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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

Dated: June 12, 2020

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

---

7 Avenue de Grande Bretagne, Office 11B2
Monte Carlo, MC 98000 Monaco
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):

Yes ☐ No ☒

The information contained in this Report on Form 6-K (this "Report") is incorporated by reference into the Registration Statements on Form S-8, File No. 333-147186, 333-202141 and 333-222002, and the related prospectuses.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios Maritime Holdings Inc. ("Navios Holdings" or the "Company") for the three month periods ended March 31, 2020 and 2019. Navios Holdings' financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP"). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Holdings' Annual Report on Form 20-F for the year ended December 31, 2019 filed with the Securities and Exchange Commission ("SEC") and the condensed consolidated financial statements and the accompanying notes included elsewhere in this Report.

This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements herein other than statements of historical fact, including statements regarding business and industry prospects or future results of operations or financial position should be considered forward-looking. These forward looking statements are based on Navios Holdings' current expectations and observations. Factors that could cause actual results to differ materially include, but are not limited 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, 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, 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 and risks associated with operations outside the United States. Other factors that could cause our actual results to differ from our current expectations and observations include, but are not limited to, those discussed under Part I, Item 3D — Risk Factors in Navios Holdings' Annual Report on Form 20-F for the year ended December 31, 2019. All forward-looking statements made in this Report speak only as of the date of this document. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Recent Developments

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. As a result of the liquidation, the receivable will be deemed repaid in full. 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.

Overview

General

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. 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 (the "Transaction") to N Shipmanagement Acquisition Corp. and related entities ("NSM" or the "Manager") affiliated with Company's Chairman and Chief Executive Officer, Angeliki Frangou. The Company entered into five-year service agreements under which NSM provides technical and commercial management services at a fixed rate of $3,700 per day per vessel until August 2021 and administrative services, reimbursed at allocable cost. See also "Related Party Transactions". Following the sale of Navios Containers' general partnership interest, 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 have been reported as discontinued operations for the three month period ended March 31, 2019 presented herein.

Navios Logistics

Navios South American Logistics Inc. ("Navios Logistics"), a consolidated subsidiary of the Company, is one of the largest logistics companies in the Hidrovia region of South America, with the region's second largest barge fleet and its third largest cabotage fleet. Navios Logistics is focused on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the eastern coast of South America. Navios Logistics provides its customers with 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 March 31, 2020, Navios Holdings owned 63.8% of Navios Logistics.

Affiliates (not consolidated under Navios Holdings)

Navios Maritime Partners L.P. ("Navios Partners") (NYSE: NMM) is an international owner and operator of dry cargo vessels and is engaged in seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain, fertilizer and also containerships, chartering its vessels under medium to long-term charters. In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50.0 million of Navios Partners' common units over a two-year period. As of March 31, 2020, Navios Partners repurchased 312,952 common units. As of March 31, 2020, and following the sale of Navios Partners' general partnership interest (see also Note 3 included elsewhere in this Report), Navios Holdings owned an 18.5% interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Maritime Acquisition Corporation ("Navios Acquisition") (NYSE: NNA), an affiliate (former subsidiary) of the Company, is an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals. As of March 31, 2020, Navios Holdings' owned a 30.8% interest in Navios Acquisition.

Navios Maritime Containers L.P. ("Navios Containers") (NASDAQ: NMCI), a consolidated subsidiary of the Company from November 30, 2018 (date of obtaining control) through August 30, 2019 (date of loss of control), is a growth-oriented international owner and operator of containerships. Navios Containers was formed in April 2017 to take advantage of acquisition and chartering opportunities in the container shipping sector. Following the sale of Navios Containers' general partnership interest effected on August 30, 2019, referred to in Note 3 included elsewhere in this Report, Navios Holdings lost control and deconsolidated Navios Containers from that date onwards. As a result, from August 30, 2019, Navios Containers is not a controlled subsidiary of the Company and the investment in Navios Containers is accounted for under the equity method due to Navios Holdings' significant influence over Navios Containers. As of March 31, 2020, Navios Holdings had a 3.7% ownership interest in Navios Containers.

Navios Europe II is engaged in the marine transportation industry through the ownership of seven dry bulk and seven containership vessels. Navios Holdings, Navios Acquisition and Navios Partners have voting interests of 50%, 50% and 0%, respectively, and 47.5%, 47.5% and 5% economic interests, respectively, in Navios Europe II. The structure is expected to be liquidated during the second quarter of 2020 (see also Note 14 included elsewhere in this Report).

Fleet

The following is the current Navios Holdings' "core fleet" employment profile (excluding Navios Logistics). The current "core fleet" consists of 52 vessels totaling 5.6 million deadweight tons and has an average age of 7.6 years. The employment profile of the fleet as of June 9, 2020, is reflected in the tables below. Navios Holdings has currently chartered-out 85.5% of available days for the remaining nine months of 2020, out of which 38.4% is on fixed rate and 47.1% is 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 Fleet. Navios Holdings owns a fleet comprised of four Ultra Handymax vessels, 14 Capesize vessels, 15 Panamax vessels (which includes five vessels under bareboat contracts) and one Handysize vessel.

Vessels	Type	Built	DWT	Charter-out Rate (1)	Profit Share	Expiration Date (2)
Navios Serenity	Handysize	2011	34,690	8,550	No	07/2020
Navios Astra	Ultra Handymax	2006	53,468	8,598	No	11/2020
Navios Ulysses	Ultra Handymax	2007	55,728	—	100% of average Baltic Supramax 58 10TC Index Routes	11/2020
Navios Celestial	Ultra Handymax	2009	58,063	—	100% of average Baltic Supramax 58 10TC Index Routes	11/2020
Navios Vega	Ultra Handymax	2009	58,792	—	100% of average Baltic Supramax 58 10TC Index Routes	12/2020
Navios Northern Star	Panamax	2005	75,395	—	100% of average Baltic Panamx 4TC Index Routes	03/2022
Navios Amitie	Panamax	2005	75,395	10,395	No	12/2020
				—	100% of average Baltic Panamax 4TC Index Routes	12/2021
Navios Taurus	Panamax	2005	76,596	—	100% of average Baltic Panamax 4TC Index Routes	07/2021
Navios Asteriks	Panamax	2005	76,801	9,625	No	12/2020
				—	100% of average Baltic Panamax 4TC Index Routes	12/2021
N Amalthia	Panamax	2006	75,318	10,395	No	12/2020
				—	100% of average Baltic Panamax 4TC Index Routes	01/2022

Vessels	Type	Built	DWT	Charter-out Rate (1)	Profit Share	Expiration Date (2)
Navios Galileo	Panamax	2006	76,596	—	100% of average Baltic Panamax 4TC Index Routes	01/2022
N Bonanza	Panamax	2006	76,596	9,769	No	12/2020
				—	100% of average Baltic Panamax 4TC Index Routes	12/2021
Navios Avior	Panamax	2012	81,355	—	110% of average Baltic Panamax 4TC Index Routes	11/2022
Navios Centaurus	Panamax	2012	81,472	9,310	No	03/2021
Navios Victory	Panamax	2014	77,095	—	112% of average Baltic Panamax Index 4TC Routes	01/2021
Navios Stellar	Capesize	2009	169,001	—	99% of Baltic Capesize 5TC Index Routes	03/2021
Navios Bonavis	Capesize	2009	180,022	—	102.5% of average Baltic Capesize 5TC Index Routes	10/2020
Navios Happiness	Capesize	2009	180,022	—	106% of average Baltic Capesize 5TC Index Routes	03/2021
Navios Phoenix	Capesize	2009	180,242	—	108.5% to 109.75% of average Baltic Capesize 5TC Index Routes	03/2021
Navios Lumen	Capesize	2009	180,661	—	Spot	—
Navios Antares	Capesize	2010	169,059	—	99% of average Baltic Capesize 5TC Index Routes	03/2021
Navios Etoile	Capesize	2010	179,234	—	Spot	—
Navios Bonheur	Capesize	2010	179,259	—	100.5% of average Baltic Capesize C5 Index Routes	09/2020
Navios Altamira	Capesize	2011	179,165	—	100% of average Baltic Capesize 5TC Index Routes	03/2021
Navios Azimuth	Capesize	2011	179,169	—	Spot	—
Navios Ray	Capesize	2012	179,515	—	107% of average Baltic Capesize 5TC Index Routes	08/2020
Navios Gem	Capesize	2014	181,336	—	125% of average Baltic Capesize 5TC Index Routes	02/2021
Navios Canary (ex. Dream Canary)	Capesize	2015	180,528	—	120% of average Baltic Capesize 5TC Index Routes	12/2020
Navios Corali	Capesize	2015	181,249	—	122% of average Baltic Capesize 5TC Index Routes	10/2020

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	14,245	Yes	No	09/2020
				—		125% of average Baltic Panamax Index 4TC Routes	07/2021
Navios Uranus	Panamax	2019	81,516	12,621	Yes	No	09/2022
Navios Galaxy II	Panamax	2020	81,789	—	Yes	130.5% of average Baltic Panamax Index 4TC Routes	02/2021
				—		125% of average Baltic Panamax Index 4TC Routes	01/2023
Navios Felicity I	Panamax	2020	81,946	—	Yes	125% of average Baltic Panamax Index 4TC Routes	09/2021
Navios Magellan II	Panamax	2020	82,037	—	Yes	124.375% of average Baltic Panamax Index 4TC Routes	01/2023

Long-Term Fleet. In addition to the 34 owned vessels, Navios Holdings controls a fleet of three Capesize, 12 Panamax, two Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, which have an average age of approximately 4.8 years. The average daily charter-in rate for the active long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for the remaining nine months of 2020 is $12,971. We estimate the days of the long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for the remaining nine months of 2020 are 5,848 days.

Long-term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option (3)	Charter-out Rate (1)	Expiration Date (2)
Navios Lyra	Handysize	2012	34,718	Yes(4)	9,025	08/2020
Navios Mercury	Ultra Handymax	2013	61,393	Yes	— (5)	06/2020
Navios Venus	Ultra Handymax	2015	61,339	Yes	— (6)	11/2020
Navios Marco Polo	Panamax	2011	80,647	Yes	— (7)	08/2020
Navios Southern Star	Panamax	2013	82,224	Yes	— (8)	11/2020
Elsa S	Panamax	2015	80,954	No	— (9)	01/2021
Navios Amber	Panamax	2015	80,994	Yes	— (9)	03/2021
Navios Sky	Panamax	2015	82,056	Yes	— (10)	05/2021
Navios Coral	Panamax	2016	84,904	Yes	— (11)	09/2020
Navios Citrine	Panamax	2017	81,626	Yes	— (11)	02/2021
					— (12)	02/2023
Navios Dolphin	Panamax	2017	81,630	Yes	— (11)	01/2021
					— (12)	12/2022
Mont Blanc Hawk	Panamax	2017	81,638	No	— (9)	04/2021

Vessels	Type	Built	DWT	Purchase Option (3)	Charter-out Rate (1)	Expiration Date (2)
Cassiopeia Ocean	Panamax	2018	82,069	No	— (9)	07/2021
Navios Gemini	Panamax	2018	81,704	No (16)	14,393	09/2020
Navios Horizon I	Panamax	2019	81,692	No (16)	— (11)	09/2021
Navios Koyo	Capesize	2011	181,415	Yes	— (13)	02/2021
Navios Obeliks	Capesize	2012	181,415	Yes	— (14)	07/2020
Navios Felix	Capesize	2016	181,221	Yes	— (15)	05/2021

(1) Daily rate net of commissions.
(2) Expected redelivery basis midpoint of full redelivery period.
(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) 110% to 112% of average Baltic Supramax 58 10TC Index Routes.
(6) 110% of average Baltic Supramax 58 10TC Index Routes.
(7) 112% of average Baltic Panamax 4TC Index Routes.
(8) 133.75% of average Baltic Panamax 4TC Index Routes.
(9) 115% of average Baltic Panamax 4TC Index Routes.
(10) 113% of average Baltic Panamax 4TC Index Routes.
(11) 120% of average Baltic Panamax 4TC Index Routes.
(12) 122% of average Baltic Panamax 4TC Index Routes
(13) 112% of average Baltic Capesize 5TC Index Routes.
(14) 108.5% of average Baltic Capesize 5TC Index Routes.
(15) 122% of average Baltic Capesize 5TC Index Routes.
(16) Navios Holdings has the right of first refusal and profit sharing on sale of vessel.

Many of Navios Holdings' current long-term chartered-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. Navios Holdings may enter into COAs pursuant to which Navios Holdings has agreed to carry cargoes, typically for industrial customers, who export or import dry bulk cargoes. 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.

Navios Logistics' Fleet

The following is the current core fleet of Navios Logistics as presented in Navios Logistics' 6-K filed with SEC:

Pushboats/ Barges/ Inland Oil Tankers Fleet	Number of Vessels	Capacity/BHP	Description
Pushboat fleet	27	95,920 BHP	Various Sizes and Horsepower
Dry Barges	268	474,050 DWT	Dry Cargo
Tank Barges	34	110,187 m3	Liquid Cargo
LPG Barges	3	4,752 m3	LPG
Total	332		

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 San H	2010	16,871	Double-hulled Product Tanker
Ferni H	2010	16,871	Double-hulled Product Tanker
Heman H	2012	1,693	Double-hulled Bunker Vessel
Elena H	2018	4,999	Double-hulled Product Tanker
Total		**87,916**	

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 trades additional vessels taken in on shorter term charters of less than 12 months duration as well as voyage charters or COAs.

Generally, these charters, when available, may have the effect of generating Time Charter Equivalents ("TCE") that are higher than spot employment. The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was $12,363 per day for the three month period ended March 31, 2020. The average long-term charter-in hire rate per vessel was included in the amount of long-term hire included elsewhere in this Report 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 13 purchase options to acquire chartered- 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 contracts provided by NSM) 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 owns and operates vessels, barges and pushboats located in South America, the largest independent bulk transfer and storage port facility in Uruguay, an upriver liquid port facility located in Paraguay and an upriver grain facility being developed in Brazil. Operating results for Navios Logistics are highly correlated to: (i) South American grain production and export, in particular Argentinean, Brazilian, Paraguayan, Uruguayan and Bolivian production and export; (ii) South American iron ore production and export, mainly from Brazil; and (iii) sales (and logistic services) of petroleum products in the Argentine and Paraguayan markets. 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.

Factors Affecting Navios Holdings' Results of Operations

Navios Holdings believes the principal factors that will affect its future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which its vessels engage in business. In addition our business could be materially and adversely affected by the outbreak of the recent COVID-19. Please read "Risk Factors" included in Navios Holdings' Annual Report on Form 20-F for the year ended December 31, 2019 filed with the SEC for a discussion of certain risks inherent in its business.

Navios Holdings believes that 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 and short-term chartered-in vessels and controls approximately 5.6 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 scheduled repairs or repairs under guarantee, vessel upgrades 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 lack of demand or unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.
- *Fleet utilization:* Fleet utilization is obtained by dividing the number of operating days during a period by the number of available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning.
- *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 compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts, while charter hire rates for vessels on time charters generally are expressed in such amounts.
- *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 7.6 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: 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 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 of South America. Navios Holdings measures segment performance based on net income attributable to Navios Holdings' common stockholders.

For further segment information, please see Note 12 to the Condensed Consolidated Financial Statements included elsewhere in this Report.

Period over Period Comparisons

For the Three Month Period Ended March 31, 2020 Compared to the Three Month Period Ended March 31, 2019

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2020 and 2019, respectively. This information was derived from the unaudited condensed consolidated statement of comprehensive (loss)/income of Navios Holdings for the respective periods. 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 three month period ended March 31, 2019 presented herein.

(in thousands of U.S. dollars)	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	(24,731)	(23,539)
General and administrative expenses incurred on behalf of affiliates	—	(6,464)
General and administrative expenses	(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)**

Set forth below are selected historical and statistical data for the Dry Bulk Vessel Operations segment for each of the three month periods ended March 31, 2020 and 2019 that the Company believes may be useful in better understanding the Company's financial position and results of operations.

	Three Month Period Ended March 31,	
	2020 (unaudited)	2019 (unaudited)
FLEET DATA		
Available days	4,636	5,337
Operating days	4,597	5,313
Fleet utilization	99.2%	99.5%
Equivalent vessels	51	59
AVERAGE DAILY RESULTS		
Time Charter Equivalents	$ 7,082	$ 9,622

During the three month period ended March 31, 2020, there were 701 less available days as compared to the same period during 2019 due to (i) a net decrease in available days of owned vessels by 517 days following the sale of Navios Hios, Navios Kypros, Navios Equator Prosper, Navios Mercator, Navios Primavera, Navios Arc Navios Vector and Navios Meridian; and (ii) a decrease in long-term charter-in fleet available days by 184 days.

The average TCE rate for the three month period ended March 31, 2020 was $7,082 per day, which was 26.4% or $2,540 per day lower than the rate achieved in the same period during 2019. This was primarily due to the decline in the freight and time charter market.

Revenue: Revenue from Dry Bulk Vessel Operations for the three month period ended March 31, 2020 was $34.3 million as compared to $52.7 million for the same period during 2019. The decrease of $18.4 million, or 34.9%, in dry bulk revenue was mainly attributable to a decrease in available days, 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.

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 the increase in the Paraguayan liquid port's volume of products sold and (ii) a $0.2 million increase in revenue from 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 transshipped in the grain port terminal and (ii) a $0.1 million decrease in revenue from the cabotage business mainly due to fewer spot voyage performed.

Administrative Service Fee from Affiliates/ General and Administrative Expenses incurred on behalf of affiliates: Administrative fee revenue from affiliates was $6.5 million, for the three month period ended March 31, 2019 and $0 million for the three month period ended March 31, 2020.

General and administrative expenses incurred on behalf of affiliates was $6.5 million, for the three month period ended March 31, 2019, as compared to $0 million for the same period in 2020.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses decreased by $1.4 million, or 2.9%, to $46.6 million for the three month period ended March 31, 2020, as compared to $48.0 million for the three month period ended March 31, 2019.

Time charter and voyage expenses from Dry Bulk Vessel Operations decreased by $4.8 million, or 14.7%, to $27.8 million for the three month period ended March 31, 2020, as compared to $32.6 million for the three month period ended March 31, 2019. This was primarily due to a decrease in charter-in expenses.

Of the total expenses for the three month periods ended March 31, 2020 and 2019, $18.8 million and $15.4 million, respectively, related to Navios Logistics. The increase of $3.4 million in time charter, voyage and Logistics Business expenses related to Navios Logistics was mainly due to (i) a $1.9 million increase in cost of products sold mainly attributable to the increase in the Paraguayan liquid port's volume of products sold; (ii) a $1.7 million increase in time charter and voyage expenses of the barge business and (iii) a $0.2 million increase in time charter and voyage expenses of the port terminal business. This increase was partially mitigated by a $0.4 million decrease in time charter and voyage expenses of the cabotage business mainly due to fewer spot voyages performed.

Direct Vessel Expenses: Direct vessel expenses increased by $1.2 million, or 5.1%, to $24.7 million for the three month period ended March 31, 2020, as compared to $23.5 million for the three month period ended March 31, 2019. Direct vessel expenses include crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

As of August 30, 2019, following the sale of the management division, NSM provides management services to the Company at a fixed rate of $3,700 per day per vessel. During the three month period ended March 31, 2020 direct vessel expenses from Dry Bulk Vessel Operations consists of (i) management fees amounting to $11.0 million and (ii) $1.5 million of drydocking and special survey amortization. During the three month period ended March 31, 2019, direct vessel expenses were $10.9 million and consisted of crew costs, provisions, deck and engine stores, lubricating oils, insurance premiums and costs for maintenance and repairs.

Of the total amounts for the three month periods ended March 31, 2020 and 2019, $12.2 million and $12.6 million, respectively, related to Navios Logistics. The decrease of $0.4 million was mainly due to a $0.7 million decrease in direct vessel expenses of the cabotage business; partially mitigated by a $0.3 million increase in direct vessel expenses of the barge business.

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

(in thousands of U.S. dollars)	Three Month Period Ended March 31, 2020 (unaudited)	Three Month Period Ended March 31, 2019 (unaudited)
Dry Bulk Vessel Operations	$ 3,738	$ 3,769
Logistics Business	3,224	3,763
General and administrative expenses	**$ 6,962**	**$ 7,532**

As of August 30, 2019, following the Transaction, NSM provides administrative services to the Company reimbursed at allocable cost. For the three month period ended March 31, 2020, general and administrative expenses, under the Administrative Services Agreement, amounted to $2.3 million.

The decrease in general and administrative expenses by $0.5 million, or 6.7%, to $7.0 million for the three month period ended March 31, 2020, as compared to $7.5 million for the three month period ended March 31, 2019, was mainly attributable to a decrease in general and administrative expenses in Logistics Business.

Depreciation and Amortization: For the three month period ended March 31, 2020, depreciation and amortization decreased by $3.1 million to $18.1 million as compared to $21.2 million for the three month period ended March 31, 2019.

Depreciation expenses related to Dry Bulk Vessel Operations decreased by $3.1 million, or 23.5%, to $10.1 million for the three month period ended March 31, 2020, as compared to $13.2 million for the three month period ended March 31, 2019. This decrease was primarily due to (i) the sale of Navios Hios, Navios Kypros, Navios Equator Prosper, Navios Mercator, Navios Primavera, Navios Arc, Navios Vector and Navios Meridian; and (ii) the impact of impairment loss recognized in the fourth quarter of 2019 for two of the Company's vessels; partially mitigated by the acquisition of Navios Corali, Navios Canary and Navios Victory. Amortization expenses related to dry bulk operations remained stable at $0.7 million for each of the three month periods ended March 31, 2020 and 2019.

Of the total amount of depreciation and amortization for each of the three month periods ended March 31, 2020 and 2019, $7.3 million related to Navios Logistics. The depreciation of tangible assets and the amortization of intangible assets for the three month period ended March 31, 2020 amounted to $6.6 million and $0.7 million, respectively, unchanged compared to the same period in 2019. Depreciation and amortization in the cabotage business amounted to $0.9 million for the three month period ended March 31, 2020, unchanged compared to the same period in 2019. Depreciation and amortization in the barge business amounted to $4.4 million for the three month period ended March 31, 2020, unchanged compared to the same period in 2019. Depreciation and amortization in the port terminal business amounted to $2.0 million for the three month period ended March 31, 2020, unchanged as compared to the same period in 2019.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net increased by $0.8 million, or 2.6%, to $31.6 million for the three month period ended March 31, 2020, as compared to $30.8 million in the same period in 2019. This increase was mainly due to a $2.6 million decrease in interest income of the Dry Bulk Vessel Operations, mainly due to loans provided to Navios Europe I and Navios Europe II in 2019 and the amortization of the premium from the transfer in March 2017 of Navios Holdings' participation in the Navios Revolving Loans I (as defined herein) to Navios Partners. This increase was partially mitigated by (i) a $1.3 million decrease in interest expense and finance cost, net, of Dry Bulk Vessel Operations, mainly attributable to the repurchase of 2022 Notes (as defined herein); and (ii) a $0.5 million decrease in interest expense and finance cost, net of the Logistics Business.

Impairment loss/ loss on sale of vessels, net : During the three month period ended March 31, 2020, the Company recognized an impairment loss/loss on sale of vessels of $11.2 million relating to the sale of Navios Kypros and Navios Star. During the three month period ended March 31, 2019, the Company recognized an impairment loss/loss on sale of vessels of $5.5 million relating to the sale of Navios Meridian.

Gain on Bond Extinguishment: During the three month period ended March 31, 2020, the Company repurchased $20.8 million of the 2022 Notes (as defined herein) 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 fees written-off. During the three month period ended March 31, 2019, Navios Logistics repurchased $31.5 million of the 2022 Notes in open market transactions for a cash consideration of $15.5 million resulting in a gain on bond extinguishment of $15.7 million, net of deferred fees written-off.

Other (Expense)/Income, Net: Other income, net decreased by $6.9 million, to $1.6 million net expense for the three month period ended March 31, 2020, as compared to $5.3 million net income for the same period in 2019. This decrease was due to (i) a $7.6 million decrease in other income, net of Dry Bulk Vessel Operations; partially mitigated by (ii) a $0.7 million decrease in other expense, net of the Logistics Business.

The decrease in other income, net of Dry Bulk Vessel Operations was mainly due to (i) a $7.2 million decrease in miscellaneous other income, net including income related to extraordinary fees and costs related to regulatory requirements under management agreements; (ii) a $0.4 million increase in miscellaneous voyage expenses; (iii) a $0.3 million increase in taxes other than income taxes and (iv) a $0.1 million increase in loss from foreign exchange differences. This decrease was partially mitigated by a $0.4 million decrease in provision for losses on accounts receivable.

The decrease in other expense, net of the Logistics Business was mainly due to (i) a $0.5 million decrease in other expense, net in the barge business for the three month period ended March 31, 2020; (ii) a $0.2 million decrease in other expense, net in the port terminal business. Other expense, net in the cabotage business remained stable for both three month periods ended March 31, 2020 and 2019.

Equity in Net (Losses)/Earnings of Affiliated Companies: Equity in net earnings of affiliated companies decreased by $10.4 million, to $6.1 million losses for the three month period ended March 31, 2020, as compared to $4.3 million earnings for the same period in 2019, mainly due to (i) a $6.7 million other-than-temporary impairment ("OTTI") loss relating to the investment in Navios Europe II recognized in the first quarter 2020; (ii) a $3.4 million decrease in equity method income from Navios Partners; (iii) a $0.6 million decrease in equity method income from Navios Europe II; partially mitigated by (i) a $0.2 million increase in equity method income from Navios Containers and (ii) a $0.1 million increase in equity method income from Navios Acquisition.

Income Tax Benefit/(Expense): Income tax benefit for the three month period ended March 31, 2020 increased by $0.4 million to a $0 million benefit for the three month period ended March 31, 2020, as compared to a $0.4 million expense for the same period in 2019. The total change in income tax was attributable to Navios Logistics due to (i) a $0.6 million increase in income tax benefit of the barge business; partially mitigated by a $0.2 million increase in income tax expense in the cabotage business.

***Net Loss from Discontinued Operations*:** Net loss from discontinued operations was $0.2 million attributable to the net loss of Navios Containers, for the three month period ended March 31, 2019.

Net Income Attributable to the Noncontrolling Interest: Net income attributable to the noncontrolling interest increased by $0.8 million to $2.5 million net income for the three month period ended March 31, 2020, as compared to $1.7 million net income for the same period in 2019. This increase was mainly attributable to (i) a $0.6 million increase in net income of the Logistics Business for the three month period ended March 31, 2020, as compared to the same period in 2019 and (ii) a $0.2 million net loss of the Containers Business for the three month period ended March 31, 2019.

Impairment of Loan Receivable from Affiliated Company: Impairment of loan receivable from Navios Europe II amounting to $6.0 million was recognized during the three month period ended March 31, 2020.

Non-Guarantor Subsidiaries

Our non-guarantor subsidiaries accounted for $56.8 million, or 62.3%, of our revenue, $4.5 million net income of our total net loss, $19.7 million of our Adjusted EBITDA, $963.3 million, or 45.1%, of our total assets and $581.0 million, or 28.6%, of our total liabilities, in each case, for the three month period ended and as of March 31, 2020. Our non-guarantor subsidiaries accounted for $87.6 million, or 62.4%, of our revenue (including $31.8 million revenue from discontinued operations), $3.2 million net income of our total net loss, $34.2 million of our Adjusted EBITDA, $1,403.0 million, or 46.9%, of our total assets and $803.1 million, or 32.3%, of our total liabilities, in each case, for the three month period ended and as of March 31, 2019. Our non-guarantor subsidiaries accounted for $973.9 million, or 45.4%, of our total assets and $571.2 million, or 28.8%, of our total liabilities, in each case, as of December 31, 2019.

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 solutions 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 assure you that we will be able to secure adequate financing or obtain additional funds on favorable terms, to meet our liquidity needs. See "Working Capital Position" and "Long-Term Debt Obligations and Credit Arrangements" for further discussion of Navios Holdings' working capital position.

The following table presents cash flow information derived from the unaudited condensed consolidated statements of cash flows of Navios Holdings for the three month periods ended March 31, 2020 and 2019.

(in thousands of U.S. dollars)	**Three Month Period Ended March 31, 2020 (unaudited)**	**Three Month Period Ended March 31, 2019 (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)
Decrease in cash and cash equivalents and restricted cash	**(23,540)**	**(21,416)**
Cash and cash equivalents and restricted cash, beginning of period	78,727	150,774
Cash and cash equivalents and restricted cash, end of period	**$ 55,187**	**$ 129,358**

Cash used in operating activities for the three month period ended March 31, 2020 as compared to cash provided by operating activities for the three month period ended March 31, 2019:

Net cash used in operating activities increased by $19.8 million to $1.5 million of cash used in operating activities for the three month period ended March 31, 2020, as compared to $18.3 million of cash provided by operating activities for the three month period ended March 31, 2019. In determining net cash provided by operating activities, net loss is adjusted for the effects of certain non-cash items as discussed below.

The aggregate adjustments to reconcile net loss to net cash provided by operating activities was a $36.0 million gain for the three month period ended March 31, 2020, which consisted mainly of the following adjustments: $18.1 million of depreciation and amortization, a $11.2 million impairment loss/loss on sale of vessels, $6.8 million movement in earnings in affiliates, net of dividends received, $6.0 million of impairment loss in relation to our loan receivable from Navios Europe II, $2.5 million of amortization of deferred drydock expenses, $1.9 million of amortization of deferred finance fees, $0.4 million provision for losses on accounts receivable and $0.3 million relating to share-based compensation. These adjustments were partially offset by a $11.2 million gain on bond extinguishment.

The net cash inflow resulting from the change in operating assets and liabilities of $13.3 million for the three month period ended March 31, 2020 resulted from a $18.5 million increase in payable to affiliates, a $9.6 million increase in accounts payable, a $5.7 decrease in receivable from affiliates, a $1.3 million decrease in inventories, $0.6 million decrease in accounts receivables and a $0.1 million increase in deferred income. These were partially mitigated by a $8.7 million decrease in accrued expenses, a $5.8 million of drydock and special survey costs, a $3.6 million increase in prepaid expenses and other assets, a $2.9 million decrease in operating lease liabilities, a $1.3 million decrease in accrued interest payable to affiliate companies and a $0.2 million decrease in other long term liabilities.

The aggregate adjustments to reconcile net loss to net cash provided by operating activities was a $23.0 million gain for the three month period ended March 31, 2019, which consisted mainly of the following adjustments: $29.8 million of depreciation and amortization, a $5.5 million impairment loss/loss on sale of vessels, $3.0 million of amortization of deferred drydock expenses, $1.9 million of amortization of deferred finance fees, $0.7 million relating to share-based compensation, a $0.6 million provision for losses on accounts receivable, a $0.4 million movement in income taxes. These adjustments were partially offset by a $15.7 million gain on bond extinguishment and a $3.2 million movement in earnings in affiliates, net of dividends received.

The net cash outflow resulting from the change in operating assets and liabilities of $1.0 million for the three month period ended March 31, 2019 resulted from a $20.1 million decrease in accrued expenses, a $7.6 million increase in accounts receivable, a $4.1 million payment for drydock and special survey costs, a $3.6 million increase in prepaid expenses and other assets, a $1.5 million increase in inventories, a $1.0 million decrease in deferred income, $0.7 million decrease in operating lease liabilities and $0.4 million decrease in other long term liabilities. These were partially mitigated by a $25.1 million increase in net payables to affiliates, mainly consisted of management fees, administrative fees, drydocking, ballast water treatment system and other expenses prepaid by the affiliates according to our management agreements and a $12.9 million increase in accounts payable.

Cash used in investing activities for the three month period ended March 31, 2020 as compared to the three month period ended March 31, 2019:

Cash used in investing activities was $56.8 million for the three month period ended March 31, 2020 as compared to $6.6 million for the same period in 2019.

Cash used in investing activities for the three months ended March 31, 2020 for Dry Bulk Vessel Operations was the result of (i) $71.9 million in payments made by the Company for acquisition of/additions to vessels; (ii) $1.4 million payments as deposits for options to acquire vessels under bareboat contracts; (iii) $16.6 million of proceeds from sale of Navios Hios and Navios Kypros; and (iv) $1.5 million dividends received from Navios Acquisition.

Cash used in investing activities for the three months ended March 31, 2020 for the Logistics Business was the result of $1.4 million in payments for the purchase of fixed assets, $0.2 million in payments for the construction of the Company's six new liquid barges, partially mitigated by $0.1 million in collections of Navios Logistics' note receivable.

Cash used in investing activities for the three months ended March 31, 2019 for Dry Bulk Vessel Operations was the result of (i) $6.1 million payments as deposits for options to acquire vessels under bareboat contracts; (ii) a $4.0 million loan to Navios Europe I; (iii) $0.8 million in payments made by the Company for the purchase of other fixed assets; (iv) $0.2 million in payments made by the Company for additions to vessels; (v) $6.8 million of proceeds from sale of Navios Meridian; and (vi) $0.2 million dividends received from Navios Acquisition.

Cash used in investing activities for the three months ended March 31, 2019 for the Logistics Business was the result of $0.8 million in payments for the purchase of fixed assets, partially mitigated by $0.1 million in collections of Navios Logistics' note receivable.

Cash used in investing activities for the three months ended March 31, 2019 for the Containers Business was the result of $1.8 million in payments relating to capitalized expenses of Navios Containers' fleet.

Cash provided by financing activities for the three month period ended March 31, 2020 as compared to cash used in financing activities for the three month period ended March 31, 2019:

Cash provided by financing activities was $34.7 million for the three month period ended March 31, 2020, as compared to $33.1 million cash used in financing activities for the same period in 2019.

Cash provided by financing activities for the three months ended March 31, 2020 for the Dry Bulk Vessel Operations was the result of (i) $66.8 million of proceeds from Navios Holdings's long term debt (net of deferred financing cost of $1.2 million); (ii) $9.5 million of payments made in connection with the Company's outstanding indebtedness and (iii) $9.4 million of payments for the repurchase of the 2022 Notes.

Cash used in financing activities for the three months ended March 31, 2020 for the Logistics Business was the result of (i) $9.9 million dividend paid to the noncontrolling shareholders; (ii) $2.0 million of payments in connection with the Company's outstanding indebtedness and (iii) $1.3 million in payments for the repayment of Navios Logistics' notes payable.

Cash used in financing activities for the three months ended March 31, 2019 for the Dry Bulk Vessel Operations was the result of (i) $6.0 million of payments made in connection with the Company's outstanding indebtedness; and (ii) $5.2 million payments relating to the redemption of preferred stock.

Cash used in financing activities for the three months ended March 31, 2019 for the Logistics Business was the result of (i) $15.5 million in payments for the acquisition of 2022 Notes (as defined herein); (ii) $2.8 million of payments made in connection with the Navios Logistics' outstanding indebtedness; and (iii) $1.1 million in payments for the repayment of Navios Logistics' notes payable.

Cash used in financing activities for the three months ended March 31, 2019 for the Containers Business was the result of (i) $32.0 million of payments made in connection with Navios Containers' outstanding indebtedness; (ii) $0.7 million of Navios Containers' debt issuance costs; and (iii) $30.2 million of new loan proceeds to refinance Navios Containers' existing credit facility relating to one containership.

Adjusted EBITDA: EBITDA represents net (loss)/income attributable to Navios Holdings' common stockholders before interest and finance costs, before depreciation and amortization and before income taxes. Adjusted EBITDA represents EBITDA before stock based compensation. We use Adjusted EBITDA as 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 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 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 to Cash from Operations

(in thousands of U.S. dollars)	Three Month Period Ended March 31, 2020 (unaudited)	Three Month Period Ended 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)
(Losses)/Earnings in affiliates, net of dividends received	(6,799)	3,240
Payments for drydock and special survey costs	5,815	4,123
Net income attributable to the noncontrolling interest	(2,549)	(1,688)
Impairment loss/ loss on sale of vessels, net	(11,248)	(5,531)
Gain on bond extinguishment	11,204	15,662
Impairment of loan receivable from affiliated company	(6,050)	—
Adjusted EBITDA	**$ (772)**	**$ 63,002**

Adjusted EBITDA for the three month period ended March 31, 2020 was $(0.8) million as compared to $63.0 million for the same period of 2019. The $63.8 million decrease in Adjusted EBITDA was primarily due to (i) a $17.4 million decrease in revenue, (ii) a $12.0 million of EBITDA incurred in the first quarter of 2019 from consolidating Navios Containers; (iii) a $10.4 million decrease in equity in net earnings from affiliated companies, (iv) a $6.9 million decrease in other income, net; (v) a $6.0 million impairment loss of loan receivable from Navios Europe II; (vi) a $5.7 million increase in impairment losses on sale of vessels; (vii) a $4.5 million decrease in gain on bond extinguishment; (viii) a $1.5 million increase in direct vessel expenses (excluding the amortization of deferred drydock and special survey costs) and (ix) a $0.8 million increase in net income attributable to the noncontrolling interest. This overall decrease of $65.2 million was partially offset by a $1.4 million decrease in time charter, voyage and logistics business expenses.

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**

Long-Term Debt Obligations and Credit Arrangements

Secured Credit Facilities

As of March 31, 2020, the Company had secured credit facilities with various banks with a total outstanding balance of $111.1 million. The purpose of the facilities was to finance the construction or acquisition of vessels or refinance existing indebtedness. All of the facilities are denominated in U.S. dollars and bear interest based on LIBOR plus spread ranging from 2.75% to 3.25% per annum. The facilities are repayable in either semi-annual or quarterly installments, followed by balloon payments with maturities, ranging from June 2021 to November 2022. See also the maturity table included 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 (as defined herein), the 2022 Notes (as defined herein) and the 2024 Notes (as defined herein). Among other events, it will be an event of default under the credit facilities if the financial covenants are not complied with or if Angeliki Frangou and her affiliates, together, own less than 20% of the outstanding share capital of Navios Holdings.

The majority of the Company's senior secured credit facilities require compliance with maintenance covenants, including (i) value-to-loan ratio covenants, based on charter-free valuations, ranging from over 120% to 135%, (ii) minimum liquidity up to a maximum of $30.0 million, and (iii) net total debt divided by total assets, as defined in each senior secured credit facility, ranging from a maximum of 75% to 80%. Certain covenants in our senior secured credit facilities have been amended for a specific period to increase the covenant levels for the applicable net total debt divided by total assets maintenance covenants, as defined in each senior secured credit facility, to a maximum of 90%.

As of March 31, 2020, the Company was in compliance with all of the covenants under each of its credit facilities.

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 (the "2022 Senior Secured Notes"), 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 Acquisition, Navios Logistics, Navios Containers, as well as by the vessel Navios Azimuth. 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 customary 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 affiliates, 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 March 31, 2020.

2022 Notes

On November 29, 2013, the Co-Issuers completed the sale of $650.0 million of its 7.375% First Priority Ship Mortgage Notes due 2022 (the "2022 Notes"). During 2018, the Company repurchased $35.7 million in par value of its 2022 Notes for a cash consideration of $28.8 million. 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 its 2022 Notes for a cash consideration of $50.7 million. During the three month period ended March 31, 2020, the Company repurchased $20.8 million in par value of its 2022 Notes for a cash consideration of $9.4 million resulting in a gain on bond extinguishment of $11.2 million, net of deferred fees written-off. During the three month period ended March 31, 2019, gain on bond extinguishment amounted to $15.7 million, net of deferred fees written-off. (Refer to Note 9 included elsewhere in this Report).

The 2022 Notes are senior obligations of Navios Holdings and Navios Maritime Finance II (US) Inc. (the "2022 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. In June 2017, Navios Ionian and Navios Horizon were released from the

2022 Notes and replaced by the Navios Galileo. In March 2018, Navios Herakles was released from the 2022 Notes and replaced by the Navios Equator Prosper. In July 2018, Navios Achilles was released from the 2022 Notes and replaced by the Navios Primavera. In December 2018 and in March 2019, Navios Magellan and Navios Meridian, respectively, were released from the 2022 Notes and the total proceeds of $14.0 million were restricted in an escrow account and considered as a cash collateral. In May 2019 and June 2019, Navios Equator Prosper, Navios Vector and the cash collaterals in escrow accounts were released from the 2022 Notes and replaced by the N Bonanza and N Amalthia and the total proceeds of $7.4 million were restricted in an escrow account and considered as cash collateral. In July 2019 and August 2019, Navios Arc and Navios Mercator, respectively, were released from the 2022 Notes. In August 2019, the cash collateral in escrow accounts were released from the 2022 Notes and replaced by Navios Victory. In September 2019, Navios Primavera was released from the 2022 Notes and the total proceeds of $10.1 million were restricted in escrow accounts and considered as cash collateral. In November 2019, Navios Victory and the cash collateral in escrow accounts were released and replaced by the Navios Northern Star, Navios Taurus and Navios Serenity. In 2020, Navios Hios, Navios Kypros and Navios Star were released from the 2022 Notes and were replaced by Navios Amitie and $12.4 million of cash collateral retained as trust monies in an escrow account. Currently, the 2022 Notes are secured by 18 drybulk vessels and $12.4 million of cash collateral retained as trust monies in an escrow account. The 2022 Notes are 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 guarantees of the Company's subsidiaries that own mortgaged vessels are senior secured guarantees and the guarantees of the Company's subsidiaries that do not own mortgaged vessels are senior unsecured guarantees. In addition, the 2022 Co-Issuers have the option to redeem the 2022 Notes in whole or in part at par.

Upon occurrence of certain change of control events, the holders of the 2022 Notes may require the 2022 Co-Issuers to repurchase some or all of the 2022 Notes at 101% of their face amount. The 2022 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 into certain transactions with affiliates, merging or consolidating or selling all or substantially all of the 2022 Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The indenture governing the 2022 Notes includes customary events of default. The 2022 Co-Issuers were in compliance with the covenants as of March 31, 2020.

2024 Notes

On March 21, 2019, Navios Holdings issued $4.7 million of 9.75% Senior Notes due 2024 (the "2024 Notes") as an exchange for a total of 10,930 Series H which were validly tendered as of that date (Refer to Note 10 to the unaudited condensed consolidated financial statements included in this 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 which were validly tendered as of that date. (Refer to Note 10 to the unaudited condensed consolidated financial statements included in this 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.

NSM Loan

On August 29, 2019, Navios Holdings entered into a secured loan agreement of $141.8 million (including post-closing adjustments) with Navios Shipmanagement Holdings Corporation ("NSM Loan"). As of March 31, 2020, the total outstanding balance of this facility amounted to $129.2 million. Please see also Note 9 included elsewhere in this Report.

$50.0 million NSM Loan

In June 2020, Navios Holdings entered into a secured loan agreement with Navios Shipmanagement Holdings Corporation ("$50.0 million NSM Loan") for a loan of up to $50.0 million to be used for general corporate purposes. No amount has been drawn to date. Please see also Note 9 included elsewhere in this Report.

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 2022 Logistics Senior Notes due on May 1, 2022 (the “2022 Logistics Senior Notes”), at a fixed rate of 7.25%. The 2022 Logistics Senior Notes are unregistered and are fully and unconditionally guaranteed, jointly and severally by all of Navios Logistics’ direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda (“Horamar do Brasil”), Naviera Alto Parana S.A. (“Naviera Alto Parana”), and Terra Norte Group S.A. (“Terra Norte”), which are deemed to be immaterial, and Logistics Finance, which is the co-issuer of the 2022 Logistics Senior Notes. The subsidiary guarantees are “full and unconditional”, except that the indenture provides for an individual subsidiary’s guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an “unrestricted subsidiary” in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Logistics Senior Notes.

The Logistics Co-Issuers have the option to redeem the 2022 Logistics Senior Notes in whole or in part, at their option, at any time at a fixed price which declines ratably until it reaches par in 2020. Upon the occurrence of certain change of control events, the holders of the 2022 Logistics Senior Notes will have the right to require the Logistics Co-Issuers to repurchase some or all of the 2022 Logistics Senior Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The indenture governing the 2022 Logistics Senior Notes contains 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 into transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics’ properties and assets and creation or designation of restricted subsidiaries.

The indenture governing the 2022 Logistics Senior Notes include customary events of default.

In addition, there are no significant restrictions on (i) the ability of the parent company, any issuer (or co-issuer) or any guarantor subsidiaries of the 2022 Logistics Senior Notes to obtain funds by dividend or loan from any of their subsidiaries or (ii) the ability of any subsidiaries to transfer funds to the issuer (or co-issuer) or any guarantor subsidiaries.

The Logistics Co-Issuers were in compliance with the covenants as of March 31, 2020.

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 the Navios Canary and the Navios Corali (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 March 31, 2020, the outstanding balance under the Sale and Leaseback Agreements of the Navios Canary and Navios Corali was $67.1 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.

The Sale and Leaseback Agreements have no financial covenants.

Navios Logistics

As of March 31, 2020, Navios Logistics had long-term loans and notes payable with a total outstanding balance of $142.0 million. The purpose of the facilities was to finance the construction of its dry port terminal, the acquisition of vessels, or for general corporate purposes. The facilities are mainly denominated in U.S. dollars and bear interest based on LIBOR plus spread ranging from 3.15% to 4.75% per annum. The facilities are repayable in installments and have maturities ranging from August 2020 to November 2024. See also the maturity table included below. See also “Contractual Obligations”.

During the three month period ended March 31, 2020, the Company, in relation to its secured credit facilities paid, $7.2 million related to scheduled repayment installments and $5.6 million related to the prepayment of one of Navios Holdings’ credit facilities.

During the three month period ended March 31, 2020 the proceeds from Sale and Leaseback Agreements for Navios Holdings were $66.9 million, net of deferred finance fees.

The annualized weighted average interest rates of the Company's total borrowings were 7.61% and 7.74% for the three month periods ended March 31, 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 March 31, 2020, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

Payment due by period	Amounts in millions of U.S. dollars
March 31, 2021 (incl. accrued interest $0.8 million of NSM Loan)	$ 36.7
March 31, 2022	693.5
March 31, 2023	773.2
March 31, 2024	36.7
March 31, 2025	35.3
March 31, 2026 and thereafter	39.4
Total	**$ 1,614.8**

Contractual Obligations:

	March 31, 2020 Payment due by period (Amounts in millions of U.S. dollars)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term Debt (1)	$1,614.8	$ 36.7	$1,466.7	$ 72.0	$ 39.4
Operating Lease Obligations (Time Charters) for vessels in operation (3)	376.0	105.2	141.1	80.0	49.7
Operating Lease Obligations (Time Charters) for vessels to be delivered (3)	21.7	2.1	4.6	4.4	10.6
Acquisition of six liquid barges (4)	12.5	1.0	4.6	5.4	1.5
Rent Obligations (2)	1.1	0.7	0.3	0.1	—
Land lease agreements (2)	25.7	0.6	1.1	1.1	22.9
Total	**$2,051.8**	**$ 146.3**	**$1,618.4**	**$ 163.0**	**$ 124.1**

(1) The amount identified does not include interest costs associated with the outstanding credit facilities, which are based on LIBOR rates, plus the costs of complying with any applicable regulatory requirements and a margin ranging from 2.75% to 3.25% per annum. The amount does not include interest costs for the 2022 Senior Secured Notes, the 2022 Notes, the 2024 Notes, the NSM Loan, the 2022 Logistics Senior Notes, the Term Loan B Facility and the Navios Logistics Notes Payable. The expected interest payments are: $130.6 million (less than 1 year), $150.0 million (1-3 years), $7.7 million (3-5 years) and $8.8 million (more than 5 years). Expected interest payments are based on outstanding principal amounts, currently applicable effective interest rates and margins as of March 31, 2020, timing of scheduled payments and the term of the debt obligations.

(2) Navios Logistics has several lease agreements with respect to its operating port terminals and various offices. Following the sale of the management division effected on August 30, 2019 Navios Holdings has no office lease obligations (see also Note 9 included elsewhere in this Report). See also Item 4.B. "Business Overview — Facilities" in our Annual Report on Form 20-F for the year ended December 31, 2019, filed with the SEC.

(3) Represent total amount of lease payments on an undiscounted basis.

(4) Represents principal payments of the future remaining obligation for the acquisition of six liquid barges, which bear interest at fixed rate. The amounts in the table exclude expected interest payments of $0.5 million (less than 1 year), $1.6 million (1-3 years), $0.8 million (3-5 years) and nil (more than 5 years). Expected interest payments are based on the terms of the shipbuilding contract for the construction of these barges.

Refer to "Related Party Transactions" for the Navios Partners Guarantee (as defined herein), not reflected in the table above.

Working Capital Position

On March 31, 2020, Navios Holdings' current assets totaled $145.4 million, while current liabilities excluding operating lease liabilities, current portion, totaled $141.3 million, resulting in a positive working capital position of $4.1 million. Navios Holdings' cash forecast indicates that it will generate sufficient cash during the next 12 months from June 12, 2020 to make the required principal and interest payments on its indebtedness, provide for the normal working capital requirements of the business and remain in a positive working capital position through June 12, 2021. While projections indicate that existing cash balances and operating cash flows will be sufficient to service the existing indebtedness, Navios Holdings continues to review its cash flows with a view toward increasing working capital.

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. As of March 31, 2020, the total amount of $6.7 million, including deposits of $5.4 million representing the option to acquire this vessel, 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. As of March 31, 2020, the total amount of $14.1 million, including deposits of $11.1 million representing the option to acquire these vessels, 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. As of March 31, 2020, the total amount of $7.3 million, including deposits of $5.6 million representing the option to acquire this vessel, expenses and interest, is presented under the caption "Other long-term assets".

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 about 82,037 dwt. On May 15, 2020, Navios Holdings took delivery of the Navios Magellan II. As of March 31, 2020, the total amount of $6.8 million, including deposits of $5.8 million representing the option to acquire this vessel, expenses and interest, is presented under the caption "Other long-term assets".

Navios Logistics

On November 21, 2019, Navios Logistics entered into a shipbuilding contract, for the construction of six liquid barges for a total consideration of $15.8 million. Pursuant to this agreement, Navios Logistics has secured the availability of credit for up to 75% of the purchase price, and up to a five-year repayment period starting from the delivery of each vessel. The barges are expected to be delivered starting from the fourth quarter of 2020 through the first quarter of 2021. As of March 31, 2020, Navios Logistics had paid $4.3 million for the construction of these barges, which are included within "Other long-term assets". The amount included capitalized interest of $0.2 million.

On November 12, 2018, Navios Logistics acquired approximately 3.5 hectares of undeveloped land located in the Port Murtinho region, Brazil. Navios Logistics plans to develop this land for its port operations. As of March 31, 2020, Navios Logistics had paid $1.8 million for the land acquisition and capitalized expenses for the development of Navios Logistics' post operations.

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.

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 three month period ended March 31, 2020, two customers accounted for 25.4% and 11.6%, respectively, of the Company's revenue, who are the same customers who accounted for more than 10% of the Company's revenue from continuing operations for the three month period ended March 31, 2019.

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.

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.

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. In addition, 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.

Off-Balance Sheet Arrangements

As of March 31, 2020, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to less than $0.1 million 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 March 31, 2020, Navios Partners has submitted one claim under this agreement to the Company. As of March 31, 2020 and December 31, 2019, the outstanding balance of the claim was $10.0 million. The final settlement of the amount due will be made at specific dates, in accordance with a signed letter of agreement between the parties.

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.

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.

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, 2021.

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, affiliated with Company's Chairman 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 NSM provides technical and commercial management services at a fixed rate of $3,700 per day per vessel until August 2021 which will increase thereafter by 3% annually, unless otherwise agreed, and administrative services, reimbursed at allocable cost. 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 people. NSM owns the general partner interests in Navios Containers and 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' Chairman 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 Report, Navios Holdings has no office lease obligations.

Management fees: Navios Holdings provided commercial and technical management services to Navios Partners' vessels for a daily fixed fee. This daily fee covered all of the vessels' operating expenses, including the cost of drydock and special surveys. In November 2017, the Company amended its existing management agreement to fix the fees for ship management services of its owned fleet at: (i) $4,225 daily rate per Ultra-Handymax vessel; (ii) $4,325 daily rate per Panamax vessel; (iii) $5,250 daily rate per Capesize vessel; (iv) $6,700 daily rate per container vessel of TEU 6,800; (v) $7,400 daily rate per container vessel of more than TEU 8,000; and (vi) $8,750 daily rate per very large container vessel of more than TEU 13,000 through December 31, 2019. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Report, these services are provided by NSM. For the three month period ended March 31, 2019, certain extraordinary fees and costs related to regulatory requirements under Navios Partners' management agreement amounted to $2.1 million and are presented under the caption "Other (expense)/income, net". Drydocking expenses were reimbursed by Navios Partners at cost. Total management fees for the three month period ended March 31, 2019 amounted to $16.6 million and are presented net under the caption "Direct vessel expenses".

Navios Holdings provided commercial and technical management services to Navios Acquisition's vessels for a fixed daily fee. This daily fee covered all of the vessels' operating expenses, other than certain fees and costs. Actual operating costs and expenses would be determined in a manner consistent with how the initial fixed fees were determined. In May 2018, Navios Holdings amended its agreement with Navios Acquisition to fix the fees for ship management services of Navios Acquisition owned fleet at a daily fee of (i) $6,500 per MR2 product tanker and chemical tanker vessel; (ii) $7,150 per LR1 product tanker vessel; and (iii) $9,500 per VLCC through May 2020.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Report, these services are provided by NSM. For the three month period ended March 31, 2019, certain extraordinary fees and costs related to regulatory requirements under Navios Acquisition's management agreement amounted to $1.9 million and are presented under the caption "Other (expense)/income, net". Drydocking expenses under this agreement were reimbursed at cost for all vessels. Total management fees for the three month period ended March 31, 2019 amounted to $27.9 million and are presented net under the caption "Direct vessel expenses".

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provided commercial and technical management services to Navios Europe I's tanker and container vessels. The term of this agreement was for a period of six years. Management fees under this agreement were reimbursed at cost. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Report, these services are provided by NSM. Total management fees for the three month period ended March 31, 2019 amounted to $4.7 million and are presented net under the caption "Direct vessel expenses".

Pursuant to a management agreement dated June 5, 2015, Navios Holdings provided commercial and technical management services to Navios Europe II's dry bulk and container vessels. The term of this agreement was for a period of six years. Management fees under this agreement were reimbursed at cost. Following the sale of the management division effected on August 30, 2019, outlined in Note 3 included elsewhere in this Report, these services are provided by NSM. Total management fees for the three month period ended March 31, 2019 amounted to $6.5 million and are presented net under the caption "Direct vessel expenses".

Pursuant to a management agreement dated June 7, 2017, as amended in November 2017, in April 2018 and in June 2018, Navios Holdings, provided commercial and technical management services to Navios Containers' vessels at a daily fee of $6,100 per day for up to 5,500 TEU container vessels, $6,700 per day for above 5,500 TEU and up to 8,000 TEU container vessels and $7,400 per day for above 8,000 TEU and up to 10,000 TEU container vessels until the end of 2019. Drydocking expenses under this agreement were reimbursed by Navios Containers at cost. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 and pursuant to a management agreement dated August 29, 2019 (the "Management Agreement"), NSM 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 fee for the ship management services provided by NSM is a daily fee of $3,700 per day per owned vessel. This rate is fixed until August 2021 and will increase thereafter by 3% annually, unless otherwise agreed. The fee for the ship management services provided by NSM is a daily fee of $3 per day per chartered-in vessel. Drydocking expenses under this agreement will be 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 the three month periods ended March 31, 2020 and 2019 amounted to $11.0 million and $0 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. As of March 31, 2020, Navios Partners has submitted one claim under this agreement to the Company. As of March 31, 2020 and December 31, 2019, the outstanding balance of the claim was at $10.0 million for both periods. The final settlement of the amount due will be made at specific dates, in accordance with a signed letter of agreement between the parties.

General and administrative expenses incurred on behalf of affiliates/Administrative fee revenue from affiliates: Navios Holdings provided administrative services to Navios Partners. 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 Report, these services are provided by NSM. Total general and administrative fees for the three month period ended March 31, 2019 amounted to $2.6 million.

Navios Holdings provided administrative services to Navios Acquisition. Navios Holdings extended the duration of its existing administrative services agreement with Navios Acquisition until May 2020, 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 Report, these services are provided by NSM. Total general and administrative fees for the three month period ended March 31, 2019 amounted to $2.9 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 Report, these services are provided by NSM. Total general and administrative fees for the three month period ended March 31, 2020 amounted to $0.3 million($0.3 million for the three month period ended March 31, 2019 and have been eliminated upon consolidation).

Pursuant to an administrative services agreement dated December 13, 2013, Navios Holdings provided administrative services to Navios Europe I's tanker and container vessels. The term of this agreement was for a period of six years. 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 Report, these services are provided by NSM. Total general and administrative fees for the three month period ended March 31, 2019 amounted to $0.4 million.

Pursuant to an administrative services agreement dated June 5, 2015, Navios Holdings provided administrative services to Navios Europe II's dry bulk and container vessels. The term of this agreement was for a period of six years. 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 Report, these services are provided by NSM. Total general and administrative fees charged for the three month period ended March 31, 2019 amounted to $0.6 million.

Pursuant to the administrative services agreement dated June 7, 2017, Navios Holdings provided administrative services to Navios Containers. 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 Report, these services are provided by NSM.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 and pursuant to an administrative services agreement dated August 29, 2019 (the "Administrative Services Agreement"), NSM provides administrative services to Navios Holdings. NSM 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 three month periods ended March 31, 2020 and 2019 amounted to $2.3 million and $0 million, respectively.

Balance due to/from affiliates (excluding Navios Europe I and Navios Europe II): Balance due to NSM as of March 31, 2020 amounted to $20.2 million (December 31, 2019: $4.0 million due from NSM). Balance due to Navios Partners as of March 31, 2020 amounted to $10.0 million (December 31, 2019: $10.0 million) in relation to the Navios Partners Guarantee. Balance due from Navios Acquisition as of March 31, 2020 amounted to $1.5 million and related to declared dividend (December 31, 2019: $1.5 million). As of March 31, 2020 the balance mainly consisted of management fees, payments to NSM in accordance with the Management Agreement and other amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels. An amount of $3.8 million accrued under the Management Agreement is included under the caption "Accrued expenses and other liabilities".

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 container 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 affiliates 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 affiliates 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 and Navios Partners and their controlled affiliates 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 that would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliates 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 March 31, 2020, 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 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 retained earnings. For the three month periods ended March 31, 2020 and 2019, Navios Holdings recognized $0 million and $0.3 million, respectively, of the deferred gain in "Equity in net (losses)/earnings of affiliated companies".

Balance due from Navios Europe I: Following the liquidation, the balance due from Navios Europe I amounted to $0. 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.

Balance due from Navios Europe II: Balance due from Navios Europe II as of March 31, 2020, amounted to $20.7 million (December 31, 2019: $20.7 million), which included the net current receivable amount mainly consisting of $13.2 million (December 31, 2019: $13.2 million), of accrued interest income earned under the Navios Revolving Loans II and the net non-current amount receivable of $7.6 million (December 31, 2019: $7.6 million) related to the accrued interest income earned under the Navios Term Loans II (as defined in Note 14 to the unaudited condensed consolidated financial statements included elsewhere in this Report).

The Navios Revolving Loans II and the Navios Term Loans II earn interest and an annual preferred return, respectively, at 1,800 basis points per annum, on a quarterly compounding basis and are repaid from free cash flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There are no covenant requirements or stated maturity dates.

As of March 31, 2020, the outstanding amount relating to Navios Holdings' portion under the Navios Revolving Loans II was $10.9 million (December 31, 2019: $16.9 million), under the caption "Loan receivable from affiliate companies." As of March 31, 2020, the amount undrawn from the Revolving Loans II was $4.5 million.

The decline in the fair value of the investment was considered as other-than-temporary and, therefore, a loss of $6.0 million was recognized and included in the accompanying condensed consolidated statements of comprehensive (loss)/income for the three month period ended March 31, 2020, as "Impairment of loan receivable from affiliated 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.

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for $5.0 million. 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 in full satisfaction of Navios Europe II's obligations to Navios Holdings. 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.

Secured credit facility with Navios Logistics: On April 25, 2019, Navios Holdings entered into a secured credit facility of $50.0 million with Navios Logistics to be used for general corporate purposes, including the repurchase of 2022 Notes. This credit facility is secured by (i) any 2022 Notes purchased by Navios Holdings with these funds and (ii) equity interests in five subsidiaries of the Company that have entered into certain bareboat contracts. The credit facility is available in multiple drawings, has an arrangement fee of $0.5 million, a fixed interest rate of 12.75% for the first year and a fixed interest rate of 14.75% for the second year, payable annually. The secured credit facility includes negative covenants substantially similar to the 2022 Notes and customary events of default. In December 2019, Navios Holdings and Navios Logistics agreed to increase the amount by $20.0 million and amended the interest rate of the whole facility to 12.75% or 10.0% if certain conditions are met. The credit facility matures in April 2021 or December 2024 if certain conditions are met. As of March 31, 2020, the amount of $70.0 million was drawn under this facility of which $18.7 million was used to acquire the 2022 Notes from Navios Logistics and the remaining amount was used to repurchase 2022 Notes.

NSM Loan: On August 29, 2019, Navios Holdings entered into a secured credit facility of $141.8 million (including post-closing adjustments) with Navios Shipmanagement Holdings Corporation, 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 affiliates 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 Transaction 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 Company's 11.25% Senior Secured Notes due 2022. The credit facility is 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% annually, and 7% annually for deferred principal amounts. During December 2019, Navios Holdings repaid the amount of $13.4 million under the terms of this facility. Following the closing of the Navios Europe II liquidation, the receivables are to be paid to NSM as per the terms of the NSM Loan.

As of March 31, 2020, the outstanding balance was $128.4 million (December 31, 2019: $128.4 million) and the accrued interest was $0.8 million (December 31, 2019: $2.2 million). Of the outstanding amount and accrued interest, $5.8 million is included in “Current portion of loan payable to affiliate companies”.

$50.0 million NSM Loan: In June 2020, the Company entered into a secured loan agreement with Navios Shipmanagement Holdings Corporation, 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 will be repayable in 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% annually (and 7% annually for deferred principal amounts). No amount has been drawn to date.

The Company’s obligations under the $50.0 million NSM Loan are 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 104,069 common units in Navios Containers and second pledge for certain First Priority Ship Mortgage Notes due 2022 owned by Navios Holdings.

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.

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 March 31, 2020 and December 31, 2019, Navios Holdings had a total of $1,614.8 million and $1,581.8 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 2022 Logistics Senior Notes and one Navios Logistics’ loan discussed in “Liquidity and Capital Resources” bear interest at a fixed rate; the balance of Navios Holdings’ debt bears interest at a floating rate.

Changes in interest rates for our floating-rate loan facilities would affect their interest rate and related interest expense. As of March 31, 2020, the outstanding amount of the Company’s floating rate loan facilities was $320.1 million. A change in the LIBOR rate of 100 basis points would change interest expense for the three months ended March 31, 2020 by $0.8 million. The interest rate on the 2022 Senior Secured Notes, the 2022 Notes, the 2024 Notes, the NSM Loan, the 2022 Logistics Senior Notes, and one Navios Logistics’ loan is fixed and, therefore, changes in interest rates affect their fair value, which as of March 31, 2020 was $808.6 million, but do not affect their related interest expense.

For a detailed discussion of Navios Holdings’ debt instruments refer to the section “Long-Term Debt Obligations and Credit Arrangements” included elsewhere in this document.

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a U.S. dollar dominated industry. Revenue is set mainly in U.S. dollars, and approximately 80.4% of Navios Holdings’ expenses are also incurred in U.S. dollars. Certain of our expenses are paid in foreign currencies and a one percent change in the exchange rates of the various currencies at March 31, 2020 would change net income by approximately $0.2 million for the three months ended March 31, 2020.

Charter Rate Risks

See “Charter Policy and Industry Outlook” for our approach and managing charter rate risk.

Critical Accounting Policies

Navios Holdings' interim condensed 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. Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. All significant accounting policies are as described in the Company's Annual Report on Form 20-F for the year ended December 31, 2019.

Investments in Equity Securities

Navios Holdings evaluates its investments in Navios Acquisition, Navios Partners, Navios Containers and Navios Europe II 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 such companies, and (iii) the intent and ability of the Company to retain its investment in these companies for a period of time sufficient to allow for any anticipated recovery in fair value. (see also Note 14 included elsewhere in this Report).

Recent Accounting Pronouncements

The Company's recent accounting pronouncements are included in the accompanying notes to the unaudited condensed consolidated financial statements included elsewhere in this Report.

NAVIOS MARITIME HOLDINGS INC.

NAVIOS MARITIME HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars — except share data)

	Notes	March 31, 2020 (unaudited)	December 31, 2019 (unaudited)
ASSETS			
Current assets			
Cash and cash equivalents	7, 12	$ 54,458	$ 77,991
Restricted cash	7, 8, 12	729	736
Accounts receivable, net		52,295	51,932
Due from affiliate companies	9	14,614	14,614
Inventories		9,177	10,489
Prepaid expenses and other current assets		14,080	12,239
Total current assets		**145,353**	**168,001**
Vessels, port terminals and other fixed assets, net	4	1,305,293	1,276,514
Long-term receivable from affiliate companies	7, 9	—	5,328
Loan receivable from affiliate companies	7, 9	18,445	24,495
Investments in affiliates	7, 9, 14	56,135	64,352
Other long-term assets		80,470	75,670
Operating lease assets	15	269,107	264,005
Intangible assets other than goodwill	5	102,761	104,154
Goodwill	12	160,336	160,336
Total non-current assets		**1,992,547**	**1,974,854**
Total assets		**$2,137,900**	**$2,142,855**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable		$ 30,942	$ 21,673
Accrued expenses and other liabilities		42,434	51,180
Deferred income and cash received in advance	9	7,780	8,854
Operating lease liabilities, current portion	15	82,390	87,103
Due to affiliate companies	9	25,189	6,353
Current portion of loan payable to affiliate companies	6, 7, 9	5,848	24,715
Current portion of long-term debt, net	6, 7	29,154	25,395
Total current liabilities		**223,737**	**225,273**
Senior and ship mortgage notes, net	6, 7	1,151,481	1,170,679
Long-term debt, net of current portion	6, 7	287,394	236,635
Loan payable to affiliate companies, net of current portion	6, 7, 9	123,345	105,823
Other long-term liabilities and deferred income	9	645	5,958
Operating lease liabilities, net of current portion	15	233,284	226,329
Long-term payable to affiliate companies	7, 9	5,000	5,000
Deferred tax liability		8,045	8,133
Total non-current liabilities		**1,809,194**	**1,758,557**
Total liabilities		**2,032,931**	**1,983,830**
Commitments and contingencies	8	—	—
Stockholders' equity			
Preferred Stock — $0.0001 par value, authorized 1,000,000 shares, 23,032 and 23,242 issued and outstanding as of March 31, 2020 and December 31, 2019, respectively.	10	—	—
Common stock — $0.0001 par value, authorized 250,000,000 shares, 13,467,404 and 13,360,356 issued and outstanding as of March 31, 2020 and December 31, 2019, respectively.	10	1	1
Additional paid-in capital		642,098	641,765
Accumulated deficit		(644,906)	(597,916)
Total Navios Holdings stockholders' (deficit)/ equity		**(2,807)**	**43,850**
Noncontrolling interest		107,776	115,175
Total stockholders' equity		**104,969**	**159,025**
Total liabilities and stockholders' equity		**$2,137,900**	**$2,142,855**

See unaudited condensed notes to condensed consolidated financial statements.

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

	Notes	Three Month Period Ended March 31, 2020 (unaudited)	Three Month Period Ended March 31, 2019 (unaudited)
Revenue	12	$ 91,083	$ 108,448
Administrative fee revenue from affiliates	9, 12	—	6,464
Time charter, voyage and logistics business expenses	9	(46,644)	(47,997)
Direct vessel expenses	9	(24,731)	(23,539)
General and administrative expenses incurred on behalf of affiliates	9	—	(6,464)
General and administrative expenses	9	(6,962)	(7,532)
Depreciation and amortization	4, 5, 12	(18,076)	(21,225)
Interest expense and finance cost, net	12	(31,643)	(30,844)
Impairment loss/loss on sale of vessels, net	4	(11,248)	(5,531)
Gain on bond extinguishment	6	11,204	15,662
Other (expense)/income, net	11, 14	(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	9, 12, 14	(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	13	**$ (54,403)**	**$ 16,190**
(Loss)/income attributable to Navios Holdings common stockholders, diluted		**(54,403)**	**16,363**
Basic (loss)/earnings per share attributable to Navios Holdings common stockholders from continuing operations		**$ (4.23)**	**$ 1.34**
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		**$ (4.23)**	**$ 1.32**
Weighted average number of shares, basic	13	**12,862,589**	**12,219,884**
Diluted (loss)/earnings per share attributable to Navios Holdings common stockholders		**$ (4.23)**	**$ 1.22**
Weighted average number of shares, diluted	13	**12,862,589**	**13,377,117**

See unaudited condensed notes to condensed consolidated financial statements.

NAVIOS MARITIME HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Notes	Three Month Period Ended March 31, 2020 (unaudited)	Three Month Period Ended March 31, 2019 (unaudited)
OPERATING ACTIVITIES:			
Net loss		$ (50,726)	$ (3,616)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Non-cash adjustments		35,989	22,971
Decrease/(increase) in operating assets		4,002	(7,610)
Increase in operating liabilities		15,068	10,701
Payments for drydock and special survey costs		(5,815)	(4,123)
Net cash (used in)/provided by operating activities		**(1,482)**	**18,323**
INVESTING ACTIVITIES:			
Acquisition of investments in affiliates	14	—	(8)
Acquisition of/additions to vessels	4	(71,945)	(1,948)
Deposits for vessels, port terminals and other fixed assets acquisitions	4	(402)	—
Deposits for option to acquire vessels	8	(1,427)	(6,109)
Loans to affiliate companies	9	—	(4,000)
Proceeds from lease receivable		79	113
Proceeds from sale of assets		16,628	6,790
Purchase of property, equipment and other fixed assets	4	(1,194)	(1,598)
Dividends from affiliate companies	14	1,460	154
Net cash used in investing activities		**(56,801)**	**(6,606)**
FINANCING ACTIVITIES:			
Repurchase of preferred stock	10	—	(5,185)
Repayment of long-term debt and payment of principal	6	(12,728)	(41,893)
Repurchase of senior notes	6	(9,443)	(15,532)
Proceeds from long-term loans, net of deferred finance fees	6	66,862	29,480
Issuance of capital surplus		—	(3)
Dividends paid to noncontrolling shareholders		(9,948)	—
Net cash provided by/(used in) financing activities		**34,743**	**(33,133)**
Decrease in cash and cash equivalents and restricted cash		**(23,540)**	**(21,416)**
Cash and cash equivalents and restricted cash, beginning of period		**78,727**	**150,774**
Cash and cash equivalents and restricted cash, end of period		**$ 55,187**	**$ 129,358**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest, net of capitalized interest		$ 42,518	$ 48,418
Cash paid for income taxes		$ 48	$ 113
Non-cash investing and financing activities			
Accrued interest income on loan receivable from affiliate company		$ —	$ (845)
Accrued interest expense payable to affiliate company		$ —	$ 286
Issuance of senior secured notes in exchange of preferred stock	10	$ —	$ 4,747
Discontinued operations:			
Net cash used in operating activities of discontinued operations		$ —	$ (37)
Net cash used in investing activities of discontinued operations		$ —	$ (1,755)
Net cash used in financing activities of discontinued operations		$ —	$ (2,499)

See unaudited condensed notes to condensed consolidated financial statements.

NAVIOS MARITIME HOLDINGS INC.
CONDENSED 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	Retained Earnings/ (Accumulated Deficit)	Total Navios Holdings' Stockholders' (Deficit)/ Equity	Noncontrolling Interest	Total Equity
Balance December 31, 2018	**46,302**	$ —	**12,843,414**	**$ 1**	**$ 686,671**	**$ (434,739)**	**$ 251,933**	**$ 269,747**	**$521,680**
Net loss	—	—	—	—	—	(5,304)	(5,304)	1,688	(3,616)
Tender Offer - Redemption of preferred stock (Note 10)	(10,930)	—	—	—	(26,297)	16,365	(9,932)	—	(9,932)
Issuance of capital surplus	—	—	(1,123)	—	(3)	—	(3)	—	(3)
Stock-based compensation expenses (Note 10)	—	—	151,515	—	731	—	731	—	731
Balance March 31, 2019 (unaudited)	**35,372**	$ —	**12,993,806**	**$ 1**	**$ 661,102**	**$ (423,678)**	**$ 237,425**	**$ 271,435**	**$508,860**
Balance December 31, 2019	**23,242**		**13,360,356**	**$ 1**	**$ 641,765**	**$ (597,916)**	**$ 43,850**	**$ 115,175**	**$159,025**
Net loss	—	—	—	—	—	(53,275)	(53,275)	2,549	(50,726)
Conversion of convertible preferred stock to common stock (Note 10)	(210)	—	22,712	—	—	—	—	—	—
Stock-based compensation expenses (Note 10)	—	—	84,336	—	333	—	333	—	333
Other adjustments in Retained Earnings	—	—	—	—	—	6,285	6,285	—	6,285
Dividends paid to Noncontrolling Shareholders	—	—	—	—	—	—	—	(9,948)	(9,948)
Balance March 31, 2020 (unaudited)	**23,032**	—	**13,467,404**	**$ 1**	**$ 642,098**	**$ (644,906)**	**$ (2,807)**	**$ 107,776**	**$104,969**

See unaudited condensed notes to condensed consolidated financial statements.

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 Logistics

Navios South American Logistics Inc. ("Navios Logistics"), a consolidated subsidiary of the Company, is one of the largest logistics companies in the Hidrovia region of South America with the region's second largest barge fleet and its third largest cabotage fleet. Navios Logistics focuses on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the eastern coast of South America. Navios Logistics provides 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 March 31, 2020, Navios Holdings owned 63.8% of Navios Logistics.

Navios Containers

Navios Maritime Containers L.P. ("Navios Containers") (NASDAQ: NMCI) is a growth vehicle dedicated to the container sector of the maritime industry. 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. 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 holds a non-economic interest that does 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 due to the fact that the general partner has exclusive management authority over Navios Containers' operations, controls the appointment of three of the seven members of Navios Containers' board of directors and has veto rights over certain significant actions of Navios Containers. The limited partners may not remove the general partner without the affirmative vote of at least 75% of the outstanding units (including units held by the general partner and its affiliates), voting as a single class. In addition, limited partners have no right to participate in the operation, management or control of Navios Containers' business or transact any business in Navios Containers' name. The general partner has the power to oversee and direct the partnership's operations and to manage and determine the partnership's strategies and policies on an exclusive basis and therefore, has the power to govern the financial and operating policies of Navios Containers. As of that date, Navios Holdings obtained control over Navios Containers and consequently the results of operations of Navios Containers are consolidated under Navios Holdings. Following the sale of Navios Containers' general partnership interest effected on August 30, 2019, referred to in Note 3, 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 have been reported as discontinued operations for the three month period ended March 31, 2019.

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

As of March 31, 2020, Navios Holdings had a 3.7% ownership interest in Navios Containers.

Navios Partners

Navios Maritime Partners L.P. ("Navios Partners") (NYSE:NMM) is an international owner and operator of dry cargo vessels and is engaged in seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain, fertilizer and also containerships, chartering its vessels under medium to long-term charters.

As of March 31, 2020, and following the sale of Navios Partners' general partnership interest, referred to in Note 3, Navios Holdings owned an 18.5% interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Acquisition

Navios Maritime Acquisition Corporation ("Navios Acquisition") (NYSE: NNA), is an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals.

As of March 31, 2020, Navios Holdings owned a 30.8% interest in Navios Acquisition.

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 of 50%, 50% and 0%, respectively. On November 22, 2019, an agreement was reached to liquidate Navios Europe I (Refer to Note 9).

Navios Europe II

On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe (II) Inc. ("Navios Europe II") and have economic interests of 47.5%, 47.5% and 5.0%, respectively and voting interests of 50%, 50% and 0%, respectively. Navios Europe II is engaged in the marine transportation industry through the ownership of seven dry bulk and seven container 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 is expected to be liquidated during the second quarter of 2020 (Refer to Note 9).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) ***Basis of presentation:*** The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair statement of Navios Holdings' consolidated balance sheets, statements of comprehensive (loss)/income, statements of cash flows and statements of changes in equity for the periods presented. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under United States generally accepted accounting principles ("U.S. GAAP") for complete financial statements. All such adjustments are deemed to be of a normal recurring nature. These interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes included in Navios Holdings' Annual Report for the year ended December 31, 2019 filed on Form 20-F with the Securities and Exchange Commission ("SEC").

(b) ***Principles of consolidation:*** The accompanying interim condensed consolidated financial statements include the accounts of Navios Holdings, a Marshall Islands corporation, and its majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated statements.

Subsidiaries: Subsidiaries are those 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. 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 given up, 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 and Navios Containers (for the period consolidated from November 30, 2018 to August 30, 2019), which are 63.8% owned and 3.7% owned by Navios Holdings, respectively.

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, referred to in Note 3, which resulted in loss of control and deconsolidation of Navios Containers from that date onwards, represented a strategic shift in Company's business due to the fact that the Containers Business represented a reportable segment of the Company and has, therefore, recorded the results of its Containers Business operations as discontinued operations in the consolidated statements of comprehensive (loss)/income for the three month period ended March 31, 2019.

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 shares qualifies as a sale of 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.

Affiliates 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 affiliates and are accounted for under the equity method for such periods: (i) Navios Partners and its subsidiaries (ownership interest as of March 31, 2020 was 18.5%); (ii) Navios Acquisition and its subsidiaries (economic interest as of March 31, 2020 was 30.8%); (iii) Navios Europe I and its subsidiaries (economic interest through liquidation in December 2019 was 47.5%); (iv) Navios Europe II and its subsidiaries (economic interest as of March 31, 2020 was 47.5%); and (v) Navios Containers and its subsidiaries (economic interest as of November 30, 2018, date of obtaining control, and from August 30, 2019, date of loss of control and as of December 31, 2019 was 3.7%).

(c) Revenue Recognition:

On January 1, 2018, the Company adopted the provisions of *ASC 606, Revenue from Contracts with Customers* (ASC 606) using the modified retrospective method, requiring to recognize the cumulative effect of adopting this guidance as an adjustment to the 2018 opening balance of retained earnings and not retrospectively adjusting prior periods. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The guidance provides a unified model to determine how revenue is recognized. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. 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. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. 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.

The Company's contract revenues from time chartering and pooling arrangements are governed by ASC 842 "Leases". See Note 15. Upon adoption of ASC 842, the timing and recognition of earnings from the pool arrangements and time charter contracts to which the Company is party did not change from previous practice. 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. As a result of the adoption of these standards, there was no cumulative impact to the Company's retained earnings at January 1, 2018.

Revenue is recorded when services are rendered, the Company has a signed charter agreement or other evidence of an arrangement, the price is fixed or determinable, and collection is reasonably assured. The Company generates revenue from transportation of cargo, time charter of vessels, port terminal operations, bareboat charters, contracts of affreightment/voyage contracts, demurrages and contracts covering dry or liquid port terminal operations.

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 days traveled as of the balance sheet date divided by the 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.

Upon adoption of ASC 606, the Company is recognizing revenue ratably from the vessel’s/barge’s arrival at the loading port, as applicable under the 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. The adoption of this standard had no material effect on the Company’s opening retained earnings, consolidated balance sheets and consolidated statements of comprehensive (loss)/income.

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, except for loss generating time charters, in which case the loss is recognized in the period when such loss is determined. 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. 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. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel.

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.

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer’s average daily income (calculated on a quarterly or half-yearly basis) or the Baltic Dry Index 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.

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 then loading 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 time allowed. Storage fee revenue is recognized ratably over the storage period and ends when the product is loaded onto the ocean-going vessel.

(Expressed in thousands of U.S. dollars — except share data)

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 then loading 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.

Recovery of lost revenue under credit default insurance for charterers is accounted for as gain contingency and is recognized when all contingencies are resolved. The amount of recovery of lost revenue is recorded within the caption “Revenue” and any amount recovered in excess of the lost revenue is recorded within the caption “Other (expense)/income, net”.

Expenses related to our revenue-generating contracts are recognized as incurred.

The following tables reflect the revenue earned per category for the three month periods ended March 31, 2020 and 2019:

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2020	Logistics Business for the Three Month Period Ended March 31, 2020
COA/Voyage revenue	$ —	$ 11,450
Time chartering revenue	$ 34,025	$ 19,026
Port terminal revenue	$ —	$ 14,192
Storage fees (dry port) revenue	$ —	$ 2,823
Dockage revenue	$ —	$ 433
Sale of products revenue	$ —	$ 7,848
Liquid port terminal revenue	$ —	$ 996
Other	$ 235	$ 55
Total	**$ 34,260**	**$ 56,823**

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2019	Logistics Business for the Three Month Period Ended March 31, 2019
COA/Voyage revenue	$ —	$ 12,428
Time chartering revenue	$ 52,665	$ 17,954
Port terminal revenue	$ —	$ 16,974
Storage fees (dry port) revenue	$ —	$ 459
Dockage revenue	$ —	$ 520
Sale of products revenue	$ —	$ 6,059
Liquid port terminal revenue	$ —	$ 1,227
Other	$ 17	$ 145
Total	**$ 52,682**	**$ 55,766**

Administrative fee revenue from affiliates: Administrative fee revenue from affiliates consisted of fees earned on the provision of administrative services pursuant to administrative services agreements with our affiliates (Refer to Note 9). 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 affiliates. The general and administrative expenses incurred on behalf of affiliates were determined based on a combination of actual expenses incurred on behalf of the affiliates as well as a reasonable allocation of expenses that are not affiliate specific but incurred on behalf of all affiliates. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by N Shipmanagement Acquisition Corp. and related entities (“NSM” or the “Manager”).

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.

(d) Recent Accounting Pronouncements:

In December 2019, the Financial Accounting Standards Board (“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. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

In October 2018, FASB issued ASU 2018-17, Consolidation (Topic 810): “Targeted Improvements to Related Party Guidance for Variable Interest Entities” (“ASU 2018-17”). ASU 2018-17 provides that indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. This is consistent with how indirect interests held through related parties under common control are considered for determining whether a reporting entity must consolidate a VIE. For public business entities the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The adoption of this ASU 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, and earlier adoption is permitted. The Company is currently assessing the impact that adopting this new accounting guidance will have on its disclosures to the consolidated financial statements.

In August 2018, FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement”. This update modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, and earlier adoption is permitted. The adoption of this ASU did not have a material impact on the Company’s consolidated financial statements.

In January 2017, FASB issued ASU 2017-04, “Intangibles-Goodwill and Other (Topic 350)”. This update addresses concerns expressed about the cost and complexity of the goodwill impairment test and simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. The amendments in this ASU are required for public business entities and other entities that have goodwill reported in their financial statements and have not elected the private company alternative for the subsequent measurement of goodwill. The amendments are effective for public business entities that are SEC filers for fiscal years beginning after December 15, 2019. Early adoption is permitted for all entities. The adoption of this ASU did not have a material impact on the Company’s consolidated financial statements.

In June 2016, FASB issued ASU No. 2016-13, “Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” This standard requires entities to measure all expected credit losses of financial assets held at a reporting date based on historical experience, current conditions, and reasonable and supportable forecasts in order to record credit losses in a timelier manner. ASU 2016-13 also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The standard is effective for interim and annual reporting periods beginning after December 15, 2019, although early adoption is permitted for interim and annual periods beginning after December 15, 2018. In November 2018, FASB issued ASU 2018-19 “Codification Improvements to topic 326, Financial Instruments-Credit Losses”. The amendments in this update clarify that operating lease receivables are not within the scope of ASC 326-20 and should instead be accounted for under the new leasing standard, ASC 842. In April 2019, FASB issued ASU 2019-04 “Codification Improvements to topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments”. In May 2019, FASB issued ASU 2019-05, “Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief”. The amendments in this update provide entities that have certain instruments within the scope of Subtopic 326-20, Financial Instruments-Credit Losses-Measured at Amortized Cost, with an option to irrevocably elect the fair value option in Subtopic 825-10, Financial Instruments-Overall, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities. An entity that elects the fair value option should subsequently apply the guidance in Subtopics 820-10, Fair Value Measurement-Overall, and 825-10. In November 2019, FASB issued ASU 2019-10, “Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)”. This update has been issued to apply changes in the effective dates for: (i) ASU 2016-13; (ii) ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities (Hedging); and (iii) ASU 2016-02. This update also amends the mandatory effective date for the elimination of Step 2 from the goodwill impairment test (ASU 2017-04). In December 2019, FASB issued ASU No. 2019-11, Codification Improvements to Topic 326, Financial Instruments—Credit Losses. This update introduced an expected credit loss model for the impairment of financial assets measured at amortized cost basis. That model replaces the probable, incurred loss model for those assets. The standard is effective for interim and annual reporting periods beginning after December 15, 2019, although early adoption is permitted for interim and annual periods beginning after December 15, 2018. The Company has assessed all the expected credit losses of its financial assets and the adoption of this ASU did not have a material impact on the Company’s consolidated financial statements.

NOTE 3: SALE OF MANAGEMENT/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, affiliated with Company’s Chairman and Chief Executive Officer, Angeliki Frangou. The Company received aggregate consideration of $20,000 (including assumption of liabilities). (Refer to Note 9).

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 people. NSM owns the general partner interests in Navios Containers and Navios Partners. The Company deconsolidated Navios Containers from August 30, 2019 onwards.

(Expressed in thousands of U.S. dollars — except share data)

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 in Note 9 "NSM Loan".

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)
	1,912
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
	7,890
Gain on sale	**$ 9,802**

Deconsolidation of Navios Containers

Following the sale of Navios Containers' general partnership interest effected on August 30, 2019 along with the sale of management division, referred above, Navios Holdings deconsolidated Navios Containers from that date onwards in accordance with ASC 810. As a result, since August 30, 2019, Navios Containers is not a controlled subsidiary of the Company and the investment in Navios Containers is accounted for under the equity method due to Navios Holdings' significant influence 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 and the loss from the remeasurement of Navios Holdings' interest in Navios Containers to its fair value of $2,527 amounted to $3,742 and are included in the caption "Loss on loss of control" in the consolidated statements of comprehensive (loss)/income. 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 three month period ended March 31, 2019 are as follows:

	Three Month Period ended March 31, 2019
Revenue	$ 31,832
Time charter, voyage and port terminal expenses	(1,647)
Direct vessel expenses	(15,897)
General and administrative expenses	(2,494)
Depreciation and amortization	(8,560)
Interest expense and finance cost, net	(3,553)
Other income, net	80
Net loss from discontinued operations	**$ (239)**
Less: Net loss attributable to the noncontrolling interest	$ 231
Net loss attributable to Navios Holdings common stockholders	**$ (8)**

(Expressed in thousands of U.S. dollars — except share data)

NOTE 4: VESSELS, PORT TERMINALS AND OTHER FIXED ASSETS, NET

Vessels, Port Terminals and Other Fixed Assets, net	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2019	**$1,809,195**	**$ (532,681)**	**$1,276,514**
Additions	1,386	(16,333)	(14,947)
Impairment losses	(47,865)	37,277	(10,588)
Vessel disposals	(16,628)	—	(16,628)
Write offs	(461)	—	(461)
Vessel Acquisition	71,753	(350)	71,403
Balance March 31, 2020	**$1,817,380**	**$ (512,087)**	**$1,305,293**

Deposits for Vessels and Port Terminals Acquisitions

On November 21, 2019, Navios Logistics entered into a shipbuilding contract, for the construction of six liquid barges for a total consideration of $15,800. Pursuant to this agreement, Navios Logistics has secured the availability of credit for up to 75% of the purchase price, and up to a five-year repayment period starting from the delivery of each vessel. The barges are expected to be delivered starting from the fourth quarter of 2020 through the first quarter of 2021. As of March 31, 2020, Navios Logistics had paid $4,295 for the construction of these barges, which are included within “Other long-term assets”. The amount included capitalized interest of $232.

As of March 31, 2020, Navios Logistics had paid $611 for capitalized expenses for the development of its port operations in Port Murtinho region, Brazil.

Impairment loss/ loss on sale of vessels, net

In January and February 2020, the Company completed the sale to unrelated third parties of the Navios Hios, a 2003-built Ultra Handymax vessel of 55,180 dwt and the Navios Kypros, a 2003-built Ultra Handymax vessel of 55,222 dwt, for approximately $16,628 in total, including insurance proceeds covering unrepaired damages plus expenses (subject to applicable deductibles and other customary limitations). The loss due to the sale of Navios Kypros, during the three month period ended March 31, 2020, 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 (loss)/income under “Impairment loss/ loss on sale of vessels, net”.

In February 2020, the Company agreed to sell to an unrelated third party the Navios Star, a 2002-built Panamax vessel of 76,662 dwt, for a sale price of approximately $6,451. The vessel was delivered to the buyers on May 28, 2020. The impairment loss amounted to $5,697 (including $256 remaining carrying balance of dry dock and special survey costs) and is included in the consolidated statements of comprehensive (loss)/income under “Impairment loss/ loss on sale of vessels, net”.

Vessel Acquisitions

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 a total acquisition cost of $36,642, which was paid in cash.

(Expressed in thousands of U.S. dollars — except share data)

In January 2020, the Company acquired from an unrelated third party, a previously chartered-in vessel, the Navios Canary (ex. Dream Canary), a 2015-built Capesize vessel of 180,528 dwt, for a total acquisition cost of $35,111, which was paid in cash.

Navios Logistics

On November 12, 2018, Navios Logistics acquired approximately 3.5 hectares of undeveloped land located in Port Murtinho region, Brazil. Navios Logistics plans to develop this land for its port operations. As of March 31, 2020, Navios Logistics had paid $ $1,155 for the land acquisition.

In February 2017, two self-propelled barges of Navios Logistics' fleet, Formosa and San Lorenzo, were sold for a total amount of $1,109, to be paid in cash. Sale price will 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.

NOTE 5: INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets	March 31, 2020	December 31, 2019
Acquisition cost	$178,642	$ 178,642
Accumulated amortization	(75,881)	(74,488)
Total Intangible assets net book value	**$102,761**	**$ 104,154**

Amortization expense, net for the three month periods ended March 31, 2020 and 2019 amounted to $1,393 and $1,385, respectively.

The remaining aggregate amortization of acquired intangibles as of March 31, 2020 will be as follows:

Period	
Year One	$ 5,581
Year Two	5,581
Year Three	5,581
Year Four	5,588
Year Five	5,581
Thereafter	74,849
Total	**$102,761**

(Expressed in thousands of U.S. dollars — except share data)

NOTE 6: BORROWINGS

Borrowings, as of March 31, 2020 and December 31, 2019, consisted of the following:

Facility	March 31, 2020	December 31, 2019
Secured credit facilities	$ 111,116	$ 119,629
2022 Senior Secured Notes	305,000	305,000
2022 Notes	476,822	497,604
2024 Notes	8,626	8,626
NSM Loan (incl. accrued interest $818 and $2,163, respectively)	129,193	130,538
Sale and Leaseback Agreements	67,090	—
2022 Logistics Senior Notes	375,000	375,000
Navios Logistics other long-term loans and notes payable	141,984	145,359
Total borrowings	**1,614,831**	**1,581,756**
Less: current portion, net	(35,002)	(50,110)
Less: deferred finance costs, net	(17,609)	(18,509)
Total long-term borrowings	**$1,562,220**	**$1,513,137**

Secured Credit Facilities

As of March 31, 2020, the Company had secured credit facilities with various banks with a total outstanding balance of $111,116. The purpose of the facilities was to finance the construction or acquisition of vessels or refinance existing indebtedness. All of the facilities are denominated in U.S. dollars and bear interest based on LIBOR plus spread ranging from 2.75% to 3.25% per annum. The facilities are repayable in either semi-annual or quarterly installments, followed by balloon payments with maturities, ranging from June 2021 to November 2022. See also the maturity table included 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 (as defined herein), the 2022 Notes (as defined herein) and the 2024 Notes (as defined herein). Among other events, it will be an event of default under the credit facilities if the financial covenants are not complied with or if Angeliki Frangou and her affiliates, together, own less than 20% of the outstanding share capital of Navios Holdings.

The majority of the Company's senior secured credit facilities require compliance with maintenance covenants, including (i) value-to-loan ratio covenants, based on charter-free valuations, ranging from over 120% to 135%, (ii) minimum liquidity up to a maximum of $30,000, and (iii) net total debt divided by total assets, as defined in each senior secured credit facility, ranging from a maximum of 75% to 80%. Certain covenants in our senior secured credit facilities have been amended for a specific period to increase the covenant levels for the applicable net total debt divided by total assets maintenance covenants, as defined in each senior secured credit facility, to a maximum of 90%.

As of March 31, 2020, the Company was in compliance with all of the covenants under each of its credit facilities.

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 (the "2022 Senior Secured Notes"), 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 Maritime Acquisition Corporation, Navios South American Logistics Inc., Navios Maritime Containers, as well as by the vessel Navios Azimuth. 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 customary 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 affiliates, 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 March 31, 2020.

2022 Notes

On November 29, 2013, the Co-Issuers completed the sale of $650,000 of its 7.375% First Priority Ship Mortgage Notes due 2022 (the "2022 Notes"). During 2018, the Company repurchased $35,661 in par value of its 2022 Notes for a cash consideration of $28,796. 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 its 2022 Notes for a cash consideration of $50,683. During the three month period ended March 31, 2020, the Company repurchased $20,782 in par value of its 2022 Notes for a cash consideration of $9,443 resulting in a gain on bond extinguishment of $11,204, net of deferred fees written-off. During the three month period ended March 31, 2019, gain on bond extinguishment amounted to $15,662, net of deferred fees written-off. (Refer to Note 9, "Secured credit facility with Navios Logistics").

The 2022 Notes are senior obligations of Navios Holdings and Navios Maritime Finance II (US) Inc. (the "2022 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. In June 2017, Navios Ionian and Navios Horizon were released from the 2022 Notes and replaced by the Navios Galileo. In March 2018, Navios Herakles was released from the 2022 Notes and replaced by the Navios Equator Prosper. In July 2018, Navios Achilles was released from the 2022 Notes and replaced by the Navios Primavera. In December 2018 and in March 2019, Navios Magellan and Navios Meridian, respectively, were released from the 2022 Notes and the total proceeds of $14,000 were restricted in an escrow account and considered as a cash collateral. In May 2019 and June 2019, Navios Equator Prosper, Navios Vector and the cash collaterals in escrow accounts were released from the 2022 Notes and replaced by the N Bonanza and N Amalthia and the total proceeds of $7,410 were restricted in an escrow account and considered as cash collateral. In July 2019 and August 2019, Navios Arc and Navios Mercator, respectively, were released from the 2022 Notes. In August 2019, the cash collateral in escrow accounts were released from the 2022 Notes and replaced by Navios Victory. In September 2019, Navios Primavera was released from the 2022 Notes and the total proceeds of $10,129 were restricted in escrow accounts and considered as cash collateral. In November 2019, Navios Victory and the cash collateral in escrow accounts were released and replaced by the Navios Northern Star, Navios Taurus and Navios Serenity. In 2020, Navios Hios, Navios Kypros and Navios Star were released from the 2022 Notes and were replaced by Navios Amitie and $12,358 of cash collateral retained as trust monies in an escrow account. Currently, the 2022 Notes are secured by 18 drybulk vessels and $12,358 of cash collateral retained as trust monies in an escrow account. The 2022 Notes are 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 guarantees of the Company's subsidiaries that own mortgaged vessels are senior secured guarantees and the guarantees of the Company's subsidiaries that do not own mortgaged vessels are senior unsecured guarantees. In addition, the 2022 Co-Issuers have the option to redeem the 2022 Notes in whole or in part at par.

Upon occurrence of certain change of control events, the holders of the 2022 Notes may require the 2022 Co-Issuers to repurchase some or all of the 2022 Notes at 101% of their face amount. The 2022 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 into certain transactions with affiliates, merging or consolidating or selling all or substantially all of the 2022 Co-Issuers' properties and assets and creation or designation of restricted subsidiaries. The indenture governing the 2022 Notes includes customary events of default. The 2022 Co-Issuers were in compliance with the covenants as of March 31, 2020.

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 which were validly tendered as of that date (Refer to Note 10).

On April 21, 2019, Navios Holdings issued $3,879 of the 2024 Notes as an exchange for a total of 8,841 Series G which were validly tendered as of that date. (Refer to Note 10).

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.

NSM Loan

On August 29, 2019, Navios Holdings entered into a secured loan agreement of $141,795 (including post-closing adjustments) with Navios Shipmanagement Holdings Corporation ("NSM Loan"). As of March 31, 2020, the total outstanding balance of this facility amounted to $129,193. Please see also Note 9.

$50.0 million NSM Loan

In June 2020, Navios Holdings entered into a secured loan agreement with Navios Shipmanagement Holdings Corporation ("$50.0 million NSM Loan") for a loan of up to $50,000 to be used for general corporate purposes. No amount has been drawn to date. Please see also Note 9.

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 2022 Logistics Senior Notes due on May 1, 2022 (the "2022 Logistics Senior Notes"), at a fixed rate of 7.25%. The 2022 Logistics Senior Notes are unregistered and are fully and unconditionally guaranteed, jointly and severally, by all of Navios Logistics' direct and indirect subsidiaries except for Horamar do Brasil Navegação Ltda ("Horamar do Brasil"), Naviera Alto Parana S.A. ("Naviera Alto Parana"), and Terra Norte Group S.A. ("Terra Norte"), which are deemed to be immaterial, and Logistics Finance, which is the co-issuer of the 2022 Logistics Senior Notes. The subsidiary guarantees are "full and unconditional", except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain customary circumstances, such as in connection with a sale or other disposition of all or substantially all of the assets of the subsidiary, in connection with the sale of a majority of the capital stock of the subsidiary, if the subsidiary is designated as an "unrestricted subsidiary" in accordance with the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Logistics Senior Notes.

The Logistics Co-Issuers have the option to redeem the 2022 Logistics Senior Notes in whole or in part, at their option, at any time at a fixed price which declines ratably until it reaches par in 2020. Upon the occurrence of certain change of control events, the holders of the 2022 Logistics Senior Notes will have the right to require the Logistics Co-Issuers to repurchase some or all of the 2022 Logistics Senior Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The indenture governing the 2022 Logistics Senior Notes contains 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 into transactions with affiliates, merging or consolidating or selling all or substantially all of Navios Logistics' properties and assets and creation or designation of restricted subsidiaries.

The indenture governing the 2022 Logistics Senior Notes include customary events of default.

In addition, there are no significant restrictions on (i) the ability of the parent company, any issuer (or co-issuer) or any guarantor subsidiaries of the 2022 Logistics Senior Notes to obtain funds by dividend or loan from any of their subsidiaries or (ii) the ability of any subsidiaries to transfer funds to the issuer (or co-issuer) or any guarantor subsidiaries.

The Logistics Co-Issuers were in compliance with the covenants as of March 31, 2020.

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 the Navios Canary and the Navios Corali (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 March 31, 2020, the outstanding balance under the Sale and Leaseback Agreements of the Navios Canary and Navios Corali was $67,090 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.

The Sale and Leaseback Agreements have no financial covenants.

Navios Logistics

As of March 31, 2020, Navios Logistics had long-term loans and notes payable with a total outstanding balance of $141,984. The purpose of the facilities was to finance the construction of its dry port terminal, the acquisition of vessels, or for general corporate purposes. The facilities are mainly denominated in U.S. dollars and bear interest based on LIBOR plus spread ranging from 3.15% to 4.75% per annum. The facilities are repayable in installments and have maturities ranging from August 2020 to November 2024. See also the maturity table included below.

During the three month period ended March 31, 2020, the Company in relation to its secured credit facilities paid, $7,172 related to scheduled repayment installments and $5,556 related to the prepayment of one of Navios Holdings' credit facilities. During the three month period ended March 31, 2020, the proceeds from sale and leaseback agreements for Navios Holdings were $66,862, net of deferred finance fees.

The annualized weighted average interest rates of the Company's total borrowings were 7.61% and 7.74% for the three month periods ended March 31, 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 March 31, 2020, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

(Expressed in thousands of U.S. dollars — except share data)

Payment due by period	
March 31, 2021 (incl. accrued interest $818 of NSM Loan)	$ 36,703
March 31, 2022	693,516
March 31, 2023	773,154
March 31, 2024	36,748
March 31, 2025	35,328
March 31, 2026 and thereafter	39,382
Total	**$1,614,831**

NOTE 7: 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 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 finance costs. The 2022 Notes, the 2022 Logistics Senior Notes, the 2022 Senior Secured Notes and one Navios Logistics' loan are fixed rate borrowings and their fair value was determined based on quoted market prices.

Loan receivable from affiliate companies: The carrying amount of the floating rate loan approximates its fair value.

Loan 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 (loss)/income.

Long-term receivable from affiliate companies: The carrying amount of long-term receivable from affiliate companies approximates their fair value.

Long-term payable to affiliate companies: The carrying amount of long-term payable to affiliate companies approximates their fair value.

The estimated fair values of the Company's financial instruments are as follows:

	March 31, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 54,458	$ 54,458	$ 77,991	$ 77,991
Restricted cash	$ 729	$ 729	$ 736	$ 736
Investments in available-for-sale-securities	$ 148	$ 148	$ 189	$ 189
Loan receivable from affiliate companies	$ 18,445	$ 18,445	$ 24,495	$ 24,495
Long-term receivable from affiliate companies	$ —	$ —	$ 5,328	$ 5,328
Senior and ship mortgage notes, net	$(1,151,481)	$(679,310)	$(1,170,679)	$(875,228)
Long-term debt, including current portion	$ (316,548)	$(316,036)	$ (262,030)	$(264,498)
Loan payable to affiliate companies, including current portion	$ (129,193)	$(129,193)	$ (130,538)	$(130,538)
Long-term payable to affiliate companies	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)

(Expressed in thousands of U.S. dollars — except share data)

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 March 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	$148	$ 148	$ —	$ —
Total	**$148**	**$ 148**	**$ —**	**$ —**

	Fair Value Measurements as of December 31, 2019			
	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	$189	$ 189	$ —	$ —
Total	**$189**	**$ 189**	**$ —**	**$ —**

The Company's assets measured at fair value on a non-recurring basis were:

	Fair Value Measurements as of March 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	$6,451	$ 6,451	$ —	$ —
Investments in affiliates	$ —	$ —	$ —	$ —
Total	**$6,451**	**$ 6,451**	**$ —**	**$ —**

The Company recorded an impairment loss of $5,697 during the three month period ended March 31, 2020 for one of its vessels, thus reducing vessel's net book value to $6,451, as at March 31, 2020.

The Company recorded an "other-than-temporary" ("OTTI") loss of $6,650 on its investment in Navios Europe II during the three month period ended March 31, 2020, thus reducing its total carrying value to $0, as at March 31, 2020.

	Fair Value Measurements as of December 31, 2019			
	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	$ 62,397	$ 7,497	$ 54,900	$ —
Operating lease assets	$ 89,945	$ —	$ 89,945	$ —
Total	**$152,342**	**$ 7,497**	**$ 144,845**	**$ —**

The Company recorded an impairment loss of $92,013 during the year ended December 31, 2019 for three of its vessels, thus reducing vessels' net book value to $62,397, as at December 31, 2019.

(Expressed in thousands of U.S. dollars — except share data)

The Company recorded an impairment loss of $38,636 during the year ended December 31, 2019 for certain of its chartered in vessels, thus reducing operating lease assets' value to $89,945, as at December 31, 2019.

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 we have 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 March 31, 2020			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 54,458	$ 54,458	$ —	$ —
Restricted cash	$ 729	$ 729	$ —	$ —
Investments in available-for-sale-securities	$ 148	$ 148	$ —	$ —
Loan receivable from affiliate companies(2)	$ 18,445	$ —	$ 18,445	$ —
Senior and ship mortgage notes	$(679,310)	$(670,684)	$ (8,626)	$ —
Long-term debt, including current portion(1)	$(316,036)	$ —	$(316,036)	$ —
Loan payable to affiliate companies, including current portion	$(129,193)	$ —	$(129,193)	$ —
Long-term payable to affiliate companies(2)	$ (5,000)	$ —	$ (5,000)	$ —

	Fair Value Measurements at December 31, 2019			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 77,991	$ 77,991	$ —	$ —
Restricted cash	$ 736	$ 736	$ —	$ —
Investments in available-for-sale-securities	$ 189	$ 189	$ —	$ —
Loan receivable from affiliate companies(2)	$ 24,495	$ —	$ 24,495	$ —
Long-term receivable from affiliate company	$ 5,328	$ —	$ 5,328	$ —
Senior and ship mortgage notes	$(875,228)	$(866,602)	$ (8,626)	$ —
Long-term debt, including current portion(1)	$(264,498)	$ —	$(264,498)	$ —
Loan payable to affiliate companies, including current portion	$(130,538)	$ —	$(130,538)	$ —
Long-term payable to affiliate companies(2)	$ (5,000)	$ —	$ (5,000)	$ —

(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. The fair value of the Company's loan receivable from affiliate companies as of March 31, 2020 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.

NOTE 8: COMMITMENTS AND CONTINGENCIES

As of March 31, 2020, the Company was contingently liable for letters of guarantee and letters of credit amounting to $10 (December 31, 2019: $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. As of March 31, 2020, the total amount of $6,673, including deposits of $5,410 representing the option to acquire this vessel, 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. As of March 31, 2020, the total amount of $14,070, including deposits of $11,140, representing the option to acquire these vessels, 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. As of March 31, 2020, the total amount of $7,284, including deposits of $5,590, representing the option to acquire this vessel, expenses and interest, is presented under the caption “Other long-term assets”.

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. As of March 31, 2020, the total amount of $6,776, including deposits of $5,820, representing the option to acquire this vessel, expenses and interest, is presented under the caption “Other long-term assets”.

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, 2021.

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.

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.

NOTE 9: 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, affiliated with Company’s Chairman 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 NSM provides technical and commercial management services at a fixed rate of $3.7 per day per vessel until August 2021 which will increase thereafter by 3% annually, unless otherwise agreed, and administrative services, reimbursed at allocable cost. 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 people. NSM owns the general partner interests in Navios Containers and 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' Chairman 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, Navios Holdings has no office lease obligations

Management fees: Navios Holdings provided commercial and technical management services to Navios Partners' vessels for a daily fixed fee. This daily fee covered all of the vessels' operating expenses, including the cost of drydock and special surveys. In November 2017, the Company amended its existing management agreement to fix the fees for ship management services of its owned fleet at: (i) $4.2 daily rate per Ultra-Handymax vessel; (ii) $4.3 daily rate per Panamax vessel; (iii) $5.25 daily rate per Capesize vessel; (iv) $6.7 daily rate per container vessel of TEU 6,800; (v) $7.4 daily rate per container vessel of more than TEU 8,000; and (vi) $8.75 daily rate per very large container vessel of more than TEU 13,000 through December 31, 2019. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM. For the three month period ended March 31, 2019, certain extraordinary fees and costs related to regulatory requirements under Navios Partners' management agreement amounted to $2,100 and are presented under the caption "Other (expense)/income, net". Drydocking expenses were reimbursed by Navios Partners at cost. Total management fees for the three month period ended March 31, 2019 amounted to $16,610 and are presented net under the caption "Direct vessel expenses".

Navios Holdings provided commercial and technical management services to Navios Acquisition's vessels for a fixed daily fee. This daily fee covered all of the vessels' operating expenses, other than certain fees and costs. Actual operating costs and expenses would be determined in a manner consistent with how the initial fixed fees were determined. In May 2018, Navios Holdings amended its agreement with Navios Acquisition to fix the fees for ship management services of Navios Acquisition owned fleet at a daily fee of (i) $6.5 per MR2 product tanker and chemical tanker vessel; (ii) $7.15 per LR1 product tanker vessel; and (iii) $9.5 per VLCC through May 2020.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM. For the three month period ended March 31, 2019, certain extraordinary fees and costs related to regulatory requirements under Navios Acquisition's management agreement amounted to $1,890 and are presented under the caption "Other (expense)/income, net". Drydocking expenses under this agreement were reimbursed at cost for all vessels. Total management fees for the three month period ended March 31, 2019 amounted to $27,906 and are presented net under the caption "Direct vessel expenses".

Pursuant to a management agreement dated December 13, 2013, Navios Holdings provided commercial and technical management services to Navios Europe I's tanker and container vessels. The term of this agreement was for a period of six years. Management fees under this agreement were reimbursed at cost. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM. Total management fees for the three month period ended March 31, 2019 amounted to $4,716 and are presented net under the caption "Direct vessel expenses".

Pursuant to a management agreement dated June 5, 2015, Navios Holdings provided commercial and technical management services to Navios Europe II's dry bulk and container vessels. The term of this agreement was for a period of six years. Management fees under this agreement were reimbursed at cost. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM. Total management fees for the three month period ended March 31, 2019 amounted to $6,495 and are presented net under the caption "Direct vessel expenses".

Pursuant to a management agreement dated June 7, 2017, as amended in November 2017, in April 2018 and in June 2018, Navios Holdings, provided commercial and technical management services to Navios Containers' vessels at a daily fee of $6.1 per day for up to 5,500 TEU container vessels, $6.7 per day for above 5,500 TEU and up to 8,000 TEU container vessels and $7.4 per day for above 8,000 TEU and up to 10,000 TEU container vessels until the end of 2019. Drydocking expenses under this agreement were reimbursed by Navios Containers at cost. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, these services are provided by NSM.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 and pursuant to a management agreement dated August 29, 2019 (the “Management Agreement”), NSM 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 fee for the ship management services provided by NSM is a daily fee of $3.7 per day per owned vessel. This rate is fixed until August 2021 and will increase thereafter by 3% annually, unless otherwise agreed. The fee for the ship management services provided by NSM is a daily fee of $0.03 per day per chartered-in vessel. Drydocking expenses under this agreement will be 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 the three month periods ended March 31, 2020 and 2019 amounted to $10,988 and $0, 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. As of March 31, 2020, Navios Partners has submitted one claim under this agreement to the Company. As of March 31, 2020 and December 31, 2019, the outstanding balance of the claim was $10,000. The final settlement of the amount due will be made at specific dates, in accordance with a signed letter of agreement between the parties.

General and administrative expenses incurred on behalf of affiliates/Administrative fee revenue from affiliates: Navios Holdings provided administrative services to Navios Partners. 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 NSM. Total general and administrative fees for the three month period ended March 31, 2019 amounted to $2,590.

Navios Holdings provided administrative services to Navios Acquisition. Navios Holdings extended the duration of its existing administrative services agreement with Navios Acquisition until May 2020 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 NSM. Total general and administrative fees for the three month period ended March 31, 2019 amounted to $2,865.

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 NSM. Total general and administrative fees for the three month period ended March 31, 2020 amounted to $286 ($286 for the three month period ended March 31, 2019 and have been eliminated upon consolidation).

Pursuant to an administrative services agreement dated December 13, 2013, Navios Holdings provided administrative services to Navios Europe I’s tanker and container vessels. The term of this agreement was for a period of six years. 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 NSM. Total general and administrative fees for the three month period ended March 31, 2019 amounted to $402.

Pursuant to an administrative services agreement dated June 5, 2015, Navios Holdings provided administrative services to Navios Europe II’s dry bulk and container vessels. The term of this agreement was for a period of six years. 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 NSM. Total general and administrative fees charged for the three month period ended March 31, 2019 amounted to $607.

Pursuant to the administrative services agreement dated June 7, 2017, Navios Holdings provided administrative services to Navios Containers. 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 NSM.

Following the sale of the management division effected on August 30, 2019, outlined in Note 3 and pursuant to an administrative services agreement dated August 29, 2019 (“Administrative Services Agreement”), NSM provides administrative services to Navios Holdings. NSM 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 three month periods ended March 31, 2020 and 2019 amounted to $2,262 and $0, respectively.

Balance due to/from affiliates (excluding Navios Europe I and Navios Europe II): Balance due to NSM as of March 31, 2020 amounted to $20,189 (December 31, 2019: $3,975 due from NSM). Balance due to Navios Partners as of March 31, 2020 amounted to $10,000 (December 31, 2019: $10,000) in relation to the Navios Partners Guarantee. Balance due from Navios Acquisition as of March 31, 2020 amounted to $1,460 and related to declared dividend (December 31, 2019: $1,460). As of March 31, 2020 the balance mainly consisted of management fees, payments to NSM in accordance with the Management Agreement and other amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels. An amount of $3,813 accrued under the Management Agreement is included under the caption “Accrued expenses and other liabilities”.

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 container 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 affiliates 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 affiliates 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 affiliates 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 that would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliates 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 March 31, 2020, 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 retained earnings. For the three month periods ended March 31, 2020 and 2019, Navios Holdings recognized $0 and $328, respectively, of the deferred gain in "Equity in net (losses)/earnings of affiliated companies".

Balance due from Navios Europe I: Following the liquidation, the balance due from Navios Europe I amounted to $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.

Balance due from Navios Europe II: Balance due from Navios Europe II as of March 31, 2020, amounted to $20,712 (December 31, 2019: $20,712), which included the net current receivable amount mainly consisting of $13,154 (December 31, 2019: $13,154), of accrued interest income earned under the Navios Revolving Loans II (as defined in Note 14) and the net non-current amount receivable of $7,558 (December 31, 2019: $7,558) related to the accrued interest income earned under the Navios Term Loans II (as defined in Note 14).

The Navios Revolving Loans II and the Navios Term Loans II earn interest and an annual preferred return, respectively, at 1,800 basis points per annum, on a quarterly compounding basis and are repaid from free cash flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There are no covenant requirements or stated maturity dates.

As of March 31, 2020, the outstanding amount relating to Navios Holdings' portion under the Navios Revolving Loans II was $10,888 (December 31, 2019: $16,938), under the caption "Loan receivable from affiliate companies." As of March 31, 2020, the amount undrawn from the Navios Revolving Loans II was $4,503.

The decline in the fair value of the investment was considered as other-than-temporary and, therefore, a loss of $6,050 was recognized and included in the accompanying condensed consolidated statements of comprehensive (loss)/income for the three month period ended March 31, 2020, as "Impairment of loan receivable from affiliated 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.

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the Junior Loan II for $5,000. 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 in full satisfaction of Navios Europe II's obligations to Navios Holdings. 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.

Secured credit facility with Navios Logistics: On April 25, 2019, Navios Holdings entered into a secured credit facility of $50,000 with Navios Logistics to be used for general corporate purposes, including the repurchase of 2022 Notes. This credit facility is secured by (i) any 2022 Notes purchased by Navios Holdings with these funds and (ii) equity interests in five subsidiaries of the Company that have entered into certain bareboat contracts. The credit facility is available in multiple drawings, has an arrangement fee of $500, a fixed interest rate of 12.75% for the first year and a fixed interest rate of 14.75% for the second year, payable annually. The secured credit facility includes negative covenants substantially similar to the 2022 Notes and customary events of default. In December 2019, Navios Holdings and Navios Logistics agreed to increase the amount by $20,000 and amended the interest rate of the whole facility to 12.75% or 10.0% if certain conditions are met. The credit facility matures in April 2021 or December 2024 if certain conditions are met. As of March 31, 2020, the amount of $70,000 was drawn under this facility of which $18,726 was used to acquire the 2022 Notes from Navios Logistics and the remaining amount was used to repurchase 2022 Notes.

NSM Loan: On August 29, 2019, Navios Holdings entered into a secured credit facility of $141,795 (including post-closing adjustments) with Navios Shipmanagement Holdings Corporation, 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 affiliates 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 Transaction 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 Company's 11.25% Senior Secured Notes due 2022. The credit facility is 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% annually, and 7% annually for deferred principal amounts. During December 2019, Navios Holdings repaid the amount of $13,420 under the terms of this facility. Following the closing of the Navios Europe II liquidation, the receivables are to be paid to NSM as per the terms of the NSM Loan.

As of March 31, 2020, the outstanding balance was $128,375 (December 31, 2019: $128,375) and the accrued interest was $818 (December 31, 2019: $2,163). Of the outstanding amount and accrued interest, $5,848 is included in "Current portion of loan payable to affiliate companies".

$50.0 million NSM Loan: In June 2020, the Company entered into a secured loan agreement with Navios Shipmanagement Holdings Corporation, 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 will be repayable in 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% annually (and 7% annually for deferred principal amounts). No amount has been drawn to date.

The Company's obligations under the $50.0 million NSM Loan are 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 104,069 common units in Navios Containers and second pledge for certain First Priority Ship Mortgage Notes due 2022 owned by Navios Holdings.

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.

NOTE 10: PREFERRED AND COMMON STOCK

Vested, Surrendered and Forfeited

During the three month period ended March 31, 2020, 84,336 restricted stock units issued to the Company's employees, vested.

During the three month period ended March 31, 2019, 0 restricted stock units issued to the Company's employees, vested.

Conversion of Preferred Stock

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. 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. During the three month period ended March 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 13).

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, which increased by 0.25% as of July 15, 2017 for each of Series G and Series H. The Company has accounted for these shares as equity.

In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G and Series H. Total undeclared preferred dividends as of March 31, 2020 were $21,372 (net of cancelled dividends).

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 American Depositary Shares and Series H American 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 issued 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 retained earnings. 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 retained earnings. Following the completion of the offer, the company cancelled the undeclared preferred dividend of series G of $6,798.

Issuances to Employees, Officers and Directors

On December 18, 2019, pursuant to the stock plan approved by the Board of Directors, 16,000 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 common stock was granted to Navios Holdings employees, officers and directors.

Navios Logistics' board of directors declared a $27,500 dividend, which was paid on February 21, 2020, out of which the amount of $17,552 was paid to Navios Holdings and the amount of $9,948 to Navios Logistics' noncontrolling shareholders.

Navios Holdings had outstanding as of March 31, 2020 and December 31, 2019, 13,467,404 and 13,360,356 shares of common stock, respectively, and preferred stock 23,032 (5,350 Series G and 17,682 Series H) and 23,242 (5,350 Series G, 17,682 Series H and 210 shares of convertible preferred stock) as of March 31, 2020 and December 31, 2019, respectively.

NOTE 11: OTHER INCOME, NET

During the three month period ended March 31, 2020 and 2019, taxes other-than income taxes of Navios Logistics amounted to $1,431 and $1,848, respectively, and were included in the consolidated statement of comprehensive (loss)/income within the caption "Other (expense)/income, net".

NOTE 12: SEGMENT INFORMATION

The Company through August 30, 2019 had three reportable segments from which it derived its revenues: Dry Bulk Vessel Operations, Logistics Business and Containers Business. 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) (see also Note 3). Following the reclassification of the results of Navios Containers as discontinued operations (see also Note 3), 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:

(Expressed in thousands of U.S. dollars — except share data)

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2020	Logistics Business for the Three Month Period Ended March 31, 2020	Total for the Three Month Period Ended March 31, 2020
Revenue	$ 34,260	$ 56,823	$ 91,083
Interest expense and finance cost, net	(22,370)	(9,273)	(31,643)
Depreciation and amortization	(10,798)	(7,278)	(18,076)
Equity in net losses of affiliated companies	(6,137)	—	(6,137)
Net (loss)/ income attributable to Navios Holdings common stockholders	(57,772)	4,497	(53,275)
Total assets	1,520,255	617,645	2,137,900
Goodwill	56,240	104,096	160,336
Capital expenditures	(73,372)	(1,596)	(74,968)
Investment in affiliates	56,135	—	56,135
Cash and cash equivalents	20,894	33,564	54,458
Restricted cash	729	—	729
Long-term debt, net (including current and noncurrent portion)	$ 1,085,054	$ 512,168	$ 1,597,222

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2019	Logistics Business for the Three Month Period Ended March 31, 2019	Total for the Three Month Period Ended March 31, 2019
Revenue	$ 52,682	$ 55,766	$ 108,448
Administrative fee revenue from affiliates	6,464	—	6,464
Interest expense and finance cost, net	(21,006)	(9,838)	(30,844)
Depreciation and amortization	(13,879)	(7,346)	(21,225)
Equity in net earnings of affiliated companies	4,277	—	4,277
Net (loss)/ income attributable to Navios Holdings common stockholders	(8,681)	3,386	(5,295)
Total assets	1,877,100	674,207	2,551,307
Goodwill	56,240	104,096	160,336
Capital expenditures	(7,164)	(736)	(7,900)
Investment in affiliates	92,360	—	92,360
Cash and cash equivalents	27,147	70,843	97,990
Restricted cash	16,767	—	16,767
Long-term debt, net (including current and noncurrent portion)	$ 1,032,621	$ 526,769	$ 1,559,390

NOTE 13: (LOSS)/ EARNINGS PER COMMON SHARE

(Loss)/Earnings per share is calculated by dividing net loss attributable to Navios Holdings common stockholders by the weighted average number of shares of Navios Holdings outstanding during the periods presented. Net (loss)/income 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.

(Expressed in thousands of U.S. dollars — except share data)

For the three month period ended March 31, 2020, 599,726 potential common shares and 6,231 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 three month period ended March 31, 2019, 807,332 potential common shares and 349,900 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.

	Three Month Period Ended March 31, 2020	Three Month Period Ended March 31, 2019
Numerator:		
Net loss attributable to Navios Holdings common stockholders	$ (53,275)	$ (5,304)
Less:		
Declared and undeclared dividend on preferred stock and on unvested restricted shares	(1,294)	(2,549)
Plus:		
Tender Offer – Redemption of preferred stock Series H including $7,678 of undeclared preferred dividend cancelled	—	24,043
Gain from eliminated dividends (preferred stock) due to conversion	166	—
(Loss)/gain available to Navios Holdings common stockholders, basic	$ (54,403)	$ 16,190
(Loss)/gain available to Navios Holdings common stockholders, diluted	$ (54,403)	$ 16,363
Denominator:		
Denominator for basic net (loss)/earnings per share attributable to Navios Holdings common stockholders — adjusted weighted shares	12,862,589	12,219,884
Basic net (loss)/earnings per share attributable to Navios Holdings common stockholders	$ (4.23)	$ 1.32
Denominator for diluted net (loss)/earnings per share attributable to Navios Holdings common stockholders — adjusted weighted shares	12,862,589	13,377,117
Diluted net (loss)/earnings per share attributable to Navios Holdings common stockholders	$ (4.23)	$ 1.22

NOTE 14: INVESTMENT IN AFFILIATES AND AVAILABLE-FOR-SALE SECURITIES

Navios Partners

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of Marshall Islands. Navios GP L.L.C. (the “General Partner”), 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.

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.

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 March 31, 2020, Navios Partners repurchased 312,952 common units.

In February 2019, Navios Partners issued 25,396 of restricted common units to Navios Partners' directors and/or officers. Concurrently, Navios Holdings acquired 518 common units in Navios Partners in order to maintain its 2.0% general partner interest for a cash consideration of $8.

Following the sale of Navios Partners general partnership interest effected on August 30, 2019, referred in Note 3, as of March 31, 2020, Navios Holdings held a total of 2,070,216 representing a 18.5% interest in Navios Partners, and the investment in Navios Partners is accounted for under the equity method. Incentive distribution rights are held by Navios GP L.L.C.

As of March 31, 2020 and December 31, 2019, 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 $99,881 and $101,492, respectively.

As of March 31, 2020 and December 31, 2019, the carrying amount of the investment in Navios Partners was $33,268 and $35,116, respectively.

Total equity method (loss)/income and amortization of deferred gain of $(1,227) and $2,251 were recognized in "Equity in net (losses)/earnings of affiliated companies" for the three month periods ended March 31, 2020 and 2019, respectively.

Dividends received during each of the three month periods ended March 31, 2020 and 2019 were $621 and $690.

As of March 31, 2020, the market value of the investment in Navios Partners was $11,014.

Navios Acquisition

In February 2018, the Board of Directors of Navios Acquisition authorized a stock repurchase program for up to $25,000 of Navios Acquisition's common stock, for two years. Stock repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. Up to the expiration of the stock repurchase program in February 2020, Navios Acquisition had repurchased 735,251 shares since the program was initiated.

As of March 31, 2020 and December 31, 2019, the 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 $78,188 and $79,477, respectively and is amortized through "Equity in net (losses)/earnings of affiliated companies" over the remaining life of Navios Acquisition tangible and intangible assets.

As of March 31, 2020 and December 31, 2019, the carrying amount of the investment in Navios Acquisition was $19,992 and $19,894, respectively.

Total equity method income of $1,557 and $1,466 were recognized in “Equity in net (losses)/earnings of affiliated companies” for the three month periods ended March 31, 2020 and 2019, respectively.

Dividends received for each of the three month periods ended March 31, 2020 and 2019 were $1,460 and $154.

As of March 31, 2020, the market value of the investment in Navios Acquisition was $23,450.

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 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.

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)/earnings of affiliated companies” over the remaining life of Navios Europe I.

Following the liquidation of Navios Europe I Navios Holdings received the outstanding receivable amount of $13,420, in December 2019. (Note 9).

Income of $0 was recognized in “Equity in net (losses)/earnings of affiliated companies” for the three month periods ended March 31, 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 had agreed to 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. The structure is expected to be liquidated during the second quarter of 2020.

On an ongoing basis, Navios Europe II is required to distribute cash flows (after payment of operating expenses, amounts due pursuant to the terms of the Senior Loans II) according to a defined waterfall calculation.

Navios Holdings evaluated its investment in Navios Europe II under ASC 810 and concluded that Navios Europe II is a VIE and that it is not the party most closely associated with Navios Europe II and, accordingly, is not the primary beneficiary of Navios Europe II.

Navios Holdings further evaluated its investment in the common stock of Navios Europe II under ASC 323 and concluded that it has the ability to exercise significant influence over the operating and financial policies of Navios Europe II and, therefore, its investment in Navios Europe II is 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 is amortized through "Equity in net (losses)/earnings of affiliated companies" over the remaining life of Navios Europe II.

As of March 31, 2020 and December 31, 2019, the estimated maximum potential loss by Navios Holdings in Navios Europe II would have been $31,600 and $44,300, respectively, which represents the Company's carrying value of its investment and balance of Navios Term Loans II of $7,558 and $14,208, respectively, plus the Company's balance of the Navios Revolving Loans II of $24,042 and $30,092, respectively, including accrued interest, and does not include the undrawn portion of the Navios Revolving Loans 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 (loss)/income.

Income of $0 and $559 was recognized in "Equity in net (losses)/earnings of affiliated companies" for the three month period ended March 31, 2020 and 2019, respectively.

As of March 31, 2020 and December 31, 2019, the carrying amount of the investment in Navios Europe II and balance of Navios Term Loans II was $0 and $6,650, respectively.

Navios Containers (Consolidated from November 30, 2018 to August 30, 2019)

Navios Holdings until November 30, 2018 had 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 Maritime Containers Inc. and, therefore, its investment in Navios Maritime Containers Inc. was accounted for under the equity method.

Following the sale of Navios Containers general partnership interest effected on August 30, 2019, referred 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.

Total equity method income of $183 was recognized in "Equity in net (losses)/earnings of affiliated companies" for the three month period ended March 31, 2020.

As of March 31, 2020 and December 31, 2019, the carrying amount of the investment in Navios Containers was $2,865 and $2,682, respectively.

As of March 31, 2020, the market value of the investment in Navios Containers was $897.

Following the results of the significant tests performed by the Company, it was concluded that no affiliates met the significant threshold requiring summarized financial information to be presented.

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 consolidated statement of comprehensive (loss)/income.

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 March 31, 2020 and December 31, 2019, the carrying amount of AFS Securities related to STX was $148 and $189, respectively and was recorded under “Other long-term assets” in the consolidated balance sheet.

For the three month periods ended March 31, 2020 and 2019, the unrealized holding losses related to these AFS Securities included in “Other (expense)/income, net” were $41 and $18, respectively.

NOTE 15: LEASES

On January 1, 2019, the Company adopted ASC 842. ASC 842 revised the accounting for leases. Under the ASC 842, lessees are required to recognize a right-of-use asset and a lease liability for substantially all leases. The new lease standard will continue to classify leases as either financing or operating, with classification affecting the pattern of expense recognition. The accounting applied by a lessor under the ASC 842 is substantially equivalent to prior lease accounting guidance (ASC 840).

The following are the type of contracts that fall under ASC 842:

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 retained earnings, consolidated balance sheets and consolidated statements of comprehensive (loss)/income.

Time charter in contracts

As of March 31, 2020, Navios Holdings had time charter-in contracts whose remaining lease terms ranged from 0.3 years to 10.2 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. Regarding leases that have not yet commenced refer to Note 8. The Company will continue to recognize the lease payments for all operating leases as charter hire expense on the consolidated statements of comprehensive (loss)/income on a straight-line basis over the lease term.

(Expressed in thousands of U.S. dollars — except share data)

Land lease agreements

As of March 31, 2020, Navios Logistics had land lease agreements whose remaining lease terms range from 45.9 years to 46.3 years.

Office lease agreements

As of March 31, 2020, Navios Logistics had office lease agreements whose remaining lease terms ranged from 0.1 years to 3.6 years. Following the sale of the management division effected on August 30, 2019, outlined in Note 3, Navios Holdings has no office lease obligations.

Under ASC 842, leases are 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.

In connection with its adoption of ASC 842, the Company elected the "package of 3" practical expedients permitted under the transition guidance based on which the Company is allowed to not (i) reassess whether any expired or existing contracts are considered or contain leases; (ii) reassess the lease classification for any expired or existing leases; and (iii) reassess initial direct costs for any existing leases.

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.

Prior to January 1, 2019, the Company recognized lease expense in accordance with then-existing U.S. GAAP ("prior GAAP"). Because both ASC 842 and prior GAAP generally recognize operating lease expense on a straight-line basis over the term of the lease arrangement and the Company only has operating lease arrangements, there were no differences between the timing and amount of lease expense recognized under the two accounting methodologies.

	Drybulk Vessel Operations March 31, 2020	Drybulk Vessel Operations December 31, 2019	Logistics Business March 31, 2020	Logistics Business December 31, 2019	Total March 31, 2020	Total December 31, 2019
Operating lease assets						
Charter-in contracts	$260,374	$ 255,153	$ —	$ —	$260,374	$ 255,153
Land lease agreements	—	—	7,715	7,660	7,715	7,660
Office lease agreements	—	—	1,018	1,192	1,018	1,192
Total	**$260,374**	**$ 255,153**	**$ 8,733**	**$ 8,852**	**$269,107**	**$ 264,005**
Operating lease liabilities, current portion (1)						
Charter-in contracts	$ 81,937	$ 86,636	$ —	$ —	$ 81,937	$ 86,636
Land lease agreements	—	—	(212)	(218)	(212)	(218)
Office lease agreements	—	—	665	685	665	685
Total	**$ 81,937**	**$ 86,636**	**$ 453**	**$ 467**	**$ 82,390**	**$ 87,103**
Operating lease liabilities, net of current portion (1)						
Charter-in contracts	$224,991	$ 217,932	$ —	$ —	$224,991	$ 217,932
Land lease agreements	—	—	7,927	7,878	7,927	7,878
Office lease agreements	—	—	366	519	366	519
Total	**$224,991**	**$ 217,932**	**$ 8,293**	**$ 8,397**	**$233,284**	**$ 226,329**

(1) Based on the net present value of the remaining charter-in and rental payments for existing operating leases.

(Expressed in thousands of U.S. dollars — except share data)

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, 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. As of January 1, 2020, Navios Holdings' incremental borrowing rate was 7.97%.

The tables below present the components of the Company's lease expense for the three month periods ended March 31, 2020 and 2019:

	Drybulk Vessel Operations Three Month Period Ended March 31, 2020	Logistics Business Three Month Period Ended March 31, 2020	Total
Lease expense for charter-in contracts	$ 25,616	$ 1,818	$27,434
Lease expense for land lease agreements	—	139	139
Lease expense for office lease agreements	—	159	159
Total	**$ 25,616**	**$ 2,116**	**$27,732**

	Drybulk Vessel Operations Three Month Period Ended March 31, 2019	Logistics Business Three Month Period Ended March 31, 2019	Total
Lease expense for charter-in contracts	$ 31,216	$ 767	$31,983
Lease expense for land lease agreements	—	135	135
Lease expense for office lease agreements	726	174	900
Total	**$ 31,942**	**$ 1,076**	**$33,018**

Lease expenses for charter-in contracts are included in the consolidated statement of comprehensive (loss)/income within the captions "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 (loss)/income within the captions "Time charter, voyage and logistics business expenses" and "General and administrative expenses", respectively.

The Company entered into new lease liabilities amounting to $28,606 during the three month period ended March 31, 2020.

(Expressed in thousands of U.S. dollars — except share data)

The table below provides the total amount of lease payments on an undiscounted basis on our chartered-in contracts and office lease agreements as of March 31, 2020:

	Charter-in vessels in operation	Land leases	Office space
March 31, 2021	$105,200	$ 556	$ 720
March 31, 2022	83,031	556	222
March 31, 2023	58,121	556	99
March 31, 2024	48,006	556	57
March 31, 2025	32,034	556	—
March 31, 2026 and thereafter	49,680	22,863	—
Total	**$376,072**	**$ 25,643**	**$ 1,098**
Operating lease liabilities, including current portion	**$306,928**	**$ 7,715**	**$ 1,031**
Discount based on incremental borrowing rate	**$ 69,144**	**$ 17,928**	**$ 67**

As of March 31, 2020, the weighted average remaining lease terms on our charter-in contracts, office lease agreements and land leases are 5.0 years, 1.9 years and 46.1 years, respectively.

EXHIBIT INDEX

The following exhibit is filed as part of this Form 6-K:

Exhibit	Description
4.46	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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer
Date: June 12, 2020

Exhibit 4.46

Private and Confidential

DATED 03 June 2020

NAVIOS MARITIME HOLDINGS INC.

as borrower

and

NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION

as lender

SECURED LOAN AGREEMENT

for a loan of up to USD50,000,000

in multiple advances

Index

THIS AGREEMENT is dated 03 June 2020 and made **BETWEEN**:

(1) **NAVIOS MARITIME HOLDINGS INC.** as Borrower; and

(2) **NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION** as Lender.

IT IS AGREED as follows:

1 PURPOSE AND DEFINITIONS

1.1 Purpose

This Agreement sets out the terms and conditions upon which the Lender agrees to make available to the Borrower a loan facility of up to an aggregate of USD50,000,000 in multiple advances for general corporate purposes.

1.2 Definitions

In this Agreement, unless the context otherwise requires:

"**Account**" means an account in the name of Opal with the Account Bank or any other account (with that or another office of the Account Bank or with a bank or financial institution other than the Account Bank) which is designated by the Lender as the Account for the purposes of this Agreement;

"Account Bank" means ABN AMRO Bank N.V. acting through its branch at 93 Coolsingel, Rotterdam, the Netherlands or another bank or financial institution approved by the Lender at the request of the Borrower;

"Account Pledge" means a pledge or other instrument in respect of the Account executed or to be executed by Opal in favour of the Lender in such form as the Lender may require in its reasonable discretion;

"**Advance**" means the principal amount of each drawing in respect of the Loan to be made pursuant to Clause 2.2;

"Assignment of Earnings and Insurances" means the assignment of earnings and insurances of the Vessel in such form as the Lender may agree or require in its reasonable discretion;

“**Banking Day**” means a day on which dealings in deposits in USD are carried on in the London Interbank Eurocurrency Market and a day (other than Saturday or Sunday) on which banks are open for general business in London, Piraeus, Hamburg and New York City;

“**Borrowed Money**” means Indebtedness in respect of (i) money borrowed and debit balances at banks, (ii) any bond, note, loan stock, debenture or similar debt instrument, (iii) acceptance or documentary credit facilities, (iv) receivables sold or discounted (otherwise than on a non-recourse basis), (v) deferred payments for assets or services acquired, (vi) finance leases and hire purchase contracts, (vii) swaps, forward exchange contracts, futures and other derivatives, (viii) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or of any of (ii) to (vii) above and (ix) guarantees in respect of Indebtedness of any person falling within any of (i) to (viii) above;

“**Borrower**” means Navios Maritime Holdings Inc. a company incorporated in the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Borrower’s Account**” means an account in the name of the Borrower opened with the Borrower’s Account Bank or any other account (with that or another office of the Borrower’s Account Bank or with a bank or financial institution other than the Borrower’s Account Bank) which is designated by the Lender as the Borrower’s Account for the purposes of this Agreement and which will hold, inter alia, certain Senior Notes;

“Borrower’s Account Bank” means UBS Financial Services Inc. or another bank or financial institution approved by the Lender at the request of the Borrower;

“Borrower’s Account Pledge” means a second priority pledge or other instrument in respect of the Borrower’s Account executed or to be executed by the Borrower in favour of the Lender in such form as the Lender may require in its reasonable discretion;

“**Certified Copy**” means in relation to any document delivered or issued by or on behalf of any company, a copy of such document certified as a true, complete and up to date copy of the original by any of the directors or officers for the time being of such company or by such company’s attorneys or solicitors;

“**Closing Date**” means the date on which the conditions precedent set out in Clause 9 have been satisfied or waived by the Lender;

“**Collateral**” means the Account Pledge, the Borrower’s Account Pledge, the Securities Account Pledge, the Shares Pledge, the Mortgage and the Assignment of Earnings and Insurances and the Guarantee and any other Encumbrance provided to the Lender from time to time as security for the Loan;

“**Commitment**” means, in relation to the Loan, the maximum amount which the Lender has agreed to lend to the Borrower under clause 2.1 as reduced by any relevant term of this Agreement;

“**Compliance Certificate**” means a certificate substantially in the form set out in schedule 5 signed by a director of the Borrower;

“**Default**” means any Event of Default or any event or circumstance which with the giving of notice or lapse of time or the satisfaction of any other condition (or any combination thereof) would constitute an Event of Default;

“**Deferred Amortization**” has the meaning given to it in clause 4.1.1;

“**Dollars**” and “**USD**” mean the lawful currency of the USA and in respect of all payments to be made under any of the Loan Documents means funds which are for same day settlement in the New York Clearing House Interbank Payments System (or such other US dollar funds as may at the relevant time be customary for the settlement of international banking transactions denominated in US dollars);

“**Drawdown Date**” means, in respect of an Advance, any date being a Banking Day on which that Advance is, or is to be, made available;

“**Drawdown Notice**” means in relation to each Advance a notice substantially in the form of Schedule 6;

“**Encumbrance**” means any mortgage, charge, pledge, lien, hypothecation, assignment, title retention, preferential right, option, trust arrangement or security interest or any other encumbrance, security or arrangement conferring howsoever a priority of payment in respect of any obligation of any person;

“**Event of Default**” means any of the events or circumstances listed in clause 10.1;

“**Execution Date**” means the date on which this Agreement has been executed by all the parties hereto;

"**Facility Period**" means the period starting as of the date hereof and ending on such date as the Lender determines that all payment obligations whatsoever of the Borrower under or pursuant to the Loan Documents whensoever arising, actual or contingent, have been irrevocably paid;

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations or other associated official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or

(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

"**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA;

"**FATCA Deduction**" means a deduction or withholding from a payment under a Loan Document required by FATCA;

"**FATCA Exempt Party**" means a party that is entitled to receive payments free from any FATCA Deduction;

"Group" means at any relevant time the Borrower and its subsidiaries but not including any subsidiary which is listed on any public stock exchange and any of its subsidiaries;

"**Group Member**" means any member of the Group;

"**Guarantee**" means the guarantees granted by the Guarantor in such form as the Lender may agree or require in its reasonable discretion;

"**Guarantor**" means the company named in Schedule 1;

“**Indebtedness**” means any obligation howsoever arising (whether present or future, actual or contingent, secured or unsecured as principal, surety or otherwise) for the payment or repayment of money;

“Indenture Excerpt” means the excerpt from the Secured Indenture set out in Schedule 3;

“Latest Accounts” means, in respect of any financial year of the Group, the latest financial statements required to be prepared pursuant to clause 8.1.6;

“Legal Reservations” means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) any general principles, reservations or qualifications, in each case as to matters of law as set out in any legal opinion;

(d) the principle that any additional interest imposed under any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;

(e) the principle that, in certain circumstances, security granted by way of fixed charge may be characterised as a floating charge or that security purported to be constituted by way of an assignment may be recharacterised as a charge;

(f) the principle that the courts of England may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; and

(g) similar principles, rights and defences under the laws of any Pertinent Jurisdiction

“**Lender**” means Navios Shipmanagement Holdings Corporation, a corporation incorporated in the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

“**Loan**” means the principal amount borrowed by the Borrower under this Agreement or (as the context may require) the principal amount owing to the Lender under this Agreement at any relevant time (as the same shall be increased from time to time by the capitalisation of interest in accordance with clause 3.1);

"**Loan Documents**" means this Agreement and the Security Documents;

"Material Adverse Effect" means, a material adverse effect on:

(a) the business, assets or financial condition of the Borrower; or

(b) the ability of the Borrower to perform its obligations under the Loan Documents; or

(c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of, any Encumbrance granted or purporting to be granted pursuant to any of the Security Documents;.

"**Mortgage**" means the first preferred mortgage of the Vessel required to be executed hereunder by the Guarantor in favour of the Lender, in such form as the Lender may require in its reasonable discretion;

"**Opal**" means Opal Shipping Corporation;

"**Permitted Encumbrance**" means (i) any Encumbrance created pursuant to or expressly permitted by the Loan Documents or otherwise permitted by the Lender, (ii) any lien arising by the operation of law and (iii) any Permitted Lien (as defined in the Second Secured Indenture);

"**Perfection Requirements**" means the making or procuring of appropriate registrations, filings, endorsements, notarisations, stampings and/or notifications of the Security Documents and/or the security expressed to be created under the Security Documents determined by the legal advisers to the Lender to be necessary in any Pertinent Jurisdiction for the enforceability or production in evidence of the relevant Security Document to the extent such matters are complied with within any timeframe specified by law or the relevant Security Document;

"**Pertinent Jurisdiction**" means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment or assets which are secured under the Security Documents;

"**Proceedings**" means any litigation, arbitration, legal action or complaint or judicial, quasi-judicial or administrative proceedings whatsoever arising or instigated by anyone in any court, tribunal, public office or other forum whatsoever and wheresoever (including, without limitation, any action for provisional or permanent attachment of any thing or for injunctive remedies or interim relief and any action instigated on an ex parte basis);

“**Prohibited Person**” means a person that is:

(a) listed on, or owned or controlled by a person listed on any Sanctions List;

(b) located, organised or resident in, a country or territory that is the target of country-wide Sanctions; or

(c) otherwise a target of Sanctions.

“**Register**” has the meaning specified in clause 14.3

“**Required Authorisation**” means any authorisation, consent, declaration, licence, permit, exemption, approval or other document, whether imposed by or arising in connection with any law, regulation, custom, contract, security or otherwise howsoever which must be obtained at any time from any person, government entity or central bank or other self-regulating or supra-national authority in order to enable the Borrower lawfully to draw the Loan and/or to enable any Security Party lawfully and continuously to continue its corporate existence and/or perform all its obligations whatsoever whensoever arising under the Loan Documents and/or grant security under the Security Documents and/or to ensure the continuous validity and enforceability thereof;

“**Sanctions**” means any economic or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by:

(a) the United States government;

(b) the United Nations;

(c) the European Union or any of its Member States;

(d) the United Kingdom;

(e) any country to which any Security Party is bound; or

(f) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”), the United States Department of State, and Her Majesty’s Treasury (“**HMT**”) (together “**Sanctions Authorities**”).

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list issued by OFAC, the “Consolidated List of Financial Sanctions Targets and Investment Ban List” issued by HMT, or any similar list issued or maintained or made public by any of the Sanctions Authorities.

“Second Secured Indenture” means the Indenture dated as of 21 November 2017 for USD305,000,000 issued by the Borrower and Navios Maritime Finance II (US) Inc. for 11.25% Senior Secured Notes due in 2022;

“Secured Indenture” means the Indenture dated as of 29 November 2013 for USD650,000,000 issued by the Borrower and Navios Maritime Finance II (US) Inc. for 7.375% First Priority Ship Mortgage Notes due in 2022;

“**Securities Account**” means an account in the name of the Borrower opened or to be opened with the Securities Account Bank or any other account (with that or another office of the Securities Account Bank or with a bank or financial institution other than the Securities Account Bank) which is designated by the Lender as the Securities Account for the purposes of this Agreement and which will hold, inter alia, certain Senior Notes and certain units of Navios Maritime Containers L.P.;

“Securities Account Bank” means UBS Financial Services Inc. or another bank or financial institution approved by the Lender at the request of the Borrower;

“Securities Account Pledge” means a pledge or other instrument in respect of the Securities Account executed or to be executed by the Borrower in favour of the Lender in such form as the Lender may require in its reasonable discretion;

“**Security Documents**” means, the Account Pledge, the Mortgage, the Shares Pledge, the Borrower’s Account Pledge, the Securities Account Pledge, the Assignment of Earnings and Insurances, the Guarantee and any other documents designated by the Borrower and the Lender as “Security Documents” or any other documents as may have been or shall from time to time after the date of this Agreement be executed in favour of the Lender to guarantee and/or to govern and/or to secure payment of all or any part of the Loan, interest thereon and other moneys from time to time owing by the Borrower pursuant to this Agreement;

“**Security Party**” means the Borrower, the Guarantor, the Shareholder or any other person who may at any time be a party to any of the Loan Documents (other than the Lender);

“Senior Notes” means the “Notes” defined in Schedule 4;

“Shares Pledge” means the first priority pledge of Opal to be executed by the Shareholder in favour of the Lender in such form as the Lender may require in its reasonable discretion;

“**Shareholder**” means Aquis Marine Corp., a company incorporated in the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**subsidiary**” of a person means any company or entity directly or indirectly controlled by such person, and for this purpose “control” means either the ownership of more than fifty per cent (50%) of the voting share capital (or equivalent rights of ownership) of such company or entity;

“**Taxes**” includes all present and future income, corporation, capital or value-added taxes and all stamp and other taxes and levies, imposts, deductions, duties, charges and withholdings whatsoever together with interest thereon and penalties in respect thereto, if any, and charges, fees or other amounts made on or in respect thereof (and “Taxation” shall be construed accordingly);

“**Unlawfulness**” means any event or circumstance which either is or, as the case may be, might in the reasonable opinion of the Lender become the subject of a notification by the Lender to the Borrower under clause 12.1; and

“**Vessel**” means the Vessel defined in Schedule 1.

Words and expressions defined in Schedule 4 shall have the meaning given to them when used in Schedule 3.

1.3 **Construction**

In this Agreement, unless the context otherwise requires:

1.3.1 clause headings and the index are inserted for convenience of reference only and shall be ignored in the construction of this Agreement;

1.3.2 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement include its schedules;

1.3.3 references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as duly amended and/or supplemented and/or novated;

1.3.4 references to a "regulation" include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any government entity, central bank or any self-regulatory or other supra-national authority (including, without limitation, any regulation implementing or complying with (1) the "*International Convergence of Capital Measurement and Capital Standards, a Revised Framework*" published by the Basel Committee on Banking Supervision in June 2004, in the form existing on the date of this Agreement ("**Basel II**") and/or (2) Basel III and/or (3) Basel IV and (4) any other law or regulation which, at any time and from time to time, implements and/or amends and/or supplements and/or re-enacts and/or supersedes, whether in whole or in part, Basel II and/or Basel III and/or Basel IV (including CRD IV and CRR), and whether such implementation, application or compliance is by a government entity, a lender or any company affiliated to it);

1.3.5 references to any person in or party to this Agreement shall include reference to such person's lawful successors and assigns and references to the Lender shall also include a transferee;

1.3.6 words importing the plural shall include the singular and vice versa;

1.3.7 references to a time of day are, unless otherwise stated, to London time;

1.3.8 references to a person shall be construed as references to an individual, firm, company, corporation or unincorporated body of persons or any government entity;

1.3.9 references to a "guarantee" include references to an indemnity or any other kind of assurance whatsoever (including, without limitation, any kind of negotiable instrument, bill or note) against financial loss or other liability including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and "guaranteed" shall be construed accordingly;

1.3.10 references to any statute or other legislative provision are to be construed as references to any such statute or other legislative provision as the same may be re-enacted or modified or substituted by any subsequent statute or legislative provision (whether before or after the date hereof) and shall include any regulations, orders, instruments or other subordinate legislation issued or made under such statute or legislative provision;

1.3.11 a certificate by the Lender as to any amount due or calculation made or any matter whatsoever determined in connection with this Agreement shall be conclusive and binding on the Borrower except for manifest error;

1.3.12 if any document, term or other matter or thing is required to be approved, agreed or consented to by the Lender such approval, agreement or consent must be obtained in writing unless the contrary is stated; and

1.3.13 the words “other” and “otherwise” shall not be construed eiusdem generis with any foregoing words where a wider construction is possible.

1.4 **Contracts (Rights of Third Parties Act) 1999**

No part of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

2 THE LENDER’S COMMITMENT, LOAN AND USE OF PROCEEDS

2.1 **The Commitment**

In reliance upon each of the representations and warranties in clause 7, the Lender agrees to make available by way of loan to the Borrower on the terms of this Agreement the principal amount described in clause 2.2.

2.2 **Amount**

The principal amount specified in a Drawdown Notice for borrowing on a Drawdown Date shall, subject to the terms of this Agreement, not exceed (i) USD50,000,000 less (ii) the aggregate of such amounts as may prior thereto have been made available under this Agreement.

2.3 **Advance**

On the terms and subject to the conditions of this Agreement, the Loan shall be advanced in several Advances, each on a Drawdown Date following receipt by the Lender from the Borrower of a Drawdown Notice not later than 10 a.m. London time on the Banking Day before such proposed Drawdown Date. A Drawdown Notice shall be effective on actual receipt by the Lender and, once given, shall be irrevocable.

2.4 **Availability**

Upon receipt of a Drawdown Notice complying with the terms of this Agreement, the Lender shall, subject to the provisions of clause 9, make an Advance available to the Borrower on the relevant Drawdown Date in payment to such account as the Borrower shall specify in the relevant Drawdown Notice, provided that such Drawdown Date must be on or before 31 December 2020 (or such later date as the Borrower and the Lender may agree).

2.5 **Use of Proceeds**

The Lender shall have no responsibility for the Borrower's use of the proceeds of the Loan and is not bound to monitor or verify the application of any amount borrowed pursuant to the terms of this Agreement.

3 **INTEREST**

3.1 **Interest rate**

The Loan shall bear interest at the rate of 5% compounded per annum on the then-outstanding principal amount, payable in quarterly instalments in arrears on each February 15, May 15, August 15 and November 15, beginning on August 15, 2020. Interest shall be calculated on the basis of a year of 365 days or 366 days, as the case may be, and actual days elapsed during the period and shall be calculated on a daily basis on the actual amount drawn down and outstanding at any relevant time.

3.1.1 Any principal amount that is deferred pursuant to clause 4.1.1 shall accrue interest at a rate of 7% per annum until repaid.

3.2 **Default interest**

If the Lender fails to receive any sum whatsoever on its due date for payment under any of the Loan Documents, the Borrower must pay interest on such sum on demand from the due date up to the date of actual payment (as well after as before judgment) at a rate of two (2.0) per cent per annum over the interest rate referred to in clause 3.1. Such interest shall be due and payable on demand, shall accrue daily and shall be compounded annually.

4 **REPAYMENT AND PREPAYMENT**

4.1 **Repayment/deferment option**

Subject as otherwise provided in this Agreement, the Borrower must repay the Loan quarterly on each February 15, May 15, August 15 and November 15, beginning on August 15, 2020 as follows (provided, that (i) the Borrower may elect to apply any voluntary prepayments made pursuant to clause 4.2 towards any remaining instalment payments and (ii) any mandatory prepayments (other than a mandatory prepayment in full) shall be applied across all remaining instalment payments on a pro rata basis):

i. eighteen (18) instalments each in an amount equal to 1/18th of the amount of the Loan as at close of business on June 30 2020 with the first such instalment falling due on August 15 2020;

ii. seventeen (17) instalments each in an amount equal to 1/17th of the amount of the Loan which has been advanced between (and including) July 1 2020 and September 30 2020 with the first such instalment falling due on November 15 2020;

iii. sixteen (16) instalments in an amount equal to 1/16th of the amount of the amount of the Loan which has been advanced between (and including) October 1 2020 and December 31 2020 with the first such instalment falling due on February 15 2021; and

iv. on November 15 2024 (the "**Final Repayment Date**"), together with the repayment instalment then due, any unpaid Loan due and payable.

The Borrower may, in respect of the repayment instalments falling due on any of August 15 2020, November 15, 2020, February 15 2021 and May 15 2021, defer all or part of the amortization payment (as the same may have been increased by a deferral hereunder) (the "**Deferred Amortization**") due on such date, so that it is due on the next due date under this Clause 4.1.

4.2 **Voluntary prepayment**

The Borrower may prepay the Loan in whole or in part (being USD1,000,000 or any larger sum which is a whole multiple of USD1,000,000) at any time without premium or penalty.

4.3 **Mandatory Prepayment**

The Borrower shall prepay the Loan:

4.3.1 in full upon the occurrence of a "Change of Control" (as such term is defined in the Indenture Excerpt);

4.3.2 in full upon any Indebtedness being incurred by the Borrower contrary to the provisions of clause 7.1.16 and the terms of this Agreement on the date such Indebtedness incurs;

4.3.3 in an amount equal to the Appraised Value (as defined in the Secured Indenture) of the Vessel upon the Vessel being refinanced; and

4.3.4 other principal payments by the net proceeds of the sale of any asset which is the subject of any Collateral.

4.4 **Amounts payable on prepayment**

Any prepayment of all or part of the Loan under this Agreement shall be made together with:

4.4.1 accrued interest on the amount to be prepaid to the date of such prepayment;

4.4.2 any additional amount payable under clause 6.6;

4.4.3 if of the whole Loan, all other sums payable by the Borrower to the Lender under this Agreement or any of the other Loan Documents.

4.5 **Notice of prepayment; reduction of repayment instalments**

4.5.1 No prepayment may be effected under clause 4.2 unless the Borrower shall have given the Lender at least three (3) Banking Day's prior written notice of its intention to make such prepayment. Every notice of prepayment shall be effective only on actual receipt by the Lender, shall be irrevocable, shall specify the amount to be prepaid and shall oblige the Borrower to make such prepayment on the date specified.

4.5.2 The Borrower may not prepay any part of the Loan except as expressly provided in this Agreement.

4.5.3 No amount prepaid may be reborrowed.

5 **EXPENSES**

5.1 **Expenses**

The Borrower agrees to reimburse the Lender on a full indemnity basis on demand for all expenses and/or disbursements whatsoever:

5.1.1 in connection howsoever with the negotiation, preparation, execution and, where relevant, registration of any contemplated or actual amendment, indulgence or the granting of any waiver or consent howsoever in connection with any of the Loan Documents; and

5.1.2 in contemplation or furtherance of, or otherwise howsoever in connection with, the exercise or enforcement of, or preservation of any rights, powers, remedies or discretion under any of the Loan Documents or any amendment thereto or consideration of the Lender's rights thereunder.

5.2 **Value Added Tax**

All expenses payable under to this clause 5 must be paid with value added tax or any similar tax (if any) properly chargeable thereon. Any value added tax chargeable in respect of any services supplied by the Lender under this Agreement must, on delivery of the value added tax invoice, be paid in addition to any sum agreed to be paid hereunder.

5.3 **Stamp and other duties**

The Borrower must pay all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Lender) imposed on or in connection with any Loan Documents or the Loan and agree to indemnify the Lender against any liability arising by reason of any delay or omission by the Borrower to pay such duties or taxes other than to the extent such duties or taxes arise as a result of the Lender transferring its Loan or Commitments under this Agreement.

6 PAYMENTS AND TAXES; ACCOUNTS AND CALCULATIONS

6.1 **No set-off or counterclaim**

All payments to be made by the Borrower under any of the Loan Documents must be made in full, without any set-off or counterclaim whatsoever and, subject to clause 6.5, free and clear of any deductions or withholdings, in USD not later than 11 a.m. London time on the due date to such account of the Lender as the Lender may from time to time notify to the Borrower.

6.2 **Non-Banking Days**

When any payment under any of the Loan Documents would otherwise be due on a day which is not a Banking Day, the due date for payment shall be extended to the next following Banking Day.

6.3 **Calculations**

All interest and other payments of an annual nature under any of the Loan Documents shall accrue from day to day and be calculated on the basis of actual days elapsed and a 360 day year.

6.4 **Currency of account**

If any sum due from the Borrower under any of the Loan Documents, or under any order or judgment given or made in relation thereto or for any other reason whatsoever, must be converted from the currency ("the first currency") in which the same is payable thereunder into another currency ("the second currency") for the purpose of (i) making or filing a claim or proof against the Borrower, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation thereto, the Borrower undertakes to indemnify and hold harmless the Lender from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Lender may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. Any amount due from the Borrower under this clause 6.4 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of any of the Loan Documents and the term "rate of exchange" includes any premium and costs of exchange payable in connection with the purchase of the first currency with the second currency.

6.5 **Grossing-up for Taxes**

If at any time the Borrower must make any deduction or withholding in respect of Taxes from any payment due under any of the Loan Documents, the sum due from the Borrower in respect of such payment must then be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding), a net sum equal to the sum which it would have received had no such deduction or withholding been made and the Borrower agrees to indemnify the Lender on demand against any losses or costs certified by the Lender to have been incurred by it by reason of any failure of the Borrower to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Borrower must promptly deliver to the Lender any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid. . The Lender shall use commercially reasonable efforts (including the delivery of properly completed and executed Tax forms or documentation prescribed by applicable law) to reduce or eliminate any deduction or withholding for Taxes from any payment due under any of the Loan Documents and to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to this clause 6.5.

6.6 **Loan account**

The Lender agrees to maintain a control account showing the Loan and other sums owing by the Borrower under the Loan Documents and all payments in respect thereof being made from time to time. The control account shall, in the absence of manifest error, absent prompt objection by the Borrower, be conclusive as to the amount from time to time owing by the Borrower under the Loan Documents.

6.7 **Partial payments**

If, on any date on which a payment is due to be made by the Borrower under any of the Loan Documents, the amount received by the Lender from the Borrower falls short of the total amount of the payment due to be made by the Borrower on such date then, without prejudice to any rights or remedies available to the Lender under any of the Loan Documents, the Lender must apply the amount actually received from the Borrower in or towards discharge of the obligations of the Borrower under the Loan Documents in the following order, notwithstanding any appropriation made, or purported to be made, by the Borrower:

6.7.1 first, in or towards payment, on a pro-rata basis, of any unpaid costs and expenses of the Lender under any of the Loan Documents;

6.7.2 secondly, in or towards payment of any expenses payable to the Lender under, or in relation to, the Loan Documents which remain unpaid;

6.7.3 thirdly, in or towards payment to the Lender of any accrued interest owing in respect of the Loan which shall have become due under any of the Loan Documents but remains unpaid;

6.7.4 fourthly, in or towards payment to the Lender of any principal in respect of the Loan which shall have become due but remains unpaid;

6.7.5 fifthly, in or towards payment to the Lender of any other sum which shall have become due under any of the Loan Documents but remains unpaid (and, if more than one such sum so remains unpaid, on a pro rata basis).

The order of application set out in clauses 6.7.1 to 6.7.5 may be varied by the Lender without any reference to, or consent or approval from, the Borrower.

6.8 **FATCA**

6.8.1 Subject to Clause 6.8.3 below, each party shall, within ten (10) Banking Days of a reasonable request by another party:

(a) confirm to that other party whether it is:

(i) a FATCA Exempt Party; or

(ii) not a FATCA Exempt Party; and

(b) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable passthru percentage or other information required under the Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.

6.8.2 If a party confirms to another party pursuant to Clause 6.8.1(a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.

6.8.3 Clause 6.8.1(a) above shall not oblige the Lender to do anything which would or might in its reasonable opinion constitute a breach of:

(a) any law or regulation;

(b) any policy of the Lender;

(c) any fiduciary duty; or

(d) any duty of confidentiality.

6.8.4 If the Borrower is required to make a FATCA Deduction, the Borrower shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA;

6.8.5 The Borrower shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Lender accordingly; and

6.8.6 Within thirty days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Borrower shall deliver to the Lender evidence satisfactory to the Lender that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

7 REPRESENTATIONS AND WARRANTIES

7.1 Continuing representations and warranties

The Borrower represents and warrants to the Lender that:

7.1.1 Due incorporation

each of the Security Parties is duly incorporated and validly existing in good standing, under the laws of the Marshall Islands as a corporation and has power to carry on its respective business as it is now being conducted and to own its property and other assets to which it has unencumbered legal and beneficial title except as disclosed to the Lender in writing;

7.1.2 Corporate power

each of the Security Parties has power to execute, deliver and perform its obligations and, as the case may be, to exercise its rights under the Loan Documents to which it is a party; all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and on the execution of the Loan Documents performance of the same and no limitation on the powers of the Borrower to borrow or any other Security Party to howsoever incur liability and/or to provide or grant security will be exceeded as a result of borrowing any part of the Loan;

7.1.3 Binding obligations

subject to the Legal Reservations and the Perfection Requirements, the Loan Documents, when executed, will constitute valid and legally binding obligations of the relevant Security Parties enforceable in accordance with their respective terms and admissible in evidence and the Security Documents will create first priority Encumbrances;

7.1.4 No conflict with other obligations

the execution and delivery of, the performance of its obligations under, and compliance with the provisions of, the Loan Documents by the relevant Security Parties will not (i) contravene in any material respect any existing applicable law, statute, rule or regulation or any judgment, decree or permit of any Pertinent Jurisdiction to which any Security Party or other member of the Group is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which any Security Party or any other member of the Group is a party or is subject or by which it or any of its property is bound which is likely to have a Material Adverse Effect, (iii) contravene or conflict with any provision of the constitutional documents of any Security Party or (iv) result in the creation or imposition of, or oblige any Security Party to create, any Encumbrance (other than a Permitted Encumbrance) on any of the undertakings, assets, rights or revenues of any Security Party secured under the Security Documents;

7.1.5 No default

no Default has occurred which is continuing;

7.1.6 No litigation or judgments

no Proceedings are current, pending or, to the knowledge of the officers of the Borrower, threatened against any Security Party or any other Group Members or their assets which could have a Material Adverse Effect and there exist no judgments, orders, injunctions which would materially affect the obligations of any Security Party under the Loan Documents other than have been publicly disclosed by the Borrower prior to the Execution Date;

7.1.7 No filings required

it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Loan Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Pertinent Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Pertinent Jurisdiction on or in relation to the Loan Documents and each of the Loan Documents is in proper form for its enforcement in the courts of each Pertinent Jurisdiction;

7.1.8 Required Authorisations and legal compliance

all Required Authorisations have been obtained or effected and are in full force and effect and no Security Party has in any way contravened any applicable law, statute, rule or regulation (including all such as relate to money laundering);

7.1.9 Choice of law

the choice of English law to govern the Loan Documents and the submissions by the Security Parties to the jurisdiction of the English courts and the obligations of the Security Parties associated therewith, are valid and binding;

7.1.10 No immunity

no Security Party nor any of their assets is entitled to immunity on the grounds of sovereignty or otherwise from any Proceedings whatsoever;

7.1.11 Financial statements correct and complete

the Latest Accounts of the Borrower in respect of the relevant financial year as delivered to the Lender present fairly and accurately the financial position of the Borrower for the financial year, ended on such date and, as at such date, the Borrower had no material liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements or notes thereto;

7.1.12 Pari passu

the obligations of the Borrower under this Agreement are direct, general and unconditional obligations of the Borrower and rank at least pari passu with all present and future unsubordinated Indebtedness of the Borrower except for obligations which are mandatorily preferred by operation of law and not by contract;

7.1.13 Information/ Material Adverse Effect

all written factual information, whatsoever provided by any Security Party to the Lender in connection with the negotiation and preparation of the Loan Documents or otherwise provided hereafter in relation to, or pursuant to this Agreement is true and accurate in all material respects and not misleading and the Borrower's public filings do or will not omit material facts and all reasonable enquiries have been made to verify the facts and statements contained therein as of such date and there has not occurred a Material Adverse Effect on any Security Party since such information was provided to the Lender;

7.1.14 Freedom from Encumbrances

save as otherwise disclosed in writing by the Borrower to the Lender on or prior to the date of this Agreement, no properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will be subject to any Encumbrance except Permitted Encumbrances;

7.1.15 Copies true and complete

the copies of the constitutional documents of the Security Parties delivered or to be delivered to the Lender pursuant to clause 9.1 are, or will when delivered be, true and complete copies; and there have been no amendments or variations thereof;

7.1.16 Indebtedness

no Security Party has incurred any Indebtedness other than as permitted under the Secured Indenture and the Second Secured Indenture or as otherwise disclosed to the Lender in writing or as disclosed in the Group's public filings;

7.1.17 Use of proceeds

the Borrower shall apply the Loan only for the purposes specified in clauses 1.1. and 2.1;

7.1.18 Filings

subject to any permissible extensions, the Borrower has filed all material tax and other fiscal returns required to be filed with any tax authority to which it is subject;

7.1.19 Office

the Borrower does not have an office in England;

7.1.20 Prohibited Persons, unlawful activity

(a) none of the Group Members are a Prohibited Person; and

(b) to the best of its knowledge, no title in any property or other assets subject to an Encumbrance created by a Loan Document has been obtained in breach of any existing applicable law, statute, rule or regulation;

7.1.21 Insolvency

none of the Security Parties is unable or has admitted inability to pay its debts as they fall due, has suspended making payments on any of its debts or has announced an intention to do so, is or has become insolvent; or, save as disclosed to the Lender prior to the Execution Date, or has suffered the declaration of a moratorium in respect of any of its Indebtedness;

7.1.22 Sanctions

no Security Party nor any director, officer, agent, employee of any Security Party or any person acting on behalf of any Security Party, is a Prohibited Person nor acts directly or indirectly on behalf of a Prohibited Person; and

7.2 **Repetition of representations and warranties**

On the Execution Date and on the day each repayment instalment is payable pursuant to clause 4.1, the Borrower shall be deemed to repeat the representations and warranties in clause 7.1 updated mutatis mutandis as if made with reference to the facts and circumstances existing on such day.

8 UNDERTAKINGS

8.1 **General**

The Borrower undertakes with the Lender that, from the Execution Date until the end of the Facility Period, it will:

8.1.1 Notice of Default and Proceedings

promptly inform (and any public filing of the Borrower containing the relevant information about the matters hereafter described shall constitute compliance with this covenant to inform) the Lender of (a) when required under the Secured Indenture and the Second Secured Indenture, any Default (including the occurrence of any Event of Default under (and as defined in) the Secured Indenture or the Second Secured Indenture, in which case the Borrower shall also provide to the Lender copies of all demands or notices made in connection therewith) and of any other circumstances or occurrence which might materially and adversely affect the ability of the Borrower to perform its obligations under any of the Loan Documents and (b) as soon as the same is instituted or formally threatened in writing, details of any Proceedings involving the Borrower which could have a Material Adverse Effect on the Borrower and will from time to time, if so reasonably requested by the Lender, confirm to the Lender in writing that, save as otherwise stated in such confirmation, no Default has occurred and is continuing and no such Proceedings are on foot or have been formally threatened in writing;

8.1.2 Authorisation

obtain or cause to be obtained, maintain in full force and effect and comply fully with all Required Authorisations, provide the Lender, upon request, with Certified Copies of the same and do, or cause to be done, all other acts and things which may from time to time be necessary under any applicable law for the continued due performance of all the obligations of the Security Parties under each of the Loan Documents;

8.1.3 Corporate Existence/Ownership

ensure that each Security Party maintains its corporate existence as a body corporate duly organised and validly existing and in good standing under the laws of the Pertinent Jurisdiction and ensure that the Borrower is owned and controlled, directly or through other companies, by the persons disclosed to the Lender prior to the date hereof;

8.1.4 Use of proceeds

use the Loan exclusively for the purposes specified in clauses 1.1 and 2.1; and

8.1.5 Pari passu

ensure that its obligations under this Agreement shall at all times rank at least pari passu with all its present and future unsecured and unsubordinated Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract;

8.1.6 Financial statements

provide the Lender (or procure that is provided):

(a) as soon as possible, but in no event later than 120 days after the end of each of its financial years, annual audited (prepared in accordance with US GAAP by a firm of accountants acceptable to the Lender) consolidated balance sheet and profit and loss accounts of the Borrower (commencing with the financial year ending 31 December 2020) and public filing in respect of the Borrower shall constitute delivery;

(b) as soon as possible, but in no event later than 90 days after the end of each of its first three financial quarters, commencing with the first financial quarter of 2020, the Borrower’s unaudited consolidated balance sheet and profit and loss accounts for that 3 month period certified as to their correctness by its chief financial officer;

(c) prior to the start of each of its financial years, an annual forecast in respect of the Borrower;

(d) details of any litigation, arbitration, administrative proceedings, Default and any other events or circumstances which are likely to have a Material Adverse Effect on the Borrower;

8.1.7 Compliance Certificates

deliver to the Lender on the dates on which the financial statements must be delivered to the Lender under clause 8.1.6(b), a Compliance Certificate and such other supporting information as the Lender may reasonably require;

8.1.8 Provision of further information

provide the Lender with such financial or other information concerning the Borrower, all vessels (including those under construction) owned, acquired, sold or managed by any Group Member, or any of its subsidiaries, including, commitments, financial standing, operations and in relation to Borrowed Moneys, repayment of Borrowed Money, as the Lender may from time to time reasonably require;

8.1.9 Compliance with Laws and payment of taxes

comply in all material respects with all relevant applicable laws, statutes, directives, decrees, rulings and analogous rules (including, but not limited to, those relating to Sanctions) and regulations (other than in the case of Sanctions) where failure to do so would be reasonably likely to have a Material Adverse Effect and pay all taxes for which it is liable as they fall due unless disputed in good faith;

8.1.10 Secured Indenture

comply with all of its obligations under the Secured Indenture which are set out in the Indenture Excerpt and the Borrower further agrees:

(a) any terms defined in the Secured Indenture shall have those meanings when used in the Indenture Excerpt;

(b) no waiver or variation of any term of the Secured Indenture by any person shall waive or vary the Borrower's obligations hereunder to comply with the obligations in the Indenture Excerpt, except with the consent of the Lender; and

(c) the Borrower shall continue to be bound by its obligations under this Agreement and incorporated by reference to the Indenture Excerpt notwithstanding a Covenant Defeasance (as defined in the Secured Indenture) or a Legal Defeasance (as defined in the Secured Indenture) or other termination or cancellation of the Secured Indenture;

8.1.11 Sanctions

will not and will use reasonable endeavours to ensure that no Group Member does, conduct or undertake any business:

(a) in breach of any Sanctions of:

(i) the United Nations Security Council;

(ii) the European Union;

(iii) the United Kingdom;

(iv) the United States of America

(v) the Marshall Islands

as they apply to their members or nationals; or

(b) in any trade, carriage of goods or business which is forbidden by the laws of the United Kingdom or the United States of America as they apply to their members or nationals, or any law applicable to the Borrower; or

(c) in carrying illicit or prohibited goods; or

(d) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or

(e) to the knowledge of the Borrower, by or for the benefit of a Prohibited Person;

8.1.12 Delivery of reports

deliver to the Lender upon request a copy of each report, circular, notice or like document issued by the Borrower to its shareholders or creditors generally;

8.1.13 Dividends

declare or pay dividends in accordance with the terms of the Secured Indenture for so long as no Event of Default has then occurred which is continuing, or would occur as a result of such declaration and/or payment;

8.1.14 Investments and payments

make certain investments and payments always in accordance with the terms of the Secured Indenture for so long as no Event of Default has then occurred which is continuing, or would occur as a result of such investment /or payment.

8.1.15 Collateral coverage target

use commercially reasonable efforts to cause the aggregate realizable value of the Collateral to be not less than 200% of the amounts outstanding under the Loan at any time. Such commercially reasonable efforts shall include, but not be limited to, pledging any collateral becoming available from the extinguishment of any secured indebtedness and from the release of any collateral used to guarantee and existing secured indebtedness. For purposes of this provision, the method used for valuing such collateral shall be consistent with the Second Secured Indenture. For the avoidance of doubt, the failure to cause the aggregate value of the Collateral to be not less than 200% shall not result in a Default as long as the Borrower has used commercially reasonable efforts to comply with this clause 8.1.15.

8.2 **Negative undertakings**

The Borrower undertakes with the Lender that, from the Execution Date until the end of the Facility Period, it will not, without the prior written consent of the Lender:

8.2.1 Negative pledge

without prejudice to the Secured Indenture, permit any Encumbrance (other than a Permitted Encumbrance or as otherwise disclosed in writing by the Borrower to the Lender on or prior to the date of this Agreement) to subsist, arise or be created or extended over any shares owned by the Borrower to secure or prefer any present or future Indebtedness or other liability or obligation of any Group Member or any other person;

8.2.2 No merger or transfer

enter into any form of amalgamation, merger, consolidation, liquidation, dissolution, change in its organisational structure or any form of reconstruction or reorganisation (unless such change, reconstruction or reorganisation would not adversely affect the security constituted hereunder);

8.2.3 Prohibited Persons

have, and shall use reasonable endeavours to procure that no Group Member will have, any course of dealings, directly or indirectly, with any Prohibited Person.

8.3 **Secured Indenture**

Notwithstanding anything in clause 8.2 of this Agreement:

(a) any terms, transactions or events permitted by the Indenture Excerpt; and

(b) save as otherwise expressly provided in clause 8.2, any other terms or transactions or events permitted by the Secured Indenture,

shall be deemed to be permitted under clause 8.2 of this Agreement.

9 **CONDITIONS**

9.1 **Documents and evidence**

The Lender's obligation to enter into this Agreement is subject to the following conditions precedent:

9.1.1 that on or before the Execution Date, the Lender has received the documents described in Schedule 2 in form and substance satisfactory to the Lender;

9.1.2 the representations and warranties contained in clause 7.1 being then true and correct as if each was made with respect to the facts and circumstances existing at such time; and

9.1.3 no Default shall have occurred and be continuing and no Default would result from the Loan.

9.2 **Waiver of conditions precedent**

The conditions specified in this clause 9 are inserted solely for the benefit of the Lender and may be waived by the Lender in whole or in part and with or without conditions.

10 EVENTS OF DEFAULT

10.1 Events

Each of the following events shall constitute an Event of Default (whether such event shall occur voluntarily or involuntarily or by operation of law or regulation or in connection with any judgment, decree or order of any court or other authority or otherwise, howsoever):

10.1.1 **Non-payment:** the Borrower fails to pay any sum payable by it under any of the Loan Documents at the time, in the currency and in the manner stipulated in the Loan Documents (and so that, for this purpose, sums payable (i) under clause 4.1 shall be treated as having been paid at the stipulated time if (a) received by the Lender within five (5) days of the dates therein referred to and (b) such delay in receipt is caused by administrative or other delays or errors within the banking system and (ii) on demand shall be treated as having been paid at the stipulated time if paid within five (5) Banking Days of demand); or

10.1.2 **Breach of other obligations:** any Security Party commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Loan Documents (other than those referred to in clause 10.1.1 above) unless such breach or omission, in the reasonable opinion of the Lender is capable of remedy, in which case the same shall constitute an Event of Default if it has not been remedied within thirty (30) Business Days of the Lender giving written notice to the Borrower of, or the Borrower becoming aware of the occurrence thereof; or

10.1.3 **Misrepresentation:** any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party in or pursuant to any of the Loan Documents or in any notice, certificate or statement referred to in or delivered under any of the Loan Documents is or proves to have been incorrect or misleading in any material respect unless the circumstances giving rise to the misrepresentation are in the reasonable opinion of the Lender capable of remedy and are remedied within thirty 30 Business Day of the Lender giving written notice to the Borrower of, or the Borrower becoming aware of, the occurrence thereof; or

10.1.4 **Cross-default:** any Indebtedness of the Borrower (which is not intra group or subordinated debt) in excess of USD30,000,000 is not paid when due (subject to applicable grace periods) or any Indebtedness of the Borrower becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by the Borrower of a voluntary right of prepayment), or any creditor of the Borrower becomes entitled to declare any such Indebtedness due and payable or any facility or commitment available to the Borrower relating to Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned (unless the relevant creditor has granted to the Borrower a waiver in respect thereof) ; or

10.1.5 **Execution:** any uninsured judgment or order made against the Borrower in an amount in excess of USD30,000,000 is not stayed, appealed against or complied with within twenty (20) days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of the Borrower and is not discharged within thirty (30) days; or

10.1.6 **Insolvency:** the Borrower is unable or admits inability to pay its debts as they fall due; suspends making payments on all or substantially all of its debts or announces an intention to do so; becomes insolvent; or suffers the declaration of a moratorium in respect of all or substantially all of its Indebtedness; or

10.1.7 **Dissolution:** any corporate action, Proceedings or other steps are taken to dissolve or wind-up the Borrower or an order is made or resolution passed for the dissolution or winding up of the Borrower; or

10.1.8 **Administration:** any petition is presented, notice given or other steps are taken anywhere to appoint an administrator of any Security Party or an administration order is made in relation to any Security Party; or

10.1.9 **Appointment of receivers and managers:** any administrative or other receiver is appointed anywhere of any Security Party or any part of its assets and/or undertaking or any other steps are taken to enforce any Encumbrance over all or any part of the assets of any Security Party; or

10.1.10 **Compositions:** any corporate action, legal proceedings or other procedures are taken, by the Borrower or by any of its creditors with a view to the general readjustment or rescheduling of all or substantially all of its Indebtedness, or to proposing any kind of composition, compromise or arrangement involving such company and all or substantially all of its creditors; or

10.1.11 **Analogous proceedings:** there occurs, in relation to a Security Party, in any country or territory in which it carries on business or to the jurisdiction of whose courts any part of its assets is subject, any event which, in the reasonable opinion of the Lender, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 10.1.6 to 10.1.10 (inclusive) in respect of the Borrower or the Borrower otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation; or

10.1.12 **Cessation of business**: any Security Party suspends or ceases to carry on its business; or

10.1.13 **Seizure:** all or a material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, the Borrower are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government entity; or

10.1.14 **Invalidity:** any of the Loan Documents shall, other than as a result of any act or omission of the Lender, at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Loan Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any Security Party shall deny that it has any, or any further, liability thereunder; or

10.1.15 **Unlawfulness:** any Unlawfulness occurs or it becomes impossible or unlawful at any time for any Security Party, to fulfil any of the covenants and obligations expressed to be assumed by it in any of the Loan Documents or for the Lender to exercise the rights or any of them vested in it under any of the Loan Documents or otherwise; or

10.1.16 **Repudiation:** any Security Party repudiates any of the Security Documents or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Security Documents; or

10.1.17 **Encumbrances enforceable:** any Encumbrance (other than Permitted Liens) in respect of any of the property (or part thereof) which is the subject of any of the Security Documents becomes enforceable; or

10.1.18 **Material events:** any other event occurs or circumstance arises which, in the reasonable opinion of the Lender, is likely to have a Material Adverse Effect or, if such event or circumstance is capable of remedy it is not remedied within 15 Business Days of the earlier of (i) the Lender notifying the Borrower of such event or (ii) the Borrower becoming aware of the same; or

10.1.19 **Litigation:** any Proceedings are current, pending or threatened against any of the Security Parties which could have a Material Adverse Effect; or

10.1.20 **Required Authorisations:** any Required Authorisation is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect or if any exchange control or other law or regulation shall exist which would make any transaction under the Loan Documents or the continuation thereof, unlawful or would prevent the performance by any Security Party of any term of any of the Loan Documents;

10.1.21 **Change of Control**: there occurs a "Change of Control" (as such term is defined in the Indenture Excerpt);

10.1.22 **Money Laundering**: any Security Party is in breach of or fails to observe any law, requirement, measure or procedure implemented to combat "money laundering" as defined in Article 1 of the Directive (91/308 EEC) of the Council of the European Communities.

10.2 **Acceleration**

The Lender may, without prejudice to any other rights of the Lender, at any time after the happening of an Event of Default so long as the same is continuing by notice to the Borrower:

10.2.1 declare that the obligation of the Lender to make the Commitment available shall be terminated, whereupon the Commitment shall immediately be cancelled; and/or

10.2.2 declare that the Loan and all interest accrued and all other sums payable whensoever under the Loan Documents have become due and payable, whereupon the same shall, immediately or in otherwise accordance with the terms of such notice, become due and payable; and/or

10.2.3 exercise any or all of its rights, remedies, powers or discretions under the Loan Documents.

10.3 **Demand basis**

If, under clause 10.2.2, the Lender has declared the Loan to be due and payable on demand, at any time thereafter the Lender may by further notice to the Borrower demand repayment of the Loan on such date as may be specified whereupon the Loan shall become due and payable accordingly with all interest accrued and all other sums payable under this Agreement.

11 INDEMNITIES

11.1 **General indemnity**

The Borrower agrees to indemnify the Lender on demand, without prejudice to any of the Lender's other rights under any of the Loan Documents, against any loss (including loss of interest), cost or expense which the Lender shall certify as sustained at any time by it in connection with this Agreement, including (without limitation) any such loss, cost or expense arising from any action, claim, suit or proceeding directly or indirectly related to this Agreement, the other Loan Documents or the Loan (excluding any default by the Lender determined by a court of competent jurisdiction to have resulted from (i) the gross negligence, bad faith or wilful misconduct of the Lender or (ii) a material breach of the Loan Documents by the Lender).

12 **UNLAWFULNESS AND INCREASED COST MITIGATION**

12.1 **Unlawfulness**

Regardless of any other provision of this Agreement, in the event that the Lender notifies the Borrower that by reason of:

(a) the introduction of or any change in any applicable law or regulation or any change in the interpretation or application thereof; or

(b) compliance by the Lender with any directive, request or requirement (whether or not having the force of law) of any central bank or government entity

it becomes unlawful or it is prohibited by or contrary to such directive request or requirement for the Lender to maintain or give effect to any of its obligations in connection howsoever with this Agreement then (i) the Commitment shall be reduced to zero and (ii) the Borrower shall be obliged to prepay the Loan either immediately or on a future date (specified in the Lender's notice) not being earlier than the latest date permitted by the relevant law, regulation, directive, request or requirement with interest and commitment commission accrued to the date of prepayment and all other sums payable whensoever by the Borrower under this Agreement.

12.2 **Increased costs**

If the Lender certifies to the Borrower that at any time the effect of any applicable law, regulation or regulatory requirements or the interpretation or application thereof or any change therein is to:

12.2.1 subject the Lender to Taxes or change the basis of Taxation of the Lender relating to any payment under any of the Loan Documents (other than Taxes or Taxation on the overall net income of the Lender imposed in the jurisdiction in which its principal or lending office under this Agreement is located); and/or

12.2.2 increase the cost to, or impose an additional cost on, the Lender in making or keeping the Commitment available or maintaining or funding all or part of the Loan; and/or

12.2.3 reduce the amount payable or the effective return to the Lender under any of the Loan Documents; and/or

12.2.4 require the Lender to make a payment or forgo a return on or calculated by reference to any amount received or receivable by the Lender under any of the Loan Documents; and/or

then and in each such case (subject to clause 12.3) the Borrower must on demand either:

(a) pay to the Lender the amount which the Lender certifies (in a certificate setting forth the basis of the computation of such amount but not including any matters which the Lender or its holding company regards as confidential) is required to compensate the Lender for such liability to Taxes, cost, reduction, payment, forgone return or loss; or

(b) prepay the Loan, in respect of which prepayment the terms of clause 4.3 shall apply.

12.3 **Exception**

Nothing in clause 12.2 shall entitle the Lender to receive any amount relating to compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is the subject of an additional payment under clause 5.2, 5.3 or 6.5.

13 SECURITY, SET-OFF AND MISCELLANEOUS

13.1 **Application of moneys**

All moneys received by the Lender under or pursuant to any of the Loan Documents and expressed to be applicable in accordance with the provisions of this clause 13.1 shall be applied by the Lender as follows:

13.1.1 first in or toward payment of all unpaid expenses, sums which have been demanded by way of indemnity and expenses which may be owing to the Lender under any of the Loan Documents;

13.1.2 secondly in or towards payment of any arrears of interest owing in respect of the Loan or any part thereof;

13.1.3 thirdly in or towards repayment of the Loan (whether the same is due and payable or not);

13.1.4 fourthly in or towards payment to the Lender of any other sums which the Lender certifies are owing to it under any of the Loan Documents; and

13.1.5 fifthly the surplus (if any) shall be paid to the Borrower.

13.2 **Further assurance**

The Borrower will, at its expense, execute, sign, perfect and do, and will procure the execution, signing, perfecting and doing by each of the other Security Parties of, any and every such further assurance, document, act or thing as in the reasonable opinion of the Lender may be necessary or desirable for perfecting the security contemplated or constituted by the Loan Documents.

13.3 **Conflicts**

In the event of any conflict between this Agreement and any of the other Loan Documents executed by the Borrower, the provisions of this Agreement shall prevail.

13.4 **No implied waivers, remedies cumulative**

No failure or delay on the part of the Lender to exercise any power, right or remedy under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in the Loan Documents are cumulative and are not exclusive of any remedies provided by law. No waiver by the Lender shall be effective unless it is in writing.

13.5 **Severability**

If any provision of this Agreement is prohibited, invalid, illegal or unenforceable in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect or impair howsoever the remaining provisions thereof or affect the validity, legality or enforceability of such provision in any other jurisdiction.

13.6 **Force Majeure**

Regardless of any other provision of this Agreement the Lender shall not be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from (i) the action or inaction or purported action of any governmental or local authority, (ii) any strike, lockout, boycott or blockade (including any strike, lockout, boycott or blockade effected by or upon the Lender or any of its representatives or employees), (iii) any act of God, (iv) any act of war (whether declared or not) or terrorism, (v) any failure of any information technology or other operational systems or equipment affecting the Lender or (vi) any other circumstances whatsoever outside the Lender’s control.

13.7 **Amendments**

This Agreement may be amended or varied only by an instrument in writing executed by both parties hereto who irrevocably agree that the provisions of this clause 13.7 may not be waived or modified except by an instrument in writing to that effect signed by both of them.

13.8 **Counterparts**

This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same agreement which may be sufficiently evidenced by one counterpart.

13.9 **English language**

All documents required to be delivered under and/or supplied whensoever in connection howsoever with any of the Loan Documents and all notices, communications, information and other written material whatsoever given or provided in connection howsoever therewith must either be in the English language or accompanied by an English translation certified by a notary, lawyer or consulate acceptable to the Lender.

14 ASSIGNMENT, TRANSFER AND DISCLOSURE

14.1 **Benefit and burden**

This Agreement shall be binding upon, and ensure for the benefit of, the Lender and the Borrower and their respective successors.

14.2 **No assignment by Borrower**

The Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Lender. Neither the Borrower nor any affiliate of the Borrower may become a Lender or a sub-participant.

14.3 **Assignment by Lender**

The Lender may not assign, sell or sub-participate all or any part of its rights under any Loan Document except (i) to another subsidiary or affiliate of the Lender or (ii) with the prior written consent of the Borrower. The Lender, acting solely for this purpose as an agent of the Borrower, shall maintain a register for the recordation of the names and addresses of any such assignee or participant of the Lender, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each such assignee or participant pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Lender, and any such assignee or participant of Lender shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Lender and any such assignee or participant of the Lender, at any reasonable time and from time to time upon reasonable prior notice. It is the intention that this Agreement be treated as a registered obligation and in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder.

14.4 **Disclosure of information**

The Lender may disclose to a prospective assignee, transferee or to any other person who may propose entering into contractual relations with the Lender in relation to this Agreement such information about or in connection with any of the Security Parties and the Loan Documents as the Lender considers appropriate, provided that the Lender shall consult with the Borrower prior to disclosing (i) any such information which is not public or contained in the Agreement and/or (ii) any documentation other that a copy of this Agreement or any other Security Document.

15 **NOTICES**

15.1 **General**

15.1.1 unless otherwise specifically provided herein, every notice under or in connection with this Agreement shall be given in English by letter delivered personally and/or sent by post and/or transmitted by fax;

15.1.2 in this clause "notice" includes any demand, consent, authorisation, approval, instruction, certificate, request, waiver or other communication.

15.2 **Addresses for communications, effective date of notices**

15.2.1 Subject to clause 15.2.2 notices to the Borrower shall be deemed to have been given and shall take effect when received in full legible form by the Borrower at the address and/or the fax number appearing below (or at such other address or fax number as the Borrower may hereafter specify for such purpose to the Lender by notice in writing);

Address 7, Avenue de Grande Bretagne

Office 11B2

MC 98000 Monaco

Fax no: +377 9798-2141

notwithstanding the provisions of this clause 15.2.1, a notice of Default and/or a notice given pursuant to clause 10.2 or clause 10.3 shall be deemed to have been given and shall take effect when delivered, sent or transmitted by the Lender to the Borrower to the address or fax number referred to in this clause 15.2.1;

15.2.2 notices to the Lender shall be deemed to be given, and shall take effect, when received in full legible form by the Lender at the address and/or the fax number appearing below (or at any such other address or fax number as the Lender may hereafter specify for such purpose to the Borrower by notice in writing);

Address 7, Avenue de Grande Bretagne

Office 11B2

MC 98000 Monaco

Fax no: +377 9798-2141

if under clause 15.2.1 or this clause 15.2.2 a notice would be deemed to have been given and effective on a day which is not a working day in the place of receipt or is outside the normal business hours in the place of receipt, the notice shall be deemed to have been given and to have taken effect at the opening of business on the next working day in such place.

16 **GOVERNING LAW**

16.1 **Law**

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law.

17 **JURISDICTION**

17.1 **Exclusive jurisdiction**

Subject to clause 17.4 below, the Borrower and the Lender hereby irrevocably agree that the courts of England shall have exclusive jurisdiction:

17.1.1 to settle any disputes or other matters whatsoever arising under or in connection with this Agreement (or any non-contractual obligation arising out of or in connection with this Agreement) and any disputes or other such matters arising in connection with the negotiation, validity or enforceability of this Agreement or any part thereof, whether the alleged liability shall arise under the laws of England or under the laws of some other country and regardless of whether a particular cause of action may successfully be brought in the English courts; and

17.1.2 to grant interim remedies or other provisional or protective relief.

17.2 **Submission and service of process**

Subject to clause 17.4 below, the Borrower and the Lender accordingly irrevocably and unconditionally submit to the jurisdiction of the English courts. Without prejudice to any other mode of service the Borrower:

17.2.1 irrevocably empowers and appoints Messrs Hill Dickinson Services (London) Ltd at present of The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW, England as its agent to receive and accept on its behalf any process or other document relating to any proceedings before the English courts in connection with this Agreement;

17.2.2 agrees to maintain such an agent for service of process in England from the date hereof until the end of the Facility Period;

17.2.3 agrees that failure by a process agent to notify the Borrower of service of process will not invalidate the proceedings concerned;

17.2.4 without prejudice to the effectiveness of service of process on its agent under clause 17.2.1 above but as an alternative method, consents to the service of process relating to any such proceedings by mailing or delivering a copy of the process to its address for the time being applying under clause 15.2;

17.2.5 agrees that if the appointment of any person mentioned in clause 17.2.1 ceases to be effective, the Borrower shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment with in seven (7) days the Lender shall thereupon be entitled and is hereby irrevocably authorised by the Borrower in those circumstances to appoint such person by notice to the Borrower.

17.3 **Forum non conveniens and enforcement abroad**

The Borrower and the Lender:

17.3.1 waive any right and agree not to apply to the English court or other court in any jurisdiction whatsoever to stay or strike out any proceedings commenced in England on the ground that England is an inappropriate forum and/or that proceedings have been or will be started in any other jurisdiction in connection with any dispute or related matter falling within clause 17.1; and

17.3.2 agree that a final non-appealable judgment or order of an English court in a dispute or other matter falling within clause 17.1 shall be conclusive and binding on the Borrower and the Lender and may be enforced against them in the courts of any other jurisdiction.

17.4 **Right of Lender, but not Borrower, to bring proceedings in any other jurisdiction**

17.4.1 nothing in this clause 17 limits the right of the Lender to bring proceedings in connection with the enforcement of its security, or the enforcement or recovery of any judgment debt or judicial award or order made (i) in each case, in the courts of England and (ii) under or in relation to this Agreement or any Security Document, including third party proceedings, against the Borrower, or to apply for interim remedies, in any other court and/or concurrently in more than one jurisdiction; and

17.4.2 the obtaining by the Lender of judgment in one jurisdiction shall not prevent the Lender from bringing or continuing proceedings in any other jurisdiction proceedings in connection with the enforcement of its security, or the enforcement or recovery of any judgment debt or judicial award or order made (i) in each case, in the courts of England and (ii) under or in relation to this Agreement or any Security Document, whether or not these shall be founded on the same cause of action.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed on the date first above written.

BORROWER

SIGNED by /s/ George Achniotis
for and on behalf of

NAVIOS MARITIME HOLDINGS INC.

LENDER

SIGNED by /s/ Efstratios Desypris

for and on behalf of

**NAVIOSSHIPMANAGEMENT
HOLDINGS CORPORATION**