelated third party, a previously chartered-in vessel, the Navios Corali, a 2015-built Capesize vessel of 181,249 dwt, for an acquisition price of \$36.6 million, which was paid in cash. The acquisition was financed through a sale and leaseback transaction with an unrelated third party.

Liquidation of Navios Europe (II) Inc. ("Navios Europe II")

Navios Europe II, an entity in which Navios Holdings holds a 47.5% economic interest, is the owner of seven container vessels and seven dry bulk vessels. As of March 31, 2020, Navios Holdings had a receivable of approximately \$31.5 million from Navios Europe II. Following the decision of the shareholders of Navios Europe II in May 2020 to liquidate the structure, a Special Committee of the Board of Directors comprised of independent directors, approved the allocation of assets. As part of the transaction, it is anticipated that Navios Holdings will receive cash subject to working capital adjustments at closing and will acquire two unencumbered Panamax dry bulk vessels. Closing is expected to occur during the second quarter of 2020. No assurances can be provided that definitive agreements will be executed or that the transaction will be completed in whole or in part.

Debt update

In June 2020, the Company entered into a secured loan agreement with Navios Shipmanagement Holdings Corporation, a wholly owned subsidiary of N Shipmanagement Acquisition Corp. (collectively "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 will be repayable in 18 equal consecutive quarterly installments from the initial drawdown. 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% annually (and 7% annually for deferred principal amounts). No amount has been drawn to date.

Fleet statistics

Navios Holdings controls a fleet of 52 vessels totaling 5.6 million dwt, of which 34 are owned (including five bareboat-in vessels) and 18 are chartered-in under long-term charters (collectively, the "Core Fleet"). The fleet consists of 17 Capesize, 27 Panamax, six Ultra-Handymax and two Handysize vessels, with an average age of 7.6 years.

Navios Holdings has currently chartered-out 83.9% for the remaining nine months of 2020. Of these available days, 32.9% are chartered-out on fixed rate and 51.0% are chartered-out on index. The average contracted daily charter-in rate for the long-term charter-in vessels is \$12,971 per day.

The above figures do not include the fleets of Navios South American Logistics Inc. ("Navios Logistics") and vessels servicing contracts of affreightment.

Exhibit II provides certain details of the Core Fleet of Navios Holdings. It does not include the fleet of Navios Logistics.

Non-GAAP Measures

EBITDA, Adjusted EBITDA, Adjusted Net (Loss)/Income attributable to Navios Holdings' common stockholders and Adjusted Basic Loss attributable to Navios Holdings' common stockholders per share are non- U.S. GAAP financial measures and should not be used in isolation or as substitution for Navios Holdings' results calculated in accordance with U.S. GAAP.

See Exhibit I under the heading, "Disclosure of Non-GAAP Financial Measures," for a discussion of EBITDA, Adjusted EBITDA, Adjusted Net (Loss)/Income attributable to Navios Holdings' common stockholders and Adjusted Basic Loss attributable to Navios Holdings' common stockholders per share of Navios Holdings (including Navios Logistics), and EBITDA of Navios Logistics (on a stand-alone basis) and a reconciliation of such measures to the most comparable measures calculated under U.S. GAAP.

As of November 30, 2018, Navios Holdings obtained control over Navios Maritime Containers L.P. ("Navios Containers") and consequently consolidated Navios Containers from that date onwards. Following the sale of Navios Containers general partnership interest on August 30, 2019, Navios Holdings deconsolidated Navios Containers from that date onwards. The results of operations of Navios Containers for the period from January 1, 2019 to March 31, 2019 consolidated under Navios Holdings have been reported as discontinued operations.

Earnings Highlights

First Quarter 2020 and 2019 Results (in thousands of U.S. dollars, except per share data and unless otherwise stated):

The first quarter 2020 and 2019 information presented below was derived from the unaudited condensed consolidated financial statements for the respective periods.

	Three Month Period Ended March 31, 2020	Three Month Period Ended March 31, 2019
	(unaudited)	(unaudited)
Revenue	\$ 91,083	\$ 108,448 ⁽⁶⁾
Net Loss attributable to Navios Holdings' common stockholders	\$ (53,275)	\$ (5,304)
Adjusted Net (Loss)/ Income attributable to Navios Holdings' common stockholders	\$ (23,755) ⁽¹⁾	\$ 466 ⁽⁴⁾
Net cash (used in)/provided by operating activities	\$ (1,482)	\$ 18,323
EBITDA	\$ (772)	\$ 63,002
Adjusted EBITDA	\$ 28,748 ⁽¹⁾	\$ 56,486 ⁽³⁾
Basic (Loss)/Earnings attributable to Navios Holdings' common stockholders per share	\$ (4.23)	\$ 1.32
Adjusted Basic Loss attributable to Navios Holdings' common stockholders per share	\$ (1.95) ⁽²⁾	\$ (0.17) ⁽⁵⁾

(1) Adjusted EBITDA and Adjusted Net Loss attributable to Navios Holdings' common stockholders for the three month period ended March 31, 2020 exclude (i) \$11.2 million in impairment losses relating to two drybulk vessels; (ii) \$12.7 million of other-than-temporary impairment ("OTTI") loss and impairment losses of loan receivable in relation to Navios Europe II; and (iii) \$5.6 million in non-cash impairment losses incurred by our affiliate companies relating to their investment in Navios Europe II.

(2) Adjusted Basic Loss attributable to Navios Holdings' common stockholders per share for the three month period ended March 31, 2020 excludes the items referred in footnote (1) above as well as a gain of \$0.2 million related to the conversion of accrued dividends on private preferred stock to common stock.

(3) Adjusted EBITDA for the three month period ended March 31, 2019 excludes (i) \$5.5 million of impairment losses related to the sale of one drybulk vessel and (ii) \$12.0 million of EBITDA previously included as a result of Navios Containers' consolidation during the period.

(4) Adjusted Net Income attributable to Navios Holdings' common stockholders for the three month period March 31, 2019 excludes \$5.5 million of impairment losses related to the sale of one drybulk vessel as well as \$0.2 million of net loss from

discontinued operations of Navios Containers.

- (5) Adjusted Basic Loss attributable to Navios Holdings' common stockholders per share for the three month period ended March 31, 2019 excludes the items referred in footnote (4) above as well as a gain of \$24.0 million related to the tender offer for the Company's preferred stock.
- (6) Revenue revised to reflect the revenue of Navios Containers as net loss from discontinued operations of Navios Containers for the three month period ended March 31, 2019.

Revenue from dry bulk vessel operations for the three month period ended March 31, 2020 decreased by \$18.4 million, or 34.9%, to \$34.3 million, as compared to \$52.7 million for the same period during 2019. The decrease in dry bulk revenue was mainly attributable to a decrease in available days by 13.1%, due to the vessels sold and certain charter-in vessels that were redelivered, and the decline in freight and time charter market during the periods compared. The TCE per day decreased by 26.4% to \$7,082 per day in the three month period ended March 31, 2020 as compared to \$9,622 per day in the same period in 2019.

Revenue from the logistics business was \$56.8 million for the three month period ended March 31, 2020 as compared to \$55.8 million for the same period in 2019. The increase was mainly attributable to (i) a \$1.7 million increase in sales of products mainly due to an increase in the Paraguayan liquid port's volume of products sold; and (ii) a \$0.2 million increase in revenue from the barge business mainly due to the increased time charter rates. The overall increase was partially mitigated by (i) a \$0.8 million decrease in revenue from the port terminal business, mainly due to lower volumes transhipped in the grain port terminal; and (ii) a \$0.1 million decrease in revenue from cabotage business mainly due to fewer spot voyages performed.

Net Loss attributable to Navios Holdings' common stockholders was \$53.3 million for the three month period ended March 31, 2020, as compared to \$5.3 million for the same period in 2019. Net Loss attributable to Navios Holdings' common stockholders was affected by items described in the table above. Excluding these items, Adjusted Net Loss attributable to Navios Holdings' common stockholders for the three month period ended March 31, 2020 was \$23.8 million, as compared to \$0.5 million Adjusted Net Income attributable to Navios Holdings' common stockholders for the same period in 2019. This decrease in Adjusted Net Income was mainly due to (i) a \$27.8 million decrease in Adjusted EBITDA as discussed in the paragraph below and (ii) a \$0.8 million increase in interest expense and finance cost, net. This overall decrease of \$28.6 million was partially mitigated by (i) a \$3.1 million decrease in depreciation and amortization; (ii) a \$0.5 million decrease in share-based compensation expense; (iii) a \$0.4 million decrease in income tax expense; and (iv) a \$0.3 million decrease in amortization for deferred drydock and special survey costs.

Net Income of Navios Logistics, on a standalone basis, was \$7.0 million for the three month period ended March 31, 2020 as compared to \$5.3 million for the same period in 2019.

Net Loss of Navios Containers, on a standalone basis, was \$0.2 million for the three month period ended March 31, 2019.

Adjusted EBITDA of Navios Holdings for the three month period ended March 31, 2020 decreased by \$27.8 million to \$28.7 million, as compared to \$56.5 million for the same period in 2019. The decrease in Adjusted EBITDA was primarily due to (i) a \$17.4 million decrease in revenue; (ii) a \$6.9 million decrease in other income; (iii) a \$4.5 million decrease in gain on bond extinguishment; (iv) a \$1.5 million increase in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs); and (v) a \$0.8 million increase in net income attributable to noncontrolling interest. This overall decrease of \$31.1 million was partially mitigated by (i) a \$1.9 million increase in equity in net earnings from affiliated companies; and (ii) a \$1.4 million decrease in time charter, voyage and logistics business expenses.

EBITDA of Navios Logistics, on a standalone basis, was \$22.2 million for the three month period ended March 31, 2020, as compared to \$24.2 million for the same period in 2019.

Fleet Summary Data:

The following table reflects certain key indicators indicative of the performance of Navios Holdings' dry bulk operations (excluding the Navios Logistics' and Navios Containers' fleets) and its fleet performance for the three month period ended March 31, 2020 and 2019, respectively.

	Three Month Period Ended March 31, 2020	Three Month Period Ended March 31, 2019
	(Unaudited)	(Unaudited)
Available Days ⁽¹⁾	4,636	5,337
Operating Days ⁽²⁾	4,597	5,313
Fleet Utilization ⁽³⁾	99.2%	99.5%
Equivalent Vessels ⁽⁴⁾	51	59
TCE ⁽⁵⁾	\$ 7,082	\$ 9,622

- (1) Available days for the fleet are total calendar days the vessels were in Navios Holdings' possession for the relevant period after subtracting off-hire days associated with scheduled repairs, drydocking or special surveys and ballast days relating to voyages. The shipping industry uses available days to measure the number of days in a relevant period during which vessels should be capable of generating revenues.

- (2) Operating days are the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.
- (3) Fleet utilization is the percentage of time that Navios 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. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels.
- (4) Equivalent Vessels is defined as the total available days during a relevant period divided by the number of days of this period.
- (5) TCE is defined as voyage and time charter revenues less voyage expenses during a relevant period divided by the number of available days during the period.

Conference Call:

As previously announced, Navios Holdings will host a conference call today, June 4, 2020, at 8:30 am ET, at which time Navios Holdings' senior management will provide highlights and commentary on earnings results for the first quarter ended March 31, 2020.

A supplemental slide presentation will be available on the Navios Holdings website at www.navios.com under the "Investors" section by 8:00 am ET on the day of the call.

Conference Call details:

Call Date/Time: Thursday, June 4, 2020 at 8:30 am ET
Call Title: Navios Holdings Q1 2020 Financial Results Conference Call
US Dial In: +1.877.480.3873
International Dial In: +1.404.665.9927
Conference ID: 468 6157

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

US Replay Dial In: +1.800.585.8367
International Replay Dial In: +1.404.537.3406
Conference ID: 468 6157

This call will be simultaneously Webcast. The Webcast will be available on the Navios Holdings website, www.navios.com, under the "Investors" section. The Webcast will be archived and available at the same Web address for two weeks following the call.

About Navios Maritime Holdings Inc.

Navios Maritime Holdings Inc. (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. For more information about Navios Holdings please visit our website: www.navios.com.

About Navios South American Logistics Inc.

Navios South American Logistics Inc. is one of the largest logistics companies in the Hidrovia region of South America, focusing on the Hidrovia region river system, the main navigable river system in the region, and on cabotage trades along the eastern coast of South America. Navios Logistics serves the storage and marine transportation needs of its petroleum, agricultural and mining customers through its port terminals, river barge and coastal cabotage operations. For more information about Navios Logistics please visit its website: www.navios-logistics.com.

About Navios Maritime Containers L.P.

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

About Navios Maritime Partners L.P.

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

About Navios Maritime Acquisition Corporation

Navios Maritime Acquisition Corporation (NYSE: NNA) is an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals. For more information about Navios Acquisition, please visit its website: www.navios-acquisition.com.

Forward Looking Statements - Safe Harbor

This press release and our earnings call contain and will contain forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events, including expected cash flow generation, future contracted revenues, potential capital gains, our ability to take advantage of dislocation in the market and any market recovery, the liquidation of Navios Europe II and Navios Holdings' growth strategy and measures to implement such strategy, including expected vessel acquisitions and entering into further time charters. Words such as "may," "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates," and variations

of such words and similar expressions are intended to identify forward-looking statements. Such statements include comments regarding expected revenue and time charters. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Navios Holdings at the time these statements were made. Although Navios Holdings believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Holdings. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, risks relating to: global and regional economic and political conditions including the impact of the COVID-19 pandemic and efforts throughout the world to contain its spread, including effects on global economic activity, demand for seaborne transportation of the products we ship, the ability and willingness of charterers to fulfill their obligations to us and prevailing charter rates, shipyards performing scrubber installations, drydocking and repairs, changing vessel crews and availability of financing; potential disruption of shipping routes due to accidents, diseases, pandemics, political events, piracy or acts by terrorists, including the impact of the COVID-19 pandemic and the ongoing efforts throughout the world to contain it; uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles, our continued ability to enter into long-term time charters, our ability to maximize the use of our vessels, expected demand in the dry cargo shipping sector in general and the demand for our Panamax, Capesize, Ultra Handymax and Handysize vessels in particular, fluctuations in charter rates for dry cargo carriers vessels, the aging of our fleet and resultant increases in operations costs, the loss of any customer or charter or vessel, the financial condition of our customers, changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors, increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance, and general and administrative expenses, the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, general domestic and international political conditions, competitive factors in the market in which Navios Holdings operates, the value of our publicly traded subsidiaries, risks associated with operations outside the United States, and other factors listed from time to time in Navios Holdings' filings with the Securities and Exchange Commission, including its Forms 20-F and Forms 6-K. Navios Holdings expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Holdings' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Holdings makes no prediction or statement about the performance of its common stock or debt securities.

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EXHIBIT I

NAVIOS MARITIME HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. dollars — except share and per share data)

	Three Month Period Ended March 31, 2020 (unaudited)	Three Month Period Ended March 31, 2019 (unaudited)
Revenue	\$ 91,083	\$ 108,448
Administrative fee revenue from affiliates	—	6,464
Time charter, voyage and logistics business expenses	(46,644)	(47,997)
Direct vessel expenses ⁽¹⁾	(24,731)	(23,539)
General and administrative expenses incurred on behalf of affiliates	—	(6,464)
General and administrative expenses ⁽²⁾	(6,962)	(7,532)
Depreciation and amortization	(18,076)	(21,225)
Interest expense and finance cost, net	(31,643)	(30,844)
Impairment loss/ loss on sale of vessels, net	(11,248)	(5,531)
Gain on bond extinguishment	11,204	15,662
Other (expense)/income, net	(1,561)	5,309
Impairment of loan receivable from affiliated company	(6,050)	—
Loss before equity in net earnings of affiliated companies	\$ (44,628)	\$ (7,249)
Equity in net (losses)/earnings of affiliated companies	(6,137)	4,277
Loss before taxes	\$ (50,765)	\$ (2,972)
Income tax benefit/(expense)	39	(405)
Net loss from continuing operations	(50,726)	(3,377)
Net loss from discontinued operations	—	(239)
Net loss	\$ (50,726)	\$ (3,616)
Less: Net income attributable to the noncontrolling interest	(2,549)	(1,688)
Net loss attributable to Navios Holdings common stockholders	\$ (53,275)	\$ (5,304)

(Loss)/income attributable to Navios Holdings common stockholders, basic and diluted from continuing operations	\$ (54,403)	\$ 16,429
Loss attributable to Navios Holdings common stockholders, basic and diluted from discontinued operations	\$ —	\$ (239)
(Loss)/income attributable to Navios Holdings common stockholders, basic	<u>\$ (54,403)</u>	<u>\$ 16,190</u>
(Loss)/income attributable to Navios Holdings common stockholders, diluted	<u>(54,403)</u>	<u>16,363</u>
Basic (loss)/earnings per share attributable to Navios Holdings common stockholders from continuing operations	<u>\$ (4.23)</u>	<u>\$ 1.34</u>
Basic loss per share attributable to Navios Holdings common stockholders from discontinued operations	\$ —	\$ (0.02)
Basic (loss)/earnings per share attributable to Navios Holdings common stockholders	<u>\$ (4.23)</u>	<u>\$ 1.32</u>
Weighted average number of shares, basic	<u>12,862,589</u>	<u>12,219,884</u>
Diluted (loss)/earnings per share attributable to Navios Holdings common stockholders	<u>\$ (4.23)</u>	<u>\$ 1.22</u>
Weighted average number of shares, diluted	<u>12,862,589</u>	<u>13,377,117</u>

- (1) Includes expenses of Navios Logistics of \$12.2 million and \$12.6 million for the three month period ended March 31, 2020 and 2019, respectively.
- (2) Includes expenses of Navios Logistics of \$3.2 million and \$3.8 million for the three month period ended March 31, 2020 and 2019, respectively.

NAVIOS MARITIME HOLDINGS INC.
Other Financial Data

	March 31, 2020	December 31, 2019
	(unaudited)	(unaudited)
ASSETS		
Cash and cash equivalents, including restricted cash	\$ 55,187	\$ 78,727
Vessels, port terminals and other fixed assets, net	1,305,293	1,276,514
Goodwill and other intangibles	263,097	264,490
Operating lease assets	269,107	264,005
Other current and non-current assets	245,216	259,119
Total assets	<u>\$ 2,137,900</u>	<u>\$ 2,142,855</u>
LIABILITIES AND EQUITY		
Long-term debt, including current portion	\$ 445,741	\$ 392,568
Senior and ship mortgage notes, net	1,151,481	1,170,679
Operating lease liabilities, current portion	82,390	87,103
Operating lease liabilities, net of current portion	233,284	226,329
Other current and non-current liabilities	120,035	107,151
Total stockholders' equity	104,969	159,025
Total liabilities and stockholders' equity	<u>\$ 2,137,900</u>	<u>\$ 2,142,855</u>

Disclosure of Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, Adjusted Net Income/(Loss) attributable to Navios Holdings' common stockholders and Adjusted Basic Earnings/(Loss) per share are "non-U.S. GAAP financial measures" and should not be used in isolation or considered substitutes for net income/(loss), cash flow from operating activities and other operations or cash flow statement data prepared in accordance with generally accepted accounting principles in the United States.

EBITDA represents net income/(loss) attributable to Navios Holdings' common stockholders before interest and finance costs, before depreciation and amortization, before income taxes and before stock-based compensation. Adjusted EBITDA represents EBITDA, excluding certain items as described under "Earnings Highlights". We use EBITDA and Adjusted EBITDA as liquidity measures and reconcile EBITDA and Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA is calculated as follows: net cash provided by operating activities adding back, when applicable and as the case may be, the effect of (i) net increase/(decrease) in operating assets, (ii) net (increase)/decrease in operating liabilities, (iii) net interest cost, (iv) deferred finance charges and gains/(losses) on bond and debt extinguishment, (v) (provision)/recovery for losses on accounts receivable, (vi) equity in affiliates, 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 charges. Navios Holdings believes that EBITDA and Adjusted EBITDA are 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 EBITDA and Adjusted EBITDA are 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.

While EBITDA and Adjusted EBITDA are frequently used as measures of operating results and the ability to meet debt service requirements, the definitions of EBITDA and Adjusted EBITDA used here may not be comparable to those used by other companies due to differences in methods of calculation.

EBITDA and Adjusted EBITDA have 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) EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, working capital needs; (ii) EBITDA and Adjusted EBITDA do not reflect the amounts necessary to service interest or principal payments on our debt and other financing arrangements; and (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. EBITDA and Adjusted EBITDA do not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, EBITDA and Adjusted EBITDA should not be considered as a principal indicator of Navios Holdings' performance.

Navios Logistics EBITDA is used to measure its operating performance.

We present Adjusted Net Income/(Loss) attributable to Navios Holdings' common stockholders because we believe it assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Our presentation of Adjusted Net Income/(Loss) attributable to Navios Holdings' common stockholders adjusts net income/(loss) attributable to Navios Holdings' common stockholders for the items described above under "Earnings Highlights". The definition of Adjusted Net Income/(Loss) used here may not be comparable to that used by other companies due to differences in methods of calculation.

Adjusted Basic Earnings/(Loss) attributable to Navios Holdings' common stockholders per share is defined as Adjusted Net Income/(Loss) attributable to Navios Holdings' common stockholders divided by the weighted average number of shares for each of the periods presented.

The following tables provide a reconciliation of EBITDA and Adjusted EBITDA of Navios Holdings (including Navios Logistics and Navios Containers through deconsolidation) and EBITDA of Navios Logistics and Navios Containers on a stand-alone basis:

Navios Holdings Reconciliation of EBITDA and Adjusted EBITDA to Cash from Operations

Three Month Period Ended (in thousands of U.S. dollars)	March 31, 2020 (unaudited)	March 31, 2019 (unaudited)
Net cash (used in)/provided by operating activities	\$ (1,482)	\$ 18,323
Net (decrease)/increase in operating assets	(4,002)	7,610
Net increase in operating liabilities	(15,068)	(10,701)
Net interest cost	31,643	34,397
Deferred finance charges	(1,828)	(1,857)
Provision for losses on accounts receivable	(408)	(576)
Equity in affiliates, net of dividends received	(6,799)	3,240
Payments for drydock and special survey costs	5,815	4,123
Noncontrolling interest	(2,549)	(1,688)
Gain on bond extinguishment	11,204	15,662
Impairment loss/ loss on sale of vessels, net	(11,248)	(5,531)
Impairment of loan receivable from affiliated company	(6,050)	—
EBITDA	\$ (772)	\$ 63,002
Impairment loss/ loss on sale of vessels, net	11,248	5,531
Other items from affiliates	5,572	—
Impairment of loan receivable from affiliated company	6,050	—
Impairment loss on investment in affiliate	6,650	—
Adjusted EBITDA including Navios Containers	\$ 28,748	\$ 68,533
Navios Containers' EBITDA (excluding noncontrolling interest)	—	(12,047)

Adjusted EBITDA	\$ 28,748	\$ 56,486
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Three Month Period Ended (in thousands of U.S. dollars)	March 31, 2020	March 31, 2019
	(unaudited)	(unaudited)
Net cash (used in)/provided by operating activities	\$ (1,482)	\$ 18,323
Net cash used in investing activities	\$ (56,801)	\$ (6,606)
Net cash provided by/(used in) financing activities	\$ 34,743	\$ (33,133)

Adjusted EBITDA breakdown

Three Month Period Ended (in thousands of U.S. dollars)	March 31, 2020	March 31, 2019
	(unaudited)	(unaudited)
Core shipping operations	\$ 2,963	\$ 29,735
Navios Logistics (including noncontrolling interest)	19,700	22,243
Navios Containers (including noncontrolling interest)	—	12,278
Equity in net earnings of affiliated companies	6,085	4,277
Adjusted EBITDA including Navios Containers	\$ 28,748	\$ 68,533

Navios Logistics EBITDA Reconciliation to Net Income

Three Month Period Ended (in thousands of U.S. dollars)	March 31, 2020	March 31, 2019
	(unaudited)	(unaudited)
Net income	\$ 7,046	\$ 5,305
Depreciation and amortization	7,278	7,346
Amortization of deferred drydock and special survey costs	1,039	1,326
Interest expense and finance cost, net	6,970	9,838
Income tax (benefit)/expense	(84)	347
EBITDA	\$ 22,249	\$ 24,162

Navios Containers Reconciliation of EBITDA to Cash from Operations

Three Month Period Ended (in thousands of U.S. dollars)	March 31, 2019
	(unaudited)
Net cash used in operating activities	\$ (37)
Net increase in operating assets	3,865
Net decrease in operating liabilities	2,018
Net interest cost	3,553
Deferred finance charges	(59)
Payments for drydock and special survey costs	2,707
EBITDA	\$ 12,047

EXHIBIT II

Owned Vessels

Vessel Name	Vessel Type	Year Built	Deadweight (in metric tons)
Navios Serenity	Handysize	2011	34,690
Navios Astra	Ultra Handymax	2006	53,468
Navios Ulysses	Ultra Handymax	2007	55,728
Navios Celestial	Ultra Handymax	2009	58,063
Navios Vega	Ultra Handymax	2009	58,792
Navios Amitie	Panamax	2005	75,395
Navios Northern Star	Panamax	2005	75,395
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
Navios Avior	Panamax	2012	81,355
Navios Centaurus	Panamax	2012	81,472
Navios Victory	Panamax	2014	77,095
Navios Stellar	Capesize	2009	169,001
Navios Bonavis	Capesize	2009	180,022
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 Azimuth	Capesize	2011	179,169
Navios Ray	Capesize	2012	179,515
Navios Gem	Capesize	2014	181,336
Dream Canary	Capesize	2015	180,528
Navios Corali	Capesize	2015	181,249

Long-term Bareboat-in Fleet in Operation

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

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

Long-term Chartered-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 Mercury	Ultra Handymax	2013	61,393	Yes
Navios Venus	Ultra Handymax	2015	61,339	Yes
Navios Marco Polo	Panamax	2011	80,647	Yes

Navios Southern Star	Panamax	2013	82,224	Yes
Elsa S	Panamax	2015	80,954	No
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
Mont Blanc Hawk	Panamax	2017	81,638	No
Cassiopeia Ocean	Panamax	2018	82,069	No
Navios Gemini	Panamax	2018	81,704	No ⁽³⁾
Navios Horizon I	Panamax	2019	81,692	No ⁽³⁾
Navios Koyo	Capesize	2011	181,415	Yes
Navios Obeliks	Capesize	2012	181,415	Yes
Navios Felix	Capesize	2016	181,221	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.



Source: Navios Maritime Holdings, Inc.