
**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: May 27, 2022

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

Strathvale House, 90 N Church Street,
P.O. Box 309, Grand Cayman,
KY1-1104 Cayman Islands
(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 period ended March 31, 2022 and 2021. 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, 2021 filed with the Securities and Exchange Commission (“SEC”) on April 14, 2022 and the unaudited interim 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 to risks relating to: our ability to refinance our indebtedness including our 2022 Senior Secured Notes (as defined herein); our future financial condition or results of operations and our future revenues and expenses; the cyclical nature of the international shipping industry; 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 and vessel values; shipyards performing scrubber installations, drydocking and repairs; changing vessel crews; our ability to access debt and equity markets; changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors; potential disruption of shipping routes due to accidents, wars, diseases, pandemics, political events, piracy or acts by terrorists, including the consequences of the war in Ukraine, and further actions or sanctions that may affect our operations; uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles; potential liability and costs due to environmental, safety and other incidents involving our vessels; our continued ability to charter-out and maximize the use of our vessels; expected demand in the dry cargo shipping sector in general and the demand for our Panamax, Capesize, Ultra Handymax and Handysize vessels in particular; the aging of our fleet and resultant increases in operations costs; the loss of any customer or charter or vessel; the financial condition of our customers; increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance, and general and administrative expenses; receipt of dividends and distributions from affiliate companies; the Company’s ability to maintain compliance with the continued listing standards of the New York Stock Exchange (the “NYSE”); the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers; our ability to retain key executive officers; applicable to our business, general domestic and international political conditions; competitive factors in the markets in which we operate; the value of our publicly traded subsidiaries and risks associated with operations outside the United States, and other important factors described from time to time in the reports we file with the Securities and Exchange Commission (the “SEC”).

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, 2021. We caution readers of this Report not to place undue reliance on the forward-looking statements, which reflect our view only as of the date of this document. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. We do not undertake any obligation to publicly update or revise any forward-looking statement to reflect changes in assumptions, the occurrence of unanticipated events, changes in future operating results over time, or otherwise.

Recent Developments

2022 Senior Secured Notes

In May 2022, the Company redeemed an aggregate principal amount of \$25.0 million of its 2022 Senior Secured Notes (as defined herein) at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of May 17, 2022 (the “Sixth Redemption”). Please see also Note 6 “Borrowings” to the interim condensed consolidated financial statements included elsewhere in this Report.

After the Sixth Redemption, \$105.0 million in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding. The Senior Secured Notes will mature in August 2022.

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, the Company entered into five-year service agreements with Navios Shipmanagement Inc., a subsidiary of N Shipmanagement Acquisition Corp. (together with its subsidiaries, “NSM” or the “Manager”) under which the Manager provides technical and commercial management services. See also “Related Party Transactions”.

Navios Logistics

Navios South American Logistics Inc. (“Navios Logistics”), a consolidated subsidiary of the Company, was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. Navios Logistics believes it is one of the largest infrastructure and logistics companies in the Hidrovia region river system, the main navigable river system in the region (the “Hidrovia region”), and on the cabotage trades along the south-eastern coast of South America. Navios Logistics serves its customers in the Hidrovia region through its three existing port storage and transfer facilities (the “port terminal business”). The port terminal business comprises its grain port terminal (the “Grain Port Terminal”), which supports agricultural and forest-related exports; its iron-ore port terminal (the “Iron Ore Port Terminal”), which supports mineral-related exports; and its liquid port terminal (the “Liquid Port Terminal”), with tank storage for refined petroleum products. The Grain Port Terminal and the Iron Port Terminal are located in Nueva Palmira, Uruguay, and the Liquid Port Terminal is located in San Antonio, Paraguay. Navios Logistics complements these three port terminals with a diverse fleet of 359 barges and pushboats that operate in its barge business (the “barge business”), and eight vessels, comprising six tankers, one bunker vessel and one river and estuary product tanker, all of which operate in its cabotage business (“the cabotage business”). Navios Logistics provides transportation for dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones), liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils) and liquefied cargo (liquefied petroleum gas or “LPG”). As of March 31, 2022, Navios Holdings owned 63.8% of Navios Logistics.

Affiliate Companies (Not Consolidated under Navios Holdings)

Navios Partners

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

On March 31, 2021, Navios Partners acquired Navios Maritime Containers L.P. (“Navios Containers”) in a merger transaction (the “NMCI Merger”). For more information about the NMCI Merger, see Note 14 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements included elsewhere in this Report.

On October 15, 2021, Navios Maritime Acquisition Corporation (“Navios Acquisition”) and Navios Partners consummated a merger transaction (the “NNA Merger”). For more information about the NNA Merger, see Note 14 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements included elsewhere in this Report.

As of both March 31, 2022 and December 31, 2021, Navios Holdings had a 10.3% ownership interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Containers

Prior to the NMCI Merger, Navios Containers was an international owner and operator of containerships.

Following the completion of the NMCI Merger on March 31, 2021, Navios Containers' common units were no longer listed for trading on NASDAQ. In consequence of the NMCI Merger, as of March 31, 2022, Navios Holdings had no equity investment in Navios Containers. For more information about the NMCI Merger, see Note 14 "Investments in Affiliate Companies and Investments in Available-For-Sale Securities" to the interim condensed consolidated financial statements included elsewhere in this Report.

Navios Acquisition

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

Following the consummation of the NNA Merger on October 15, 2021, Navios Acquisition common shares were no longer listed for trading on the NYSE. In consequence of the NNA Merger, as of March 31, 2022, Navios Holdings had no equity investment in Navios Acquisition. For more information about the NNA Merger, see Note 14 "Investments in Affiliate Companies and Investments in Available-For-Sale Securities" to the interim condensed consolidated financial statements included elsewhere in this Report.

Fleet

The following is the current Navios Holdings' "core fleet" employment profile (excluding Navios Logistics) that consists of 36 vessels totaling 3.9 million deadweight tons and has an average age of 9.4 years. The employment profile of the fleet as of May 13, 2022, is reflected in the tables below. Navios Holdings has currently chartered-out 77.1% of available days for the remaining nine months of 2022. Of these available days, 44.3% are chartered-out on fixed rate and 32.8% are chartered-out 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 comprising 12 Panamax vessels (which includes five vessels under bareboat contracts), ten Capesize vessels and three Ultra Handymax vessels.

Vessels	Type	Built	DWT	Charter-out Rate(1)	Profit Share	Expiration Date(2)
Navios Ulysses	Ultra Handymax	2007	55,728	28,500	No	09/2022
Navios Celestial	Ultra Handymax	2009	58,063	35,150	No	07/2022
Navios Vega	Ultra Handymax	2009	58,792	—	100% of average Baltic Supramax 58 10 TC Index Routes	02/2023
Navios Taurus	Panamax	2005	76,596	25,840	No	07/2022
Navios Asteriks	Panamax	2005	76,801	20,900	No	06/2022
N Amalthia	Panamax	2006	75,318	29,740	No	06/2022
				—	92% of average Baltic Panamax Index 82 Routes	12/2022
Navios Galileo	Panamax	2006	76,596	23,750	No	05/2022

N Bonanza	Panamax	2006	76,596	29,838	—	No 100% of average Baltic Panamax Index 4TC Routes	06/2022 01/2023
Rainbow N	Panamax	2011	79,642	—	—	101% of average Baltic Panamax Index 4TC Routes	10/2022
Jupiter N	Panamax	2011	93,062	28,831	—	No 108% of average Baltic Panamax 4TC Index Routes	06/2022 09/2022
Navios Stellar	Capesize	2009	169,001	—	—	95.75% of average Baltic Capesize 5TC Index Routes	02/2023
Navios Happiness	Capesize	2009	180,022	—	—	100.5% of average Baltic Capesize 5TC Index Routes	06/2022
Navios Phoenix	Capesize	2009	180,242	—	36,281	No 100% of average Baltic Capesize 5TC Index Routes plus \$2,000/day	09/2022 06/2022
Navios Lumen	Capesize	2009	180,661	31,920	—	No 105.0% of average Baltic Capesize 5TC Index Routes	09/2022 12/2022
Navios Antares	Capesize	2010	169,059	—	—	95.75% of average Baltic Capesize 5TC Index Routes	02/2023
Navios Etoile	Capesize	2010	179,234	—	—	100% of average Baltic Capesize 5TC Index Routes	06/2022
Navios Bonheur	Capesize	2010	179,259	—	—	100.5% of average Baltic Capesize 5TC Index Routes	11/2022
Navios Altamira	Capesize	2011	179,165	—	—	100.25% of average Baltic Capesize 5TC Index Routes	06/2022
Navios Canary	Capesize	2015	180,528	37,872	—	No 119% of average Baltic Capesize 5TC Index Routes	09/2022 12/2022
Navios Corali	Capesize	2015	181,249	34,438	—	No 100% of average Baltic Capesize 4TC Index Routes + \$4,370/day	09/2022 11/2022

Long-term Bareboat-in Fleet in Operation

Vessels	Type	Built	DWT	Charter-out Rate (1)	Purchase Option	Index	Expiration Date (2)
Navios Herakles I	Panamax	2019	82,036	30,638	Yes	No	08/2022
Navios Uranus	Panamax	2019	81,516	30,875	Yes	No	08/2022
Navios Galaxy II	Panamax	2020	81,789	29,984	Yes	No	06/2022
				33,547		No	09/2022
				—		125.0% of average Baltic Panamax Index 4TC Routes	01/2023
Navios Felicity I	Panamax	2020	81,946	31,825	Yes	No	11/2022
Navios Magellan II	Panamax	2020	82,037	32,202	Yes	No	06/2022
				33,938		No	09/2022
				—		124.375% of average Baltic Panamax Index 4TC Routes	01/2023

Long-Term Fleet. In addition to the 25 owned vessels, Navios Holdings controls a fleet comprising one Handysize vessel, one Ultra Handymax vessel, seven Panamax vessels and two Capesize vessels. This fleet operates under long-term, charter-in contracts, and has an average age of approximately 6.3 years. The average daily charter-in rate for the active long-term charter-in vessels for the remaining nine months of 2022 is \$15,774. We estimate that the long-term charter-in vessels have 2,998 available days for the remaining nine months of 2022.

Long-term Charter-in Vessels

Vessels	Type	Built	DWT	Purchase Option(3)	Charter-out Rate(1)	Expiration Date(2)
Navios Lyra	Handysize	2012	34,718	Yes(4)	23,275	10/2022
Navios Venus	Ultra Handymax	2015	61,339	Yes	30,400	08/2022
Navios Amber	Panamax	2015	80,994	Yes	28,624	06/2022
					— (5)	01/2023
Navios Sky	Panamax	2015	82,056	Yes	— (6)	06/2022
Navios Coral	Panamax	2016	84,904	Yes	28,000	06/2022
					— (7)	11/2022
Navios Citrine	Panamax	2017	81,626	Yes	29,265	06/2022
					34,538	09/2022
					— (8)	02/2023
Navios Dolphin	Panamax	2017	81,630	Yes	26,657	06/2022
					— (8)	12/2022
Navios Gemini	Panamax	2018	81,704	No(12)	29,838	12/2022
Navios Horizon I	Panamax	2019	81,692	No(12)	29,853	06/2022
					— (9)	10/2023
Navios Felix	Capesize	2016	181,221	Yes	34,485	09/2022
					— (10)	01/2024
Navios Obeliks	Capesize	2012	181,415	Yes	— (11)	06/2022

(1) Daily rate net of commissions.

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

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

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

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

- (6) 105% of average Baltic Panamax 82 Index Routes.
- (7) 108% of average Baltic Panamax 82 Index Routes.
- (8) 122% of average Baltic Panamax 4TC Index Routes.
- (9) 108.5% of average Baltic Kamsarmax Index Routes.
- (10) 100% of average Baltic Capesize 5TC Index Routes + \$4,085/day.
- (11) 104.5% of average Baltic Capesize 5TC Index Routes.
- (12) Navios Holdings has the right of first refusal and profit sharing on sale of vessel.

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

Navios Logistics' Fleet

The following is the current core fleet of Navios Logistics as presented in Navios Logistics' 6-K for the period ended March 31, 2022 filed with SEC:

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

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

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 it operates (i.e., vessels owned by Navios Holdings or that 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 that Navios Holdings determines to have appropriate credit profiles. By chartering-out such vessels, Navios Holdings aims to establish favorable forward revenue and cash flow, which it believes will mitigate potential unfavorable market conditions in future periods. In addition, Navios Holdings may trade additional vessels taken in on shorter term charters of less than 12 months duration as well as voyage charters.

Generally, these charters, when available, may have the effect of generating Time Charter Equivalent ("TCE") that are higher than spot employment. The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet was \$16,124 per day for the three month period ended March 31, 2022. 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 nine purchase options to acquire charter-in vessels, and five purchase options to acquire vessels under bareboat contracts.

Navios Holdings believes that a decrease in global commodity demand from its current level, and the delivery of dry bulk carrier new buildings into the world fleet, could have an adverse impact on future revenue and profitability. However, Navios Holdings believes that the operating cost advantage achieved with the fixed-cost contracts provided by the Manager for its owned vessels will continue to help mitigate the impact of possible future declines in freight rates. In a reduced freight rate environment, the value of Navios Holdings' owned fleet would be negatively affected, and the availability of ship financing could be limited.

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

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 ongoing war in Ukraine and continuing effects of the COVID-19 pandemic. Please read "Risk Factors" included in Navios Holdings' Annual Report on Form 20-F for the year ended December 31, 2021 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-term charter-in vessels and currently controls approximately 3.9 million dwt in dry bulk tonnage. Navios Holdings' options to extend the charter duration of vessels it has under long-term time charter (durations of over 12 months) and its purchase options on chartered vessels permit Navios Holdings to adjust the cost and the fleet size to correspond to market conditions.
- *Available days:* Available days are the total number of days a vessel is controlled by a company less the aggregate number of days that the vessel is off-hire due to major repairs or repairs under guarantee, vessel upgrades, drydocking or special surveys and ballast days relating to voyages. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.
- *Operating days:* Operating days are the number of available days in a period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances.
- *Fleet utilization:* Fleet utilization is the percentage of time that Navios Holdings' vessels were available for generating revenue, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period.

- *TCE rates:* TCE rates are defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The TCE rate is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of contracts for the number of available days of the fleet.
- *Equivalent vessels:* Equivalent vessels are defined as the available days of the fleet divided by the number of the calendar days in the period.

Voyage and Time Charter

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

- the duration of the charters;
- the level of spot market rates at the time of charters;
- the level of period charter rates;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in drydock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels;
- the aggregate level of supply and demand in the dry bulk shipping industry;
- armed conflicts, such as the Russian/Ukrainian war, and future sanctions imposed that may affect our operations; and
- the ongoing effects of the global outbreak of COVID-19 or other epidemics or pandemics.

Time charters are available for varying periods, ranging from a single trip (spot charter) to a long-term period, which could 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 are beyond the control of management.

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

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

The cost to maintain and operate a vessel increases with the age of the vessel. Older vessels are less fuel efficient, cost more to insure and require upgrades from time to time to comply with new regulations. The average age of Navios Holdings' owned fleet is currently 9.4 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. In such circumstances, if other factors affecting profitability, including rates, remain constant, vessel profitability would be expected to decrease.

Statement of Operations Breakdown by Segment

Navios Holdings reports financial information and evaluates its operations by charter revenues and not by vessel type, length of ship employment, customers or type of charter. Navios Holdings does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for each type of charter, management does not identify expenses, profitability or other financial information on a charter-by-charter or type of charter basis. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different products and services. The Company currently has two reportable segments: the Dry Bulk Vessel Operations and the Logistics Business. 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. Navios Holdings measures segment performance based on net income attributable to Navios Holdings' common stockholders.

For further segment information, please see Note 12 "Segment Information" to the interim condensed consolidated financial statements included elsewhere in this Report.

Period over Period Comparisons

For the Three Month Period Ended March 31, 2022 Compared to the Three Month Period Ended March 31, 2021

The following table presents consolidated revenue and expense information for the three month periods ended March 31, 2022 and 2021, respectively. This information was derived from the unaudited interim condensed consolidated statement of comprehensive (loss)/income of Navios Holdings for the respective periods.

(in thousands of U.S. dollars)	Three Month Period Ended March 31, 2022 (unaudited)	Three Month Period Ended March 31, 2021 (unaudited)
Revenue	\$ 127,790	\$ 116,951
Time charter, voyage and logistics business expenses	(29,492)	(38,327)
Direct vessel expenses	(28,462)	(25,915)
General and administrative expenses	(6,565)	(6,819)
Depreciation and amortization	(14,378)	(16,266)
Interest expense and finance cost, net	(37,565)	(36,200)
Impairment loss/ loss on sale of vessels, net	—	(20,455)
Loss on bond extinguishment, net	(115)	—
Other expense, net	(2,187)	(224)
Non-operating other finance cost	(24,000)	—
Loss before equity in net earnings of affiliate companies	\$ (14,974)	\$ (27,255)
Equity in net earnings of affiliate companies	9,798	27,740
(Loss)/income before taxes	\$ (5,176)	\$ 485
Income tax benefit	48	829
Net (loss)/income	\$ (5,128)	\$ 1,314
Less: Net loss/(income) attributable to the noncontrolling interest	128	(1,151)
Net (loss)/income attributable to Navios Holdings common stockholders	\$ (5,000)	\$ 163

Set forth below are selected historical and statistical data for the Dry Bulk Vessel Operations segment for the three month periods ended March 31, 2022 and 2021, which the Company believes may be useful in understanding the Company's financial position and results of operations.

	Three Month Period Ended March 31,	
	2022 (unaudited)	2021 (unaudited)
FLEET DATA		
Available days	3,152	4,202
Operating days	3,128	4,181
Fleet utilization	99.2%	99.5%
Equivalent vessels	35	47
AVERAGE DAILY RESULTS		
Time Charter Equivalents	\$ 21,767	\$ 14,404

During the three month period ended March 31, 2022, there were 1,050 fewer available days as compared to the same period during 2021 due to (i) a decrease in available days of owned and bareboat-in vessels by 578 days following the sale of seven of the Company's vessels in 2021; and (ii) a decrease in charter-in vessels' available days by 472 days due to the redelivery to owners of five charter-in vessels in 2021 and the acquisition of one charter-in vessel in 2021, which was then sold to a related party.

The average TCE rate for the three month period ended March 31, 2022 was \$21,767 per day, which was 51.1% or \$7,363 per day higher than the rate achieved in the same period during 2021. This was primarily due to the improvement in the time charter and freight market during the three month period ended March 31, 2022.

Revenue: Revenue from Dry Bulk Vessel Operations for the three month period ended March 31, 2022 increased by \$4.9 million, or 7.7%, to \$68.6 million, as compared to \$63.7 million for the same period during 2021. The increase in dry bulk revenue was mainly attributable to the improvement in the time charter and freight markets during the three months ended March 31, 2022.

Revenue from the Logistics Business was \$59.2 million for the three month period ended March 31, 2022 as compared to \$53.2 million for the same period in 2021. The increase was mainly attributable to (i) a \$4.5 million increase in revenue from the port terminal business, mainly due to higher volumes transhipped in the grain port terminal; (ii) a \$2.0 million increase in revenue from the cabotage business, mainly due to higher contracts of affreightment ("COA")/Voyage revenues; and (iii) a \$0.8 million increase in revenue from the barge business, mainly due to higher volumes of liquid cargo moved. The overall increase was partially mitigated by a \$1.3 million decrease in sales of products due to the decrease in the Paraguayan liquid port's volume of products sold.

Time Charter, Voyage and Logistics Business Expenses: Time charter, voyage and logistics business expenses decreased by \$8.8 million, or 23.1%, to \$29.5 million for the three month period ended March 31, 2022, as compared to \$38.3 million for the three month period ended March 31, 2021.

Time charter and voyage expenses from Dry Bulk Vessel Operations decreased by \$8.8 million, or 36.8%, to \$15.1 million for the three month period ended March 31, 2022, as compared to \$23.8 million for the three month period ended March 31, 2021. This decrease was mainly attributable to (i) a \$5.6 million decrease in charter-in expenses; (ii) a \$2.1 million decrease in fuel expenses and (iii) a \$1.1 million decrease in port and other voyage expenses.

Of the total expenses for the three month periods ended March 31, 2022 and 2021, \$14.4 million and \$14.5 million, respectively, related to Navios Logistics. The decrease of less than \$0.1 million in time charter, voyage and Logistics Business expenses related to Navios Logistics was mainly due to (i) a \$1.3 million decrease in cost of products sold, mainly attributable to the decrease in the Paraguayan liquid port's volume of products sold and (ii) a \$0.5 million decrease in time charter and voyage expenses of the cabotage business. This decrease was partially offset by (i) a \$1.4 million increase in time charter and voyage expenses of the barge business, mainly due to more spot voyages performed for liquid cargo; and (ii) a \$0.4 million increase in port terminal expenses of the port terminal business, mainly due to higher volumes transhipped in the grain port terminal.

Direct Vessel Expenses: Direct vessel expenses increased by \$2.5 million, or 9.8%, to \$28.5 million for the three month period ended March 31, 2022, as compared to \$25.9 million for the three month period ended March 31, 2021.

Direct vessel expenses from Dry Bulk Vessel Operations decreased by \$0.8 million, or 6.2%, to \$11.5 million for the three month period ended March 31, 2022, as compared to \$12.3 million for the three month period ended March 31, 2021. This decrease was mainly attributable to a \$2.0 million decrease in vessel operating expenses (management fees); partially mitigated by (i) a \$1.1 million increase in other expenses mainly related to COVID-19 measures, including crew related expenses; and (ii) a \$0.1 million increase in drydocking and special survey amortization.

Of the total direct vessel expenses for the three month periods ended March 31, 2022 and 2021, \$16.9 million and \$13.6 million, respectively, related to Navios Logistics. The increase of \$3.3 million was mainly due to (i) a \$2.5 million increase in direct vessel expenses of the cabotage business, mainly due to increased crew costs; and (ii) a \$0.8 million increase in direct vessel expenses of the barge business, mainly attributable to the increased utilization of our convoys to service the demand of the COA/Voyage market

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

<i>(in thousands of U.S. dollars)</i>	Three Month Period Ended March 31, 2022 (unaudited)	Three Month Period Ended March 31, 2021 (unaudited)
Dry Bulk Vessel Operations	\$ 3,086	\$ 3,541
Logistics Business	3,479	3,278
General and administrative expenses	\$ 6,565	\$ 6,819

General and administrative expenses decreased by \$0.3 million to \$6.5 million for the three month period ended March 31, 2022, as compared to \$6.8 million for the three month period ended March 31, 2021. The decrease was mainly attributable to a \$0.5 million decrease in general and administrative expenses of Dry Bulk Vessel Operations, mainly due to decrease of the size of our fleet; partially mitigated by a \$0.2 million increase in general and administrative expenses in the Logistics Business. For each of the three month periods ended March 31, 2022 and 2021 general and administrative expenses, under the Administrative Services Agreement, amounted \$2.0 million and \$2.3 million, respectively.

Depreciation and Amortization: For the three month period ended March 31, 2022, depreciation and amortization decreased by \$1.9 million to \$14.4 million as compared to \$16.3 million for the three month period ended March 31, 2021.

Depreciation expenses related to Dry Bulk Vessel Operations decreased by \$2.4 million, or 29.2%, to \$5.7 million for the three month period ended March 31, 2022, as compared to \$8.1 million for the three month period ended March 31, 2021. This decrease was primarily due to the sale of seven of the Company's vessels in 2021. Amortization expenses related to dry bulk operations remained stable at \$0.7 million for each of the three month periods ended March 31, 2022 and 2021.

Of the total amount of depreciation and amortization for each of the three month periods ended March 31, 2022 and 2021, \$7.9 million and \$7.5 million, respectively, related to Navios Logistics. The increase of \$0.5 million in depreciation and amortization related to Navios Logistics was mainly due to a \$0.7 million increase in depreciation and amortization in the barge business, mainly due to the acquisition of the three pushboats and 18 liquid barges (the "Navios Logistics 2020 Fleet"), which was consummated on March 22, 2021. The overall increase was partially mitigated by a \$0.2 million decrease in depreciation and amortization of the cabotage business. Depreciation and amortization in the port terminal business amounted to \$2.2 million for the three month period ended March 31, 2022, unchanged compared to the same period in 2021.

Interest Expense and Finance Cost, Net: Interest expense and finance cost, net increased by \$1.4 million, or 3.8%, to \$37.6 million for the three month period ended March 31, 2022, as compared to \$36.2 million in the same period in 2021. This increase was mainly due to (i) a \$1.0 million increase in interest expense and finance cost, net of the Logistics Business, mainly due to the higher weighted average interest rate of Navios Logistics; partially mitigated by a decrease in capitalized interest expense following the completion of the construction of the six liquid barges during first quarter of 2021; and (ii) a \$0.4 million increase in interest expenses and finance cost, net of the Dry Bulk Vessel Operations, mainly due to partial redemption of the 2022 Senior Secured Notes (as defined herein) and full repayment of the 2022 Notes (as defined herein); partially mitigated by the draw down of the HCOB facility (as defined herein), the CACIB/BNP facility (as defined herein), the two new sale and leaseback agreements (as defined herein) and the NSM Loans (as defined herein) during the first quarter of 2022.

Impairment Loss/ Loss on Sale of Vessels, Net: During the three month period ended March 31, 2021, the Company recognized an impairment loss/loss on sale of vessels of \$20.5 million relating to the sale of Navios Centaurus, Navios Avior and Navios Serenity.

Loss on Bond Extinguishment, Net: During the three month period ended March 31, 2022, the Company repurchased \$25.0 million of the 2022 Senior Secured Notes (as defined herein) resulting in a loss on bond extinguishment of \$0.1 million, relating to the write-off of the respective deferred fees. During the three month period ended March 31, 2021, no repurchase was effected.

Other Expense, Net: Other expenses, net increased by \$2.0 million, to \$2.2 million net expense for the three month period ended March 31, 2022, as compared to \$0.2 million for the same period in 2021. This increase was mainly due to a \$2.0 million increase in other expense, net of the Logistics Business mainly due to (i) a \$1.1 million increase in other expense, net in the port terminal business for the three month period ended March 31, 2022, mainly due to an insurance claim settlement recorded in the three month period ended March 31, 2021 and lower gain from foreign exchange differences; (ii) a \$1.0 million increase in other expense, net in the barge business, mainly attributable to lower gain foreign differences and an increase in taxes other than income taxes; partially offset by a \$0.1 million decrease in other expense, net in the cabotage business, mainly due to gain from foreign differences.

Non-operating other finance cost: In respect of NSM loan I (as defined herein) and NSM Loan II (as defined herein), each drawn down in January 2022, Navios Holdings paid a \$24.0 million upfront fee in the form of a Convertible Debenture. For information on the Convertible Debenture, see Note 9 "Transactions with Related Parties" to the interim condensed consolidated financial statements included elsewhere in this Report.

Equity in Net Earnings of Affiliate Companies: Equity in net earnings of affiliate companies decreased by \$17.9 million, to \$9.8 million for the three month period ended March 31, 2022, as compared to \$27.7 million for the same period in 2021, mainly due to (i) a \$19.4 million decrease in equity method income from Navios Partners mainly related to the one-off gains recorded in 2021 as a result of the NMCI merger; (ii) a \$0.6 million in equity method income from Navios Containers, incurred in the three month period ended March 31, 2021; and (iii) a \$2.1 million equity method losses from Navios Acquisition, incurred in the three month period ended March 31, 2021.

Income Tax Benefit: Income tax benefit for the three month period ended March 31, 2022 decreased by \$0.8 million to less than \$0.1 million for the three month period ended March 31, 2022, as compared to a \$0.8 million for the same period in 2021. The change in total income tax was attributable to Navios Logistics, due to a \$1.2 million decrease in tax benefit from the barge business, which was partially mitigated by a \$0.3 million decrease in income tax expense from the cabotage business.

Net (Loss)/Income Attributable to the Noncontrolling Interest: Net loss attributable to the noncontrolling interest increased by \$1.3 million to \$0.1 million for the three month period ended March 31, 2022, as compared to \$1.2 million net income attributable to noncontrolling interest for the same period in 2021. This increase was mainly attributable to a \$3.5 million increase in net loss of the Logistics Business for the three month period ended March 31, 2022, as compared to the same period in 2021.

Non-Guarantor Subsidiaries

Our non-guarantor subsidiaries accounted for \$59.2 million, or 46.3%, of our revenue for the three month period ended March 31, 2022, \$0.2 million net loss of our total net loss for the three month period ended March 31, 2022, \$24.0 million of our Adjusted EBITDA for the three month periods ended March 31, 2022, \$872.6 million, or 51.2%, of our total assets and \$635.9 million, or 38.7%, of our total liabilities, in each case, for the three month period ended as of March 31, 2022. Our non-guarantor subsidiaries accounted for \$53.2 million, or 45.5%, of our revenue for the three month period ended March 31, 2021, \$0.3 million net income of our total net income for the three month period ended March 31, 2021, \$22.1 million of our Adjusted EBITDA for the three month periods ended March 31, 2021. Our non-guarantor subsidiaries accounted for \$878.8 million, or 48.6%, of our total assets and \$641.7 million, or 36.8%, of our total liabilities, in each case, as of December 31, 2021.

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 refinancing of outstanding debt, capital expenditures for the acquisition of new vessels, new construction and upgrades at the port terminals and expenditures incurred in connection with ensuring that the owned vessels comply with international and regulatory standards. Navios Holdings may from time to time, subject to restrictions under its debt and equity instruments, including limitations on dividends and repurchases under its preferred stock, depending upon market conditions and financing needs, use available funds to refinance or repurchase its debt in privately negotiated or open market transactions, by tender offer or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms Navios Holdings deems appropriate (which may be below par) and subject to Navios Holdings cash requirements for other purposes, compliance with the covenants under Navios Holdings' debt agreements, and other factors management deems relevant. In addition, we regularly review options for refinancing our outstanding indebtedness and opportunities for acquisition of businesses and additional vessels, development of new facilities and infrastructure, joint ventures and other corporate transactions that may be material to us. Generally, our sources of funds may be from cash flows from operations, long-term borrowings and other debt or equity financings, proceeds from asset sales and proceeds from sale of our stake in our investments. We cannot provide any assurance that we will be able to secure adequate financing or obtain additional funds on favorable terms, to meet our liquidity needs.

See "Working Capital Position and Bond Maturity" 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 interim condensed consolidated statements of cash flows of Navios Holdings for the three month periods ended March 31, 2022 and 2021.

<i>(in thousands of U.S. dollars)</i>	Three Month Period Ended March 31, 2022 (unaudited)	Three Month Period Ended March 31, 2021 (unaudited)
Net cash provided by/(used in) operating activities	\$ 16,361	\$ (27,402)
Net cash (used in)/provided by investing activities	(3,299)	20,590
Net cash used in financing activities	(101,108)	(44,289)
Decrease in cash and cash equivalents and restricted cash	(88,046)	(51,101)
Cash and cash equivalents and restricted cash, beginning of period	137,851	111,184
Cash and cash equivalents and restricted cash, end of period	\$ 49,805	\$ 60,083

Cash provided by operating activities for the three month period ended March 31, 2022, as compared to cash used in operating activities for the three month period ended March 31, 2021:

Net cash provided by operating activities increased by \$43.8 million to \$16.4 million for the three month period ended March 31, 2022, as compared to \$27.4 million net cash used in operating activities for the three month period ended March 31, 2021. In determining net cash used in operating activities, net (loss)/income 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 \$34.1 million of non-cash adjustments for the three month period ended March 31, 2022, which consisted mainly of the following adjustments: (i) \$24.0 million non-operating other finance cost relating to the issuance of the Convertible Debenture, as described elsewhere in this Report; (ii) \$14.4 million depreciation and amortization; (iii) \$2.8 million amortization of deferred drydock expenses; (iv) \$2.4 million amortization of deferred financing costs; (v) \$0.1 million allowance for credit losses; (vi) \$0.1 million loss on bond extinguishment, net; (vii) less than \$0.1 million relating to stock-based compensation; and (viii) a less than \$0.1 million in unwinding of discount. These adjustments were partially offset by a \$9.7 million movement in earnings in affiliate companies, net of dividends received.

The net cash outflow resulting from the change in operating assets and liabilities of \$12.7 million for the three month period ended March 31, 2022 resulted from (i) a \$33.5 million decrease in accrued expenses; (ii) \$4.3 million payments for drydock and

special survey costs; (iii) a \$3.0 million decrease in operating lease liabilities; (iv) a \$2.4 million decrease in accounts payable; and (v) a \$0.9 million decrease in accrued interest payable to affiliate companies; and (vi) a \$0.5 million increase in prepaid expenses and other assets. These were partially mitigated by (i) a \$16.1 million increase in due to affiliate companies; (ii) a \$11.5 million increase in interest expense relating to the issuance of the convertible debenture, as described elsewhere in this Report; (iii) a \$1.9 million decrease in accounts receivable, net; (iv) a \$1.6 million increase in deferred income; and (v) a \$0.8 million decrease in inventories.

The aggregate adjustments to reconcile net income to net cash used in operating activities was \$13.7 million of non-cash adjustments for the three month period ended March 31, 2021, which consisted mainly of the following adjustments: (i) \$20.5 million impairment loss/loss on sale of vessels; (ii) \$16.3 million depreciation and amortization; (iii) \$2.6 million amortization of deferred drydock expenses; (iv) \$2.5 million amortization of deferred financing costs; (v) \$0.2 million relating to stock-based compensation; and (vi) \$0.2 million allowance for credit losses. These adjustments were partially offset by (i) a \$27.7 million movement in earnings in affiliate companies, net of dividends received; and (ii) a \$0.8 million movement in income tax benefit.

The net cash outflow resulting from the change in operating assets and liabilities of \$42.4 million for the three month period ended March 31, 2021 resulted from (i) a \$28.7 million decrease in accrued expenses; (ii) \$6.2 million payments for drydock and special survey costs; (iii) a \$5.0 million increase in prepaid expenses and other assets; (iv) a \$4.7 million increase in accounts receivable, net; and (v) a \$4.6 million decrease in operating lease liabilities. These were partially mitigated by (i) a \$2.8 million increase in accounts payable; (ii) a \$2.6 million increase in due to affiliate companies; (iii) a \$0.9 million increase in deferred income; (iv) a \$0.3 million decrease in due from affiliate companies; (v) a \$0.1 million decrease in inventories; and (vi) a \$0.1 million increase in other long term liabilities.

Cash used in investing activities for the three month period ended March 31, 2022 as compared to cash provided by investing activities for the three month period ended March 31, 2021:

Cash used in investing activities was \$3.3 million for the three month period ended March 31, 2022 as compared to \$20.6 million cash provided by investing activities for the same period in 2021.

Cash used in investing activities for the three months ended March 31, 2022 for Dry Bulk Vessel Operations was the result of \$1.6 million in payments made by the Company for additions to vessels.

Cash used in investing activities for the three month period ended March 31, 2022 for the Logistics' Business was the result of \$1.7 million in payments for the acquisition of fixed assets.

Cash provided by investing activities for the three months ended March 31, 2021 for Dry Bulk Vessel Operations was the result of (i) \$40.1 million in proceeds from sale of Navios Astra, Navios Centaurus and Navios Avior; (ii) \$0.2 million in dividends received from Navios Acquisition; partially mitigated by \$1.4 million in payments made by the Company for acquisition of/additions to vessels.

Cash used in investing activities for the three month period ended March 31, 2021 for the Logistics' Business was the result of (i) \$14.7 million in payments for the acquisition of the Navios Logistics 2020 Fleet; (ii) \$1.9 million for the construction of a crane; (iii) \$1.2 million in payments for the construction of Navios Logistics' six new liquid barges; (iv) \$0.5 million in payments for the purchase of fixed assets; and (v) \$0.1 million in payments for the construction of Navios Logistics' two new tanks.

Cash used in financing activities for the three month period ended March 31, 2022 and March 31, 2021:

Cash used in financing activities was \$101.1 million for the three month period ended March 31, 2022, as compared to \$44.3 million for the same period in 2021.

Cash used in financing activities for the three months ended March 31, 2022 for the Dry Bulk Vessel Operations was the result of (i) \$480.5 million in payments made for the repayment of the 2022 Notes and 2022 Senior secured Notes (as defined herein); (ii) \$112.6 million in repayments of loans payable to affiliate companies; (iii) \$14.2 million in payments made in connection with the Company's outstanding indebtedness and (iv) \$1.4 million in payments of deferred financing costs; partially mitigated by (i) \$262.6 million in proceeds from loans payable to affiliate companies; (ii) \$206.7 million in proceeds from long term debt and (iii) \$31.0 million in proceeds from three sale and leaseback agreements.

Cash provided by financing activities for the three month period ended March 31, 2022 for the Logistics Business was the result of (i) \$22.0 million in proceeds from Navios Logistics' long term debt; and (ii) \$14.7 million in payments made in connection with Navios Logistics' outstanding indebtedness.

Cash used in financing activities for the three months ended March 31, 2021 for the Dry Bulk Vessel Operations was the result of \$39.1 million in payments made in connection with the Company's outstanding indebtedness.

Cash used in financing activities for the three month period ended March 31, 2021 for the Logistics Business was the result of \$5.1 million in payments made in connection with Navios Logistics' outstanding indebtedness.

Adjusted EBITDA: EBITDA represents net (loss)/income attributable to Navios Holdings' common stockholders before interest and finance costs, depreciation and amortization and income taxes. Adjusted EBITDA represents EBITDA before stock based compensation. We use Adjusted EBITDA as a liquidity measure and reconcile Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. Adjusted EBITDA is calculated as follows: net cash provided by operating activities adding back, when applicable and as the case may be, the effect of (i) net increase/(decrease) in operating assets; (ii) net (increase)/decrease in operating liabilities; (iii) net interest cost; (iv) deferred financing costs and gains/(losses) on bond and debt extinguishment, net; (v) allowance for credit losses; (vi) earnings/(losses) in affiliate companies and joint ventures, net of dividends received; (vii) payments for drydock and special survey costs; (viii) noncontrolling interest; (ix) gain/ (loss) on sale of assets/ subsidiaries/businesses, on loss of control and bargain gain; (x) unrealized (loss)/gain on derivatives; (xi) loss on sale and reclassification to earnings of available-for-sale securities; and (xii) impairment losses. Navios Holdings believes that Adjusted EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Holdings' ability to service and/or incur indebtedness, pay capital expenditures and meet working capital requirements. Navios Holdings also believes that Adjusted EBITDA is used (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted EBITDA has limitations as an analytical tool, and therefore, should not be considered in isolation or as a substitute for the analysis of Navios Holdings' results as reported under U.S. GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (ii) Adjusted EBITDA does not reflect the amounts necessary to service interest or principal payments on our debt and other financing arrangements; and (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. Adjusted EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, Adjusted EBITDA should not be considered as a principal indicator of Navios Holdings' performance. Furthermore, our calculation of Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

Adjusted EBITDA Reconciliation to Cash from Operations

Three Month Period Ended (in thousands of U.S. dollars)	March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
Net cash provided by/(used in) operating activities	\$ 16,361	\$ (27,402)
Net (decrease)/increase in operating assets	(2,516)	9,326
Net decrease in operating liabilities	10,926	26,847
Interest expense and finance cost, net	37,565	36,200
Deferred financing costs	(2,406)	(2,447)
Allowance for credit losses	(146)	(246)
Equity in affiliate companies, net of dividends received	9,697	27,677
Payments for drydock and special survey costs	4,287	6,243
Noncontrolling interest	128	(1,151)
Loss on bond extinguishment, net	(115)	—
Impairment loss/ loss on sale of vessels, net	—	(20,455)
Adjusted EBITDA	\$ 73,781	\$ 54,592

Adjusted EBITDA for the three month period ended March 31, 2022 was \$73.8 million as compared to \$54.6 million for the same period of 2021. The \$19.2 million increase in Adjusted EBITDA was primarily due to (i) a \$20.5 million impairment losses on sale of vessels incurred in the three month period ended March 31, 2021; (ii) a \$10.8 million increase in revenue; (iii) a \$8.8 million decrease in time charter, voyage and logistics business expenses; (iv) a \$1.3 million increase in net loss attributable to the noncontrolling interest and (v) a \$0.1 million decrease in general and administrative expenses (excluding stock-based compensation expenses). This overall increase of approximately \$41.6 million was partially offset by (i) a \$17.9 million decrease in equity in net earnings from affiliate companies; (ii) a \$2.3 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); (iii) a \$2.0 million increase in other expense, net and (iv) a \$0.1 million increase in loss on bond extinguishment, net.

Long-Term Debt Obligations and Credit Arrangements

Navios Holdings Debt

2022 Senior Secured Notes

On November 21, 2017, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Company, the “Co-Issuers”) issued \$305.0 million of 11.25% Senior Notes due 2022, at a price of 97% (the “2022 Senior Secured Notes”).

The 2022 Senior Secured Notes are secured by a first priority lien on certain capital stock owned by certain of the subsidiary guarantors of the Company in each of Navios GP L.L.C., Navios Logistics and Navios Partners (following the NMCI Merger and NNA Merger). The 2022 Senior Secured Notes are unregistered and guaranteed by all of the Company’s direct and indirect subsidiaries, except for certain subsidiaries designated as unrestricted subsidiaries, including Navios Logistics.

The subsidiary guarantees are “full and unconditional,” except that the indenture provides for an individual subsidiary’s guarantee to be automatically released in certain circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an “unrestricted subsidiary” for purposes of the indenture, upon liquidation or dissolution of the subsidiary, or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Secured Notes.

The Co-Issuers have the option to redeem the 2022 Senior Secured Notes in whole or in part, at any time at par.

Upon occurrence of certain change of control events, the holders of the 2022 Senior Secured Notes may require the Co-Issuers to repurchase some or all of the 2022 Senior Secured Notes at 101% of their face amount. The 2022 Senior Secured Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliate companies, merging or consolidating or selling all or substantially all of the Co-Issuers’ properties and assets and creation or designation of restricted subsidiaries. The indenture governing the 2022 Senior Secured Notes includes customary events of default. The Co-Issuers were in compliance with the covenants as of March 31, 2022.

Under the terms of the 2022 Senior Secured Notes, the Company had an obligation to make a springing maturity offer in September 2021 to repurchase those notes at par unless certain conditions relating to the refinancing of our 2022 Notes were met.

On June 29, 2021, the Company entered into the Eighth Supplemental Indenture which eliminated the Company’s obligation to make a springing maturity offer for the 2022 Senior Secured Notes following the first redemption of an aggregate principal amount of \$100.0 million of the 2022 Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date (“First Redemption”). On July 23, 2021, the Company completed the First Redemption, which was funded through (i) the sale of a vessel pledged as collateral in respect of the 2022 Senior Secured Notes and (ii) the borrowing of \$75,264 from an affiliate company of NSM.

The Eighth Supplemental Indenture, among other things, (i) clarifies that all past dividends paid in respect of equity pledged as collateral for the 2022 Senior Secured Notes and any future dividends paid in respect of equity pledged as collateral (other than equity of Navios Logistics) can be used by the Company for general corporate purposes, absent a Default or Event of Default; (ii) provides that future dividends paid in respect of equity of Navios Logistics pledged as collateral for the 2022 Senior Secured Notes may be used only to redeem or repurchase 2022 Senior Secured Notes; and (iii) permits the lender under the \$115.0 million NSM Loan (as defined herein) to take a second lien on the pledged share collateral (which pledged share collateral secures the 2022 Senior Secured Notes on a first lien basis).

During September and October of 2021, the Company redeemed an aggregate principal amount of \$20.0 million, \$20.0 million and \$10.0 million, respectively, of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of September 13, 2021, September 24, 2021 and October 11, 2021 respectively.

On March 18, 2022, the Company redeemed an aggregate principal amount of \$25.0 million of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of March 30, 2022 (the "Fifth Redemption").

As of March 31, 2022, the Company wrote off \$0.1 million of deferred financing costs associated with the Fifth Redemption discussed above and is included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption "Loss on bond extinguishment, net".

On May 6, 2022, the Company redeemed an aggregate principal amount of \$25.0 million of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of May 17, 2022 (the "Sixth Redemption").

After the Sixth Redemption, \$105.0 million in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding. The 2022 Senior Secured Notes will mature in August 2022.

2022 Notes

On November 29, 2013, the Co-Issuers completed the sale of \$650.0 million of 7.375% First Priority Ship Mortgage Notes due 2022 (the "2022 Notes"). During 2021, the Company repurchased \$21.4 million in par value of the 2022 Notes for cash consideration of \$18.6 million resulting in a gain on bond extinguishment of \$2.7 million, net of deferred financing cost written-off.

In January 2022, the outstanding balance of \$455.5 million of the 2022 Notes was fully repaid using (i) \$206.7 million under two credit facilities with commercial banks; (ii) \$77.0 million under four sale and leaseback agreements; (iii) \$100.0 million of additional financing from NSM; and (iv) cash from operations. In addition, as of December 31, 2021, \$158.9 million of 2022 Notes held by the Company that had previously been pledged as collateral to NSM were cancelled.

2024 Notes

On March 21, 2019, Navios Holdings issued \$4.7 million of 9.75% Senior Notes due 2024 (the "2024 Notes") as an exchange for a total of 10,930 Series H shares which were validly tendered as of that date. For additional information on the Series H shares, see Note 10 "Preferred and Common Stock" to the interim condensed consolidated financial statements included elsewhere 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 shares which were validly tendered as of that date. For additional information on the Series G shares, see Note 10 "Preferred and Common Stock" to the interim condensed consolidated financial statements included elsewhere 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.

Secured Credit Facilities

Hamburg Commercial Bank AG

In December 2021, Navios Holdings entered into a loan agreement with Hamburg Commercial Bank AG ("HCOB") for an amount of \$101.8 million, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 3.25% per annum to 4.50% per annum. In March 2022, Navios Holdings prepaid an amount of \$10.4 million and one dry bulk vessel was released. The remaining loan balance of \$91.3 million is repayable in eight quarterly installments of \$3.9 million, beginning three months from the date of the initial drawdown, with a final balloon payment of \$60.0 million on the last repayment date. The loan facility requires compliance with certain covenants, as described below. As of March 31, 2022, the outstanding balance under this facility was \$91.3 million.

Credit Agricole CIB/ BNP Paribas

In December 2021, Navios Holdings entered into a loan agreement with Credit Agricole CIB ("CACIB") and BNP Paribas ("BNPP") for an amount of \$105.0 million, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 2.85% per annum to 3.75% per annum. The loan is repayable in four quarterly installments of \$6.5 million, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4.8 million with a final balloon payment of \$41.0 million on the last repayment date. The loan facility requires compliance with certain covenants, as described below. As of March 31, 2022, the outstanding balance under this facility was \$105.0 million.

The facilities are secured by first priority mortgages on certain of Navios Holdings' vessels and other collateral.

The credit facilities contain a number of restrictive covenants that limit Navios Holdings and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Navios Holdings' vessels; changing the commercial and technical management of certain Navios Holdings' vessels; selling or changing the ownership of certain Navios Holdings' vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities require compliance with the covenants contained in the indentures governing the 2022 Senior Secured Notes and the 2024 Notes (as defined herein). Among other events, it will be an event of default under the credit facilities if the Company fails to maintain the financial covenants or if Angeliki Frangou and her affiliate companies own (in aggregate) less than 10% of the outstanding share capital of Navios Holdings.

The Company's secured credit facilities require compliance with maintenance covenants. Depending on the facility, these covenants include: (i) value-to-loan ratio covenants based on charter-free valuations, ranging from over 125% to 133%, (ii) minimum liquidity, as defined in the credit facilities, of \$10.0 million, (iii) total debt divided by total assets, as defined in each credit facility, of 75%; and (iv) net worth, as defined in the credit facility, of \$125.0 million.

As of March 31, 2022, the Company is in compliance with all of the covenants under each of its credit facilities.

NSM Loan I

In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan (as defined herein) dated August 29, 2019 (the “NSM Loan I”). Pursuant to NSM Loan I, a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127.6 million, in two tranches. The first tranche of \$48.6 million represents borrowings already made available to the Company under the NSM Loan and the second tranche of \$79.1 million represents new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. As of March 31, 2022, the total outstanding balance of this facility amounted to \$127.6 million and is presented under the caption “Loans payable to affiliate companies, net of current portion”, and an amount of \$5.5 million of accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies”. For information on the NSM Loan and NSM Loan I, see Note 9 “Transactions with Related Parties” to the interim condensed consolidated financial statements included elsewhere in this Report.

NSM Loan II

In December 2021, Navios Holdings entered an amended and restated loan agreement to the existing \$115.0 million NSM Loan (as defined herein) dated June 29, 2021 (the “NSM Loan II” and, together with NSM Loan I, the “NSM Loans”). Pursuant to NSM Loan II, a wholly-owned subsidiary of NSM made up to \$135.0 million available to the Company under a secured term loan in two tranches. The first tranche of \$64.1 million represents outstanding borrowings already made available under the \$115.0 million NSM Loan and the second tranche of \$70.9 million represents new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. As of March 31, 2022, the total outstanding balance of this facility amounted to \$135.0 million, and is presented under the caption “Loans payable to affiliate companies, net of current portion”, and an amount of \$5.8 million of accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies”. For information on the \$115.0 million NSM Loan and NSM Loan II, see Note 9 “Transactions with Related Parties” to the interim condensed consolidated financial statements included elsewhere in this Report.

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24.0 million in the form of a Convertible Debenture and is included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption “Non-operating other finance cost” included elsewhere in this Report. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

Convertible Debenture

In December 2021, Navios Holdings entered into a convertible debenture with NSM (the “Convertible Debenture”), covering certain payments under the NSM Loans including an upfront fee of \$24.0 million, accrued interest, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% payment in kind (“PIK”), payable at maturity, if not earlier converted into shares of our common stock. As of March 31, 2022, the total outstanding balance of the Convertible Debenture amounted to \$35.5 million, including \$11.5 million, which consists of the accrued PIK interest at 18% on the NSM Loan I and II and the 4% PIK interest, amounting to \$5.5 million, \$5.8 million and \$0.2 million, respectively, and is presented under the caption “Convertible debenture payable to affiliate companies”. For information on the Convertible Debenture, see Note 9 “Transactions with Related Parties” to the interim condensed consolidated financial statements included elsewhere in this Report.

Sale and Leaseback Agreements

In the first quarter of 2020, the Company entered into two sale and leaseback agreements of \$68.0 million in total, with unrelated third parties for two Capesize vessels. 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 for the two Capesize vessels are repayable by 144 consecutive monthly payments of approximately \$0.2 million each, commencing as of January 2020 and March 2020, respectively. The agreements mature in the fourth quarter of 2031 and first quarter of 2032, respectively, with a balloon payment of \$0.8 million per vessel on the last repayment date.

In December 2021, Navios Holdings entered into four new sale and leaseback agreements of \$77.0 million in total, with unrelated third parties, in order to finance four dry bulk vessels. In December 2021, three of the four new sale and leaseback agreements were drawn down amounting to \$58.0 million in total.

Two dry bulk vessels are repayable by 96 consecutive payments of approximately \$0.5 million each, commencing as of December 2021. One dry bulk vessel is repayable by 72 consecutive monthly payments of approximately \$0.7 million, commencing as of December 2021. Two of the agreements mature in the fourth quarter of 2029 and one in the fourth quarter of 2027, respectively, with a balloon payment of \$3.6 million each for two dry bulk vessels and \$3.5 million for one dry bulk vessel on the last repayment date. The fourth sale and leaseback agreement amounting to \$19.0 million was drawn down in January 2022, and is repayable by 84 consecutive monthly payments of approximately \$0.6 million. The fourth sale and sale and leaseback agreement matures in the first quarter of 2029 with a balloon payment of \$1.0 million.

In March 2022, Navios Holdings entered into a sale and leaseback agreement to finance one dry bulk vessel. The fifth sale and leaseback agreement amounting to \$12.0 million was drawn down in March 2022, and is repayable by 60 consecutive monthly payments of approximately \$0.5 million. The fifth sale and leaseback agreement matures in the first quarter of 2027 with a balloon payment of \$1.6 million.

As of March 31, 2022, the outstanding balance under the seven sale and leaseback agreements was \$142.0 million in total.

The seven sale and leaseback agreements have no financial covenants.

Navios Logistics Debt

2025 Logistics Senior Notes

On July 8, 2020, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and, together with Navios Logistics (the “Logistics Co-Issuers”) issued \$500.0 million in aggregate principal amount of senior secured notes due on July 1, 2025, at a fixed rate of 10.75% (the “2025 Logistics Senior Notes”). On or after August 1, 2022, the Logistics Co-Issuers may redeem some or all of the 2025 Logistics Senior Notes at the redemption prices set forth in the indenture governing the 2025 Logistics Senior Notes. In addition, before August 1, 2022, the Logistics Co-Issuers may redeem up to 35% of the aggregate principal amount of the 2025 Logistics Senior Notes at a price equal to 110.750% of the principal amount of the 2025 Logistics Senior Notes to be redeemed plus accrued and unpaid interest, if any, to the redemption date with an amount equal to the net cash proceeds of one or more equity offerings so long as at least 50% of the originally issued aggregate principal amount of the 2025 Logistics Senior Notes remains outstanding. Prior to August 1, 2022, the Logistics Co-Issuers may also redeem all or a part of the 2025 Logistics Senior Notes at a redemption price equal to the sum of: (a) 100% of the principal amount of the 2025 Logistics Senior Notes to be redeemed; plus (b) the applicable “make-whole” premium described in the Indenture governing the 2025 Logistics Senior Notes, plus (c) accrued and unpaid interest, if any, on the 2025 Logistics Senior Notes to be redeemed, to (but excluding) the applicable redemption date, subject to the right of holders of notes on the relevant record date to receive interest due on all the relevant interest payment dates. The Logistics Co-Issuers may also redeem all, but not less than all, of the 2025 Logistics Senior Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon certain changes in law that would trigger the payment of withholding taxes. Furthermore, upon the occurrence of certain change of control events, the Logistics Co-Issuers may be required to offer to purchase 2025 Logistics Senior Notes from holders at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any.

The 2025 Logistics Senior Notes are senior secured obligations of the Logistics Co-Issuers and rank equal in right of payment to all of their existing and future senior indebtedness and senior in right of payment to all of their future subordinated indebtedness. The 2025 Logistics Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of the Navios Logistics’ direct and indirect subsidiaries, other than the Logistics Co-Issuer. The 2025 Logistics Senior Notes are secured by (i) first priority ship mortgages on four tanker vessels servicing the Navios Logistics’ cabotage business (the (1) Elena H, (2) Makenita H, (3) Sara H and (4) He Man H) owned by certain subsidiary guarantors (such guarantors, the “Mortgaged Vessel Guarantors”) and related assignments

of earnings and insurance together with a first priority lien on the capital stock of each Mortgaged Vessel Guarantor; and (ii) an assignment by way of security of the Vale port contract (collectively, the “Collateral”). The 2025 Logistics Senior Notes are effectively senior to all existing and future obligations of the subsidiary guarantors that own Collateral to the extent of the value of the Collateral but effectively junior to any existing and future secured obligations of the Logistics Co-Issuers and the subsidiary guarantors that are secured by assets other than the Collateral to the extent of the value of any assets securing such other obligations. The indenture governing the 2025 Logistics Senior Notes contains restrictive covenants that limit, among other things, the ability of the Logistics Co-Issuers and their restricted subsidiaries to incur additional indebtedness, pay dividends and make distributions on common and preferred stock, make other restricted payments, make investments, incur liens, consolidate, merge, sell or otherwise dispose of all or substantially all of their assets and enter into certain transactions with affiliate companies, in each case, subject to exclusions, and other customary covenants. The indenture governing the 2025 Logistics Senior Notes also contains customary events of default.

The Logistics Co-Issuers were in compliance with the covenants as of March 31, 2022.

As of March 31, 2022 and December 31, 2021, deferred financing costs associated with the 2025 Logistics Senior Notes amounted to \$15.0 million and \$15.9 million, respectively.

Navios Logistics Other Long-term Loans and Notes Payable

On February 28, 2022, Navios Logistics entered into a \$7.0 million loan facility with Alpha Bank (the “2022 Navios Logistics Alpha Bank Loan”) in order to repay existing debt under the Navios Logistics Alpha Bank Loan. The 2022 Navios Logistics Alpha Bank Loan bears interest at a rate of the Secured Overnight Financing Rate (“SOFR”) plus 315 basis points. The Navios Logistics 2022 Alpha Bank Loan is repayable in twelve quarterly installments, beginning on August 18, 2022, with a final balloon payment of \$2.8 million on the last repayment date. On May 18, 2022, the amount under this facility was fully drawn.

On March 23, 2022, Navios Logistics entered into a \$25.0 million loan facility with Banco Bilbao Vizcaya Argentaria (the “2022 BBVA Facility”). The 2022 BBVA Facility was used to repay existing debt under the existing BBVA Facility and for general corporate purposes. The 2022 BBVA Facility bears interest at a rate of 4.25% per annum, is repayable in quarterly installments with final maturity on July 1, 2025 and is secured by assignments of certain receivables. As of March 31, 2022, Navios Logistics had drawn a total of \$17.0 million on the 2022 BBVA Facility and the outstanding balance was \$17.0 million.

On March 25, 2022, Navios Logistics entered into a \$5.0 million loan facility with Banco Santander S.A. (the “Santander Facility”) for general corporate purposes. The Santander facility bears interest at a rate of 4.20% per annum, is repayable in twelve equal quarterly installments with final maturity on March 7, 2026 and is secured by assignments of certain receivables. As of March 31, 2022, Navios Logistics had drawn the total available amount and the outstanding balance was \$5.0 million.

As of March 31, 2022, Navios Logistics had long-term loans and notes payable, with a total outstanding balance of \$65.7 million, including the three above-mentioned financings. 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 8.50% per annum. The facilities are repayable in installments and have maturities ranging from November 2024 to March 2026. See also the maturity table included below.

On April 28, 2022, Navios Logistics entered into a five year finance leasing contract for eight liquid barges to be delivered from the fourth quarter of 2022 till the second quarter of 2023. The finance lease contract is payable by 60 consecutive monthly payments of \$26 each, commencing from the delivery of each barge. At expiration, the Navios Logistics will have the ability to exercise the purchase option of these barges or extend the finance leasing contract duration.

During the three month ended March 31, 2022, the Company in relation to its secured credit facilities paid \$10.6 million related to scheduled repayment installments and \$131.0 million related to prepayments of four of the Company’s credit facilities. During the three month period ended March 31, 2022, the proceeds from the NSM Loans were \$262.6 million, the proceeds from long term debt were \$228.7 million and the proceeds from the two sale and leaseback agreements were \$31.0 million.

During the three month period ended March 31, 2021, the Company in relation to its secured credit facilities paid, \$8.1 million related to scheduled repayment installments and \$36.2 million related to the prepayment of four of Navios Holdings' credit facilities.

The annualized weighted average interest rates of the Company's total borrowings for the three month period ended March 31, 2022 and 2021 were 9.92% and 9.35%, 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, 2022, 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, 2023	\$ 211.6
March 31, 2024	162.1
March 31, 2025	138.0
March 31, 2026	754.3
March 31, 2027	18.2
March 31, 2028 and thereafter	56.6
Total	\$ 1,340.8

Working Capital Position and Bond Maturity

As of March 31, 2022, Navios Holdings' current assets totaled \$137.2 million, while current liabilities excluding operating lease liabilities, current portion totaled \$ 337.3 million, resulting in a negative working capital position of \$200.1 million, primarily related to the classification as current of \$130.0 million of the 2022 Senior Secured Notes as described in Note 6 "Borrowings" to the interim condensed consolidated financial statements.

In May 2022, Navios Holdings redeemed an aggregate principal amount of \$25.0 million at par of the 2022 Senior Secured Notes with redemption date being May 17, 2022. After this redemption, \$105.0 million in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding, which mature in August 2022.

Based on internal forecasts and projections that take into account potential changes in Company's trading performance and the ability to sell vessels and other assets, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least twelve months from the date of issuance of the interim condensed consolidated financial statements. Although internal forecasts and projections, and specifically the estimated daily time charter equivalent for the unfixed days, are driven by market data and are subject to future volatility along with other factors outside the control of the Company, with the existence of alternative liquidity sources and management's ability to utilize them if needed, management concludes that the Company has the ability to continue as a going concern as of the date of the issuance of the interim condensed consolidated financial statements.

Capital Expenditures

Navios Logistics

Since 2018, Navios Logistics has acquired approximately 9.0 hectares of undeveloped land located in the Port Murtinho region of Brazil. Navios Logistics plans to develop this land for its port operations, for a total cost of \$1.6 million.

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, net

Concentration of credit risk with respect to accounts receivables, net 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, 2022, one customer accounted for 10.7%, of the Company's revenue. For the three month period ended March 31, 2021, two customers accounted for 12.5% and 12.1%, respectively, of the Company's revenue.

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.

In April 2022, Vale S.A. announced the sale of its iron ore, manganese ore and logistics assets in the Midwestern system to J&F Mineracao Ltda., an entity controlled by J&F Investimentos S.A. The sale includes the full assumption by the buyer of the take-or-pay logistics contracts, which remain subject to the consent of the applicable counterparties. The Vale port contract remains in full force and effect. Any transfer, novation or assignment of the Vale port contract or any obligations or rights arising thereunder by Vale is subject to the prior approval of the Navios counterparty.

Cash deposits with financial institutions

Cash deposits in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Holdings does maintain cash deposits in excess of government-provided insurance limits. Navios Holdings also reduces exposure to credit risk by dealing with a diversified group of major financial institutions.

Effects of Inflation

Navios Holdings does not consider inflation to be a significant risk to the cost of doing business in the foreseeable future. The Company considered various factors in assessing the impact of Argentina's highly inflationary economy on Navios Logistics, among which, the sales, the financing arrangements, the working capital, the employee salaries and taxes. The Company does not consider inflation to be a significant risk factor to the cost of doing business in the foreseeable future as the functional currency of the Company's Argentinian subsidiary is the U.S. dollar and the day-to-day operations of the Company's Argentinian subsidiary are

dependent on the economic environment of the Company's U.S. dollar currency. As a result, the Company concluded that the determination that the fact that the Argentine economy is highly inflationary did not have a material impact on Navios Logistics' financial statements and as such, did not result in the remeasurement of its financial statements.

Off-Balance Sheet Arrangements

As of March 31, 2022, Navios Holdings was contingently liable for letters of guarantee and letters of credit amounting to \$10,000 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.

Navios Logistics has issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. (a consolidated subsidiary of Navios Logistics) of all its obligations to Vitol S.A. up to \$12.0 million. This guarantee expires on March 1, 2023.

On July 22, 2016, Navios Logistics guaranteed the compliance of certain obligations related to Edolmix S.A. and Energías Renovables del Sur S.A. (entities wholly owned by Navios Logistics) under their respective direct user agreements with the Free Zone of Nueva Palmira, for the amounts of \$0.8 million and \$0.5 million, respectively.

In September 2020, Navios Logistics agreed to a settlement regarding a storage and transshipment contract in the grain port terminal for a total amount to be paid to Navios Logistics as a result of the settlement of \$4.1 million, which will be collected in three equal installments of \$1.4 million on June 1, 2021, 2022 and 2023. In June 2021, the Company collected the first installment.

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.

Related Party Transactions

Vessel Operating Expenses (management fees): Pursuant to a management agreement dated August 29, 2019 (the "Management Agreement"), the Manager provides commercial and technical management services to Navios Holdings' vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination is received by either party. The ship management services fees provided by the Manager was a fixed rate of \$3,700 per day per owned/bareboat-in vessel until August 2021 and \$3,811 per day per owned/bareboat-in vessel until August 2022. Thereafter, the rate will increase by 3% annually, unless otherwise agreed. The fee for the ship management services provided by the Manager is a daily fee of \$25 per day per charter-in vessel. Drydocking expenses under this agreement are reimbursed by Navios Holdings at cost. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Management Agreement is terminated on or before August 29, 2024. Total management fees for vessel operating expenses for the three month periods ended March 31, 2022 and 2021 amounted to \$8.6 million and \$10.6 million, respectively and are presented under the caption "Direct vessel expenses".

Navios Partners Guarantee: In November 2012 (as amended in March 2014), the Company entered into an agreement with Navios Partners (the "Navios Partners Guarantee") to provide Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. In April 2021, the Company paid the amount of \$5.0 million to Navios Partners as the final settlement of the outstanding balance of the claim.

General and administrative expenses: Pursuant to an administrative services agreement with the Manager dated August 29, 2019 ("Administrative Services Agreement"), the Manager provides administrative services to Navios Holdings. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement

is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Administrative Services Agreement is terminated on or before August 29, 2024. Total general and administrative expenses attributable to this agreement for the three month periods ended March 31, 2022 and 2021 amounted to \$2.0 million and \$2.3 million, respectively, and are presented under the caption “General and administrative expenses”.

Pursuant to an administrative services agreement with the Manager dated August 29, 2019, NSM provides administrative services to Navios Logistics. Total general and administrative fees for each of the three month periods ended March 31, 2022 and 2021 amounted to \$0.3 million and are presented under the caption “General and administrative expenses”.

Balance due to/from affiliate companies: Balance due to NSM as of March 31, 2022 amounted to \$37.1 million (December 31, 2021: \$21.0 million).

As of March 31, 2022 the balance mainly consisted of management fees for vessel operating expenses, payments to the Manager in accordance with the Management Agreement and other amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels.

Omnibus Agreements: Navios Holdings has entered into an omnibus agreement with Navios Partners (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain dry bulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize dry bulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Holdings entered into an omnibus agreement with Navios Acquisition and Navios Partners (the “Acquisition Omnibus Agreement”) in connection with the closing of Navios Acquisition’s initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containership vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter dry bulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its dry bulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliate companies to compete with Navios Midstream under specified circumstances. Navios Holdings entered into an omnibus agreement with Navios Containers, Navios Acquisition, and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have granted a right of first refusal to Navios Containers over any container vessels to be sold or acquired in the future, subject to significant exceptions. The right of first refusal would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliate companies to compete with Navios Containers under specified circumstances.

Midstream General Partner Option Agreement: Navios Holdings entered into an option agreement, with Navios Acquisition under which Navios Acquisition, which owns and controls Navios Maritime Midstream Partners GP LLC (“Midstream General Partner”), granted Navios Holdings the option to acquire a minimum of 25% of the outstanding membership interests in Midstream General Partner and the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. The purchase price for the acquisition for all or part of the option interest shall be an amount equal to its fair market value. As of March 31, 2022, Navios Holdings had not exercised any part of that option.

Sale of Vessels and Sale of Rights to Navios Partners: In March 2021, Navios Holdings completed the sale to Navios Partners of the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, and the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, for a sale price of \$39.3 million, including working capital adjustments.

Secured credit facility with Navios Logistics (Grimaud Loan): On April 25, 2019, Navios Holdings entered into a secured credit facility of up to \$50.0 million with Navios Logistics on a secured basis to be used for general corporate purposes, including the repurchase of 2022 Notes. This credit facility was secured by any 2022 Notes purchased by Navios Holdings with these funds. The secured credit facility included an arrangement fee of \$0.5 million and initially bore a fixed interest rate of 12.75% for the first year and 14.75% for the second year. On December 2, 2019, Navios Holdings and Navios Logistics agreed to increase the secured credit facility by \$20.0 million. Following this amendment, as a result of the redemption of the 2022 Logistics Senior Notes, repayment of the Term Loan B Facility and the issuance of 2025 Logistics Senior Notes, (a) the interest rate on the secured credit facility decreased to 10.0%, and (b) the maturity of the secured credit facility was extended to December 2024. As of December 31, 2021, the total amount of this facility was repaid in full, as described below.

Effective as of May 2021, and upon the release of certain collateral, the facility bore interest of 13.0% per annum.

On June 30, 2021, the Company entered into a supplemental agreement to the Grimaud Loan (the “Supplemental Grimaud Loan Agreement”) with Grimaud, whereby the Company and Grimaud agreed to amend the Grimaud Loan. Pursuant to the amendment, the Grimaud Loan could be repaid or prepaid in full by the issuance of shares of common stock of Navios Holdings. The effectiveness of the Supplemental Grimaud Loan Agreement was subject to, and contingent upon, prepayment of the Grimaud Loan in the amount of \$7.5 million in cash and the effectiveness of a registration statement registering the resale of Navios Holdings shares, among other conditions.

On July 13, 2021, the Grimaud Loan plus accrued interest was repaid by the Company in full through the issuance of 9,301,542 shares (the “Shares”) of the Company’s common stock and \$7.5 million in cash plus accrued and unpaid interest. Please see also Note 10 “Preferred and Common Stock” to the interim condensed consolidated financial statements included elsewhere in this Report.

NSM Loan: On August 29, 2019, Navios Holdings entered into a secured credit facility of \$141.8 million (including post-closing adjustments) with a wholly owned subsidiary of NSM (the “NSM Loan”). In general, the amount owed reflects the excess of (i) the liabilities of the ship management business (including liabilities for advances previously made by affiliate companies to the Company for ongoing operating costs, including technical management services, supplies, dry-docking and related expenses) other than liabilities the assumption of which forms part of the consideration for the sale of the management division over (ii) the short term assets of the ship management business. The Company’s obligations under the NSM Loan were guaranteed by substantially the same subsidiaries that guaranteed the 2022 Notes and secured by assets of the Company that did not secure the 2022 Notes or the 2022 Senior Secured Notes. The credit facility was repayable over a five-year period; of the initial amount, \$47.0 million was repayable in 2020 in equal quarterly installments, with the remaining principal repayment in equal quarterly installments over the following 48 months. In certain cases, principal payments could 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 provided for interest at 5.0% annually, and 7.0% annually for deferred principal amounts.

In December 2021, the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of March 31, 2022, and following the refinancing, the NSM Loan was fully repaid.

The Company's obligations under the NSM Loan were guaranteed by 2,072,121 common units in Navios Partners, first priority share pledges on two companies, that have entered into sale and leaseback agreements and five companies that hold the rights to certain bareboat contracts.

\$50.0 million NSM Loan: In June 2020, the Company entered into a secured loan agreement with a wholly owned subsidiary of NSM, for a loan of up to \$50.0 million to be used for general corporate purposes (the "\$50.0 million NSM Loan"). The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. The loan agreement was repayable in up to 18 equal consecutive quarterly installments. Principal payments that fell due during the first year following the initial drawdown could be deferred, at the Company's election, in whole or in part. The loan agreement provided for interest at a rate of 5.0% annually (and 7.0% annually for deferred principal amounts).

The Company's obligations under the \$50.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain 2022 Notes due 2022 owned by Navios Holdings and 40,587 common units in Navios Partners.

On July 12, 2021, the Company refinanced the total outstanding balance of \$39.7 million under this facility through the \$115.0 million NSM Loan described below.

\$115.0 million NSM Loan: In June 2021, the Company entered into a senior secured term loan facility with a wholly owned subsidiary of NSM for a loan up to \$115,000 (i) to refinance \$39.7 million being the outstanding balance under the \$50.0 million NSM Loan described above ("Tranche A"), (ii) to redeem amount of \$70.0 million of 2022 Senior Secured Notes and (iii) to be used for general corporate purposes ("Tranche B") (the "\$115.0 million NSM Loan"). The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. Tranche A was repayable in 14 quarterly installments of \$2.8 million and matured on November 30, 2024. Tranche B was repayable in seven quarterly installments with the first two being of an amount of \$22.6 million each and the remaining of an amount of \$6,000 each and matured on February 28, 2023.

Both tranches bore interest at a rate of 10.5% per annum, payable quarterly. The Company could have elected to defer one scheduled amortization payment by 90 days and interest payments, in which case the applicable interest rate would be 12.0% per annum, compounded quarterly.

On July 12, 2021, the amount under this facility was fully drawn.

In December 2021 the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of March 31, 2022, and following the refinancing, the \$115.0 million NSM Loan was fully repaid. As of March 31, 2022, the Company wrote off \$0.9 million of deferred financing costs and was included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption "Interest expense and finance cost, net", included elsewhere in this Report.

The Company's obligations under the \$115.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain 2022 Notes owned by Navios Holdings and 40,587 common units in Navios Partners and a second priority pledge in the Navios Logistics' shares, 1,070,491 Navios Partners' common units and second priority pledge over the collaterals securing the NSM Loan.

NSM Loan I: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019, whereby a wholly owned subsidiary of NSM made available to the Company a secured term loan of up to \$127.6 million (the "NSM Loan I"), in two tranches: (i) the first tranche of \$48.6 million represents borrowings already made available and (ii) the second tranche of \$79.1 million represents new borrowings to be made available in exchange of the release by NSM of certain existing collateral. The NSM Loan I is repayable in quarterly installments of \$5.0 million with the first installment falling due in the third quarter of 2023. The NSM Loan I has a four-year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter when paid in the form of Convertible Debenture for the first 18 months ("PIK Interest") and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan I will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. As of March 31, 2022, the outstanding balance is \$127.6 million and an amount of \$5.5 million of accrued PIK interest at 18% is included under the caption "Convertible debenture payable to affiliate companies."

The Company's obligations under the NSM Loan I are guaranteed by 2,072,121 common units in Navios Partners.

NSM Loan II: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021 whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$135.0 million (the "NSM Loan II") in two tranches (i) the first tranche of \$64.1 million represents outstanding borrowings already made available and (ii) the second tranche of \$70.9 million represents new borrowings to be made available, in exchange of the release by NSM of certain existing collateral. The NSM Loan II is repayable in quarterly installments of \$5.0 million with the first installment falling due in the third quarter of 2023. The NSM Loan II has a four year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter, when paid in PIK Interest and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan II will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. As of March 31, 2022, the outstanding balance is \$135.0 million and an amount of \$5.8 million of accrued PIK interest at 18% is included under the caption "Convertible debenture payable to affiliate companies".

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24.0 million in the form of a Convertible Debenture and is included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption "Non-operating other finance cost", included elsewhere in this Report. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

The Company's obligations under the NSM Loan II are guaranteed by 40,587 common units in Navios Partners, a second priority pledge in the Navios Logistics' shares and 1,070,491 Navios Partners' common units and second priority pledge over the collaterals securing the NSM Loan I.

Convertible Debenture: In December 2021, Navios Holdings entered into the Convertible Debenture with NSM, covering an upfront fee of \$24.0 million, accrued interest on the NSM Loans, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% PIK, payable at maturity, if not earlier converted into shares of our common stock. As of March 31, 2022, the total outstanding balance of the Convertible Debenture amounted to \$35.5 million, including \$11.5 million, which consists of the accrued PIK interest at 18% on the NSM Loan I and II and the 4% PIK interest, amounting to \$5.5 million, \$5.8 million and \$0.2 million, respectively, and is presented under the caption "Convertible debenture payable to affiliate companies".

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the "Series I Preferred Stock") on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 6,106,871 and 9,133,147 shares of common stock issuable as of March 31, 2022 and April 4, 2022, respectively, upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM, the holder of the Series I Preferred Stock, may convert any or all of the outstanding preferred stock into common stock at its option at any time until the maturity of the Convertible Debenture at the conversion rate of \$3.93 per common stock. In addition, there are also provisions for mandatory conversion upon the occurrence of certain events. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

Navios Logistics' Shareholders Agreement: On November 19, 2019, Navios Holdings entered into a shareholder agreement with Peers Business Inc. granting certain protections to minority shareholders in certain events.

Promissory note: On July 30, 2021, Navios Logistics issued a \$20.0 million promissory note to Grimaud. The promissory note is payable in four semi-annual equal installments commencing on August 15, 2021. The Company has the ability to defer payment of one

of the first three installments subject to certain conditions. On August 15, 2021, the first installment was paid. On July 30, 2021, Grimaud entered into an assignment agreement with Peers Business Inc., whereby the promissory note was assigned to Peers Business Inc. Please refer to Note 10 “Preferred and Common Stock” to the interim condensed consolidated financial statements included elsewhere in this Report.

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, 2022 and December 31, 2021, Navios Holdings had a total of \$1,340.8 million and \$1,405.8 million, respectively, of long-term indebtedness. All of the Company’s debt is U.S. dollar-denominated. The 2025 Logistics Senior Notes, the 2022 Senior Secured Notes, three sale and leaseback agreements and four Navios Logistics’ loans bear interest at a fixed rate; the remaining 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, 2022, the outstanding amount of the Company’s floating rate loan facilities was \$308.9 million. A change in the LIBOR rate of 100 basis points would change interest expense for the three months ended March 31, 2022 by \$0.7 million. The interest rates on the 2025 Logistics Senior Notes, the 2022 Senior Secured Notes, the 2024 Notes, the NSM Loans, three sale and leaseback agreements and four Navios Logistics’ loans are fixed and, therefore, changes in interest rates affect their fair value, which as of March 31, 2022 was \$1,057.4 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” to the interim condensed consolidated financial statements included elsewhere in this Report.

Foreign Currency Risk

Foreign Currency: In general, the shipping industry is a U.S.-dollar-denominated industry. Revenue is set mainly in U.S. dollars, and 68.4% 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, 2022 would change net (loss)/income by \$0.2 million for the three months ended March 31, 2022.

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, 2021.

Investments in Equity Securities

Navios Holdings evaluates its investments in Navios Partners and evaluated its investments in Navios Acquisition and Navios Containers (through its acquisition by Navios Partners on October 15, 2021 and March 31, 2021, respectively) 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 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements included elsewhere in this Report).

Recent Accounting Pronouncements

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

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

	Notes	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)
ASSETS			
Current assets			
Cash and cash equivalents	3, 7, 12	\$ 41,527	\$ 53,591
Restricted cash	3, 7, 8, 12	8,278	84,260
Accounts receivable, net		60,786	62,839
Inventories		10,911	11,663
Prepaid expenses and other current assets		15,721	17,094
Total current assets		137,223	229,447
Vessels, port terminals and other fixed assets, net	4	940,304	950,002
Investments in affiliate companies	7, 9, 14	135,383	125,744
Other long-term assets	8	78,087	76,842
Operating lease assets	15	161,398	173,426
Intangible assets other than goodwill	5	91,595	92,981
Goodwill	12	160,336	160,336
Total non-current assets		1,567,103	1,579,331
Total assets		\$1,704,326	\$ 1,808,778
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable		\$ 34,220	\$ 36,622
Accrued expenses and other liabilities		31,381	64,459
Deferred income and cash received in advance		9,697	8,141
Operating lease liabilities, current portion	15	52,972	54,747
Due to affiliate companies	9	37,111	21,028
Current portion of loans payable to affiliate companies	6, 7, 9	—	877
Current portion of long-term debt, net	6, 7	80,264	37,916
Current portion of promissory note	9	15,000	5,000
Current portion of senior and ship mortgage notes, net	6, 7	129,630	268,658
Total current liabilities		390,275	497,448
Senior and ship mortgage notes, net of current portion	6, 7	493,628	833,273
Long-term debt, net of current portion	6, 7	320,249	134,003
Loans payable to affiliate companies, net of current portion	6, 7, 9	261,174	111,757
Convertible debenture payable to affiliate companies	6, 9	35,497	—
Long-term portion of promissory note	9	—	10,000
Other long-term liabilities and deferred income		959	927
Operating lease liabilities, net of current portion	15	131,004	144,239
Deferred tax liability		9,978	10,487
Total non-current liabilities		1,252,489	1,244,686
Total liabilities		1,642,764	1,742,134
Commitments and contingencies	8	—	—
Stockholders' equity			
Preferred Stock — \$0.0001 par value, authorized 1,000,000 shares, 24,032 and 23,032 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively.	10	—	—
Common stock — \$0.0001 par value, authorized 250,000,000 shares, 25,238,591 and 25,198,620 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively.	10	2	2
Additional paid-in capital		679,347	679,301
Accumulated deficit		(672,906)	(667,906)
Total Navios Holdings stockholders' equity		6,443	11,397
Noncontrolling interest		55,119	55,247
Total stockholders' equity		61,562	66,644
Total liabilities and stockholders' equity		\$1,704,326	\$ 1,808,778

See unaudited condensed notes to interim 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)

	<u>Notes</u>	<u>Three Month Period Ended March 31, 2022 (unaudited)</u>	<u>Three Month Period Ended March 31, 2021 (unaudited)</u>
Revenue	12	\$ 127,790	\$ 116,951
Time charter, voyage and logistics business expenses		(29,492)	(38,327)
Direct vessel expenses	9	(28,462)	(25,915)
General and administrative expenses	9	(6,565)	(6,819)
Depreciation and amortization	4, 5, 12	(14,378)	(16,266)
Interest expense and finance cost, net	12	(37,565)	(36,200)
Impairment loss/ loss on sale of vessels, net	4	—	(20,455)
Loss on bond extinguishment, net	6	(115)	—
Other expense, net	11	(2,187)	(224)
Non-operating other finance cost	6,9	(24,000)	—
Loss before equity in net earnings of affiliate companies		(14,974)	(27,255)
Equity in net earnings of affiliate companies	9, 12, 14	9,798	27,740
(Loss)/income before taxes		\$ (5,176)	\$ 485
Income tax benefit		48	829
Net (loss)/income		\$ (5,128)	\$ 1,314
Less: Net loss/(income) attributable to the noncontrolling interest		128	(1,151)
Net (loss)/income attributable to Navios Holdings common stockholders	13	\$ (5,000)	\$ 163
Loss attributable to Navios Holdings common stockholders, basic and diluted		\$ (6,277)	\$ (1,114)
Basic and diluted loss per share attributable to Navios Holdings common stockholders		\$ (0.28)	\$ (0.08)
Weighted average number of shares, basic and diluted	13	22,631,476	13,113,385

See unaudited condensed notes to interim condensed consolidated financial statements

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

	<u>Notes</u>	<u>Three Month Period Ended March 31, 2022 (unaudited)</u>	<u>Three Month Period Ended March 31, 2021 (unaudited)</u>
OPERATING ACTIVITIES:			
Net (loss)/income		\$ (5,128)	\$ 1,314
Adjustments to reconcile net (loss)/income to net cash provided by/(used in) operating activities:			
Non-cash adjustments		34,186	13,700
Decrease/(increase) in operating assets		2,516	(9,326)
Decrease in operating liabilities		(10,926)	(26,847)
Payments for drydock and special survey costs		(4,287)	(6,243)
Net cash provided by/(used in) operating activities		16,361	(27,402)
INVESTING ACTIVITIES:			
Acquisition of/additions to vessels	4	(1,578)	(1,394)
Deposits for vessels, port terminals and other fixed assets acquisitions	4	(5)	(17,532)
Proceeds from sale of assets		—	40,128
Purchase of property, equipment and other fixed assets	4	(1,716)	(855)
Dividends received from affiliate companies	14	—	243
Net cash (used in)/provided by investing activities		(3,299)	20,590
FINANCING ACTIVITIES:			
Repayment of long-term debt and payment of principal	6	(28,942)	(44,289)
Repayment of loans payable to affiliate companies	6	(112,632)	—
Repayment/repurchase of senior notes	6	(480,466)	—
Proceeds from long-term loans	6	259,725	—
Proceeds from loans payable to affiliate companies	9	262,632	—
Debt issuance costs		(1,425)	—
Net cash used in financing activities		(101,108)	(44,289)
Decrease in cash and cash equivalents and restricted cash		(88,046)	(51,101)
Cash and cash equivalents and restricted cash, beginning of period		137,851	111,184
Cash and cash equivalents and restricted cash, end of period	3	\$ 49,805	\$ 60,083
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest, net of capitalized interest		\$ 56,257	\$ 68,090
Cash paid for income taxes		\$ —	\$ 183
Non-cash investing and financing activities			
Sale of vessels	4	\$ —	\$ 5,766
Proceeds from the Navios Logistics' Seller's Credit Agreement for the construction of six liquid barges		\$ —	\$ 2,246
Proceeds from the Navios Logistics' Seller's Credit Agreement for the acquisition of Navios Logistics' 2020 Fleet		\$ —	\$ 15,000
Transfers from deposits for vessels, port terminals and other fixed assets	4	\$ —	\$ 21,344
Deposits for vessels, port terminals and other fixed assets	4	\$ —	\$ (870)

See unaudited condensed notes to interim 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	Accumulated Deficit	Total Navios Holdings' Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance December 31, 2021	23,032	\$ —	25,198,620	\$ 2	\$679,301	\$ (667,906)	\$ 11,397	\$ 55,247	\$ 66,644
Net loss	—	—	—	—	—	(5,000)	(5,000)	(128)	(5,128)
Cancellation of shares	—	—	(29)	—	—	—	—	—	—
Issuance of preferred stock (Note 10)	1,000	—	—	—	—	—	—	—	—
Stock-based compensation expenses (Note 10)	—	—	40,000	—	46	—	46	—	46
Balance March 31, 2022 (unaudited)	<u>24,032</u>	<u>\$ —</u>	<u>25,238,591</u>	<u>\$ 2</u>	<u>\$679,347</u>	<u>\$ (672,906)</u>	<u>\$ 6,443</u>	<u>\$ 55,119</u>	<u>\$ 61,562</u>

	Number of Preferred Shares	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Navios Holdings' Stockholders' Deficit	Noncontrolling Interest	Total Deficit
Balance December 31, 2020	23,032	\$ —	15,881,147	\$ 1	\$643,033	\$ (784,592)	\$ (141,558)	\$ 107,275	\$ (34,283)
Net income	—	—	—	—	—	163	163	1,151	1,314
Cancellation of shares	—	—	(27)	—	—	—	—	—	—
Stock-based compensation expenses (Note 10)	—	—	16,000	—	155	—	155	—	155
Balance March 31, 2021 (unaudited)	<u>23,032</u>	<u>\$ —</u>	<u>15,897,120</u>	<u>\$ 1</u>	<u>\$643,188</u>	<u>\$ (784,429)</u>	<u>\$ (141,240)</u>	<u>\$ 108,426</u>	<u>\$ (32,814)</u>

See unaudited condensed notes to interim condensed consolidated financial statements

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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, was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. Navios Logistics believes it is one of the largest infrastructure and logistics companies in the Hidrovia region of South America, focusing on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the south-eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products. As of March 31, 2022, Navios Holdings owned 63.8% of Navios Logistics’ stock.

Navios Partners

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

On March 31, 2021, Navios Partners acquired Navios Maritime Containers L.P. (“Navios Containers”) in a merger transaction (the “NMCI Merger”). For more information about the NMCI Merger, see Note 14 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements.

On October 15, 2021, Navios Maritime Acquisition Corporation (“Navios Acquisition”) and Navios Partners consummated a merger transaction (the “NNA Merger”). For more information about the NNA Merger, see Note 14 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements.

As of both March 31, 2022 and December 31, 2021, Navios Holdings had a 10.3% ownership interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

Navios Containers

Prior to the NMCI Merger, Navios Containers was an international owner and operator of containerships.

Following the completion of the NMCI Merger on March 31, 2021, Navios Containers’ common units were no longer listed for trading on NASDAQ. In consequence of the NMCI Merger, as of March 31, 2022, Navios Holdings had no equity investment in Navios Containers. For more information about the NMCI Merger, see Note 14 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements.

Navios Acquisition

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

Following the consummation of the NNA Merger on October 15, 2021, Navios Acquisition common shares were no longer listed for trading on the NYSE. In consequence of the NNA Merger, as of March 31, 2022, Navios Holdings had no equity investment in Navios Acquisition. For more information about the NNA Merger, see Note 14 “Investments in Affiliate Companies and Investments in Available-For-Sale Securities” to the interim condensed consolidated financial statements.

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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, 2021 filed on Form 20-F with the Securities and Exchange Commission ("SEC").

Following Russia's invasion of Ukraine in February 2022 the US, the EU, the UK and other countries have announced sanctions against Russia, and they may impose wider sanctions and take other actions in the future. To date, no apparent consequences have been identified on the Company's business. It should be noted that since the Company employs Ukrainian and Russian seafarers, it may face problems in relation to their employment, repatriation, salary payments and be subject to claims to this respect. Notwithstanding the foregoing, it is possible that these tensions might eventually have an adverse effect our business, financial condition, results of operations and cash flows.

Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis.

As of March 31, 2022, Navios Holdings' current assets totaled \$137,223, while current liabilities excluding operating lease liabilities, current portion totaled \$337,303, resulting in a negative working capital position of \$200,080, primarily related to the classification as current of \$130,000 of the 11.25% Senior Secured Notes due in August 2022 (the "2022 Senior Secured Notes") as described below and in Note 6 "Borrowings" to the interim condensed consolidated financial statements.

In May 2022, Navios Holdings redeemed an aggregate principal amount of \$25,000 at par of the 2022 Senior Secured Notes with redemption date being May 17, 2022. After this redemption, \$105,000 in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding, which mature in August 2022.

Based on internal forecasts and projections that take into account potential changes in Company's trading performance and the ability to sell vessels and other assets, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least twelve months from the date of issuance of the interim condensed consolidated financial statements. Although internal forecasts and projections, and specifically the estimated daily time charter equivalent for the unfixed days, are driven by market data and are subject to future volatility along with other factors outside the control of the Company, with the existence of alternative liquidity sources and management's ability to utilize them if needed, management concludes that the Company has the ability to continue as a going concern as of the date of the issuance of the interim condensed consolidated financial statements.

(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 interim condensed consolidated financial statements are 100% owned, except for Navios Logistics, which is 63.8% owned by Navios Holdings.

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Investments in Affiliate Companies: Affiliate companies 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 company at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate company subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate company reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliate companies, provided that the issuance of shares qualifies as a sale of shares. When the Company's share of losses in an affiliate company equals or exceeds its interest in the affiliate company, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate company.

Affiliate companies included in the financial statements accounted for under the equity method: In the interim condensed consolidated financial statements of Navios Holdings, the following entities are included as affiliate companies and are accounted for under the equity method for such periods: (i) Navios Partners and its subsidiaries (ownership interest as of March 31, 2022 was 10.3%); Navios Acquisition and its subsidiaries (ownership interest through the Navios Partners' NNA Merger in October 2021, was 6.9%); and (iii) Navios Containers and its subsidiaries (ownership interest through Navios Partners' NMCI Merger in March 2021 was 3.9%).

(c) Revenue Recognition:

Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers control of the promised goods or services to its customers.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Voyage revenues for the transportation of cargo are recognized ratably over the estimated relative transit time of each voyage. A voyage is deemed to commence when a vessel arrives at the loading port, as applicable under the contract, and is deemed to end upon the completion of the discharge of the current cargo. Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter rate. Since address commissions represent a discount (sales incentive) on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Revenue from contracts of affreightment ("COA")/voyage contracts relating to our barges are recognized ratably over the estimated relative transit time of each voyage. A voyage is deemed to commence upon the barge's arrival at the loading port, as applicable under the contract, and is deemed to end upon the completion of discharge under the current voyage. The percentage of transit time is based on the number of days traveled as of the balance sheet date divided by the number of total days expected for the voyage. The position of the barge at the balance sheet date is determined by the days traveled as of the balance sheet date over the total voyage of the pushboat having the barge in tow. Revenue arising from contracts that provide our customers with continuous access to convoy capacity is recognized ratably over the period of the contracts.

Demurrage income represents payments made by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized as it is earned.

The Company recognizes revenue ratably from the vessel's/barge's arrival at the loading port, as set forth in the applicable contract, to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract.

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Revenues from time-chartering and bareboat chartering of vessels and barges are accounted for as operating leases and are thus recognized on a straight-line basis as the average revenue over the rental periods of such charter agreements as service is performed. However, for loss generating time charters, the loss is recognized in the period during which the loss is generated. A time-charter involves placing a vessel or barge at the charterer's disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Charters for periods of less than three months are referred to as spot-charters. Charters for periods of three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. For time-charters, the owner of the vessel typically pays the vessel's operating costs, such as crews, maintenance and insurance.

Revenues from dry port terminal operations consist of an agreed flat fee per ton and cover the services performed to unload barges (or trucks), transfer the product into silos or the stockpiles for temporary storage, and to load the ocean-going vessels. Revenues are recognized upon completion of loading the ocean-going vessels. Revenue arising from contracts that provide our customers with continuous access to port terminal storage and transshipment capacity is recognized ratably over the period of the contracts. Additionally, fees are charged for vessel dockage and for storage time in excess of contractually specified terms. Dockage revenues are recognized ratably up to completion of loading as the performance obligation is met evenly over the loading period. Storage fees are assessed and recognized at the point when the product remains in the silo storage beyond the contractually agreed upon term. Storage fee revenue is recognized ratably over the storage period and ends when the product is loaded onto the ocean-going vessel.

Revenues from liquid port terminal consist mainly of sales of petroleum products in the Paraguayan market and revenues from liquid port operations. Revenues from liquid port terminal operations consist of an agreed flat fee per cubic meter or a fixed rate over a specific period to cover the services performed to unload barges, transfer the products into the tanks for temporary storage and then loading the trucks. Revenues that consist of an agreed flat fee per cubic meter are recognized upon completion of loading the trucks. Revenues from liquid port terminal operations that consist of a fixed rate over a specific period are recognized ratably over the storage period as the performance obligation is met evenly over time, ending when the product is loaded onto the trucks.

Additionally, revenues consist of an agreed flat fee per cubic meter to cover the services performed to unload barges, transfer the products into the tanks for temporary storage, and to load the trucks. Revenues are recognized upon completion of loading the trucks. Additionally, fees are charged for storage time in excess of contractually specified terms. Storage fee revenue is recognized ratably over the storage period and ends when the product is loaded onto the trucks.

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

The following tables reflect the revenue earned per category for the three month period ended March 31, 2022 and 2021:

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2022	Logistics Business for the Three Month Period Ended March 31, 2022	Total for the Three Month Period Ended March 31, 2022
COA/Voyage revenue	\$ —	\$ 19,807	\$ 19,807
Time chartering revenue	\$ 68,375	\$ 11,393	\$ 79,768
Port terminal revenue	\$ —	\$ 22,817	\$ 22,817
Storage fees (dry port) revenue	\$ —	\$ 361	\$ 361
Dockage revenue	\$ —	\$ 1,362	\$ 1,362
Sale of products revenue	\$ —	\$ 1,894	\$ 1,894
Liquid port terminal revenue	\$ —	\$ 1,461	\$ 1,461
Other	\$ 261	\$ 59	\$ 320
Total	\$ 68,636	\$ 59,154	\$ 127,790

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	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2021	Logistics Business for the Three Month Period Ended March 31, 2021	Total for the Three Month Period Ended March 31, 2021
COA/Voyage revenue	\$ 5,213	\$ 17,585	\$ 22,798
Time chartering revenue	\$ 58,253	\$ 10,867	\$ 69,120
Port terminal revenue	\$ —	\$ 19,583	\$ 19,583
Storage fees (dry port) revenue	\$ —	\$ 108	\$ 108
Dockage revenue	\$ —	\$ 598	\$ 598
Sale of products revenue	\$ —	\$ 3,180	\$ 3,180
Liquid port terminal revenue	\$ —	\$ 1,232	\$ 1,232
Other	\$ 262	\$ 70	\$ 332
Total	\$ 63,728	\$ 53,223	\$ 116,951

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.

Recent Accounting Pronouncements:

Adoption of new accounting pronouncements:

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments (“ASU 2021-05”). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021. The adoption of this ASU on January 1, 2022 did not have a material impact on the Company’s interim condensed consolidated financial statements.

On August 5, 2020, the FASB issued ASU No. 2020-06, Debt -Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging -Contracts in Entity’s Own Equity (Subtopic 815-40). The objective of this update is to improve understandability and reduce complexity on distinguishing liabilities from equity. Amendments affect entities that issue convertible instruments and/or contracts indexed to and potentially settled in an entity’s own equity. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Adoption is allowed through either a modified retrospective method of transition or a fully retrospective method of transition. The adoption of this ASU on January 1, 2022 did not have a material impact on the Company’s opening balances and interim condensed consolidated financial statements.

NOTE 3: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents and restricted cash consisted of the following:

	March 31, 2022	December 31, 2021
Cash on hand and at banks	\$ 40,868	\$ 53,547
Short-term deposits and highly liquid funds	659	44
Restricted cash	8,278	84,260
Cash and cash equivalents and restricted cash	\$ 49,805	\$ 137,851

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Short-term deposits and highly liquid funds relate to amounts held in banks for general financing purposes and represent deposits with an original maturity of less than three months and are included in the condensed consolidated balance sheets under the caption “Cash and cash equivalents”.

Cash deposits and cash equivalents in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Holdings does maintain cash deposits and equivalents in excess of government provided insurance limits. Navios Holdings reduces exposure to credit risk by dealing with a diversified group of major financial institutions.

As of March 31, 2022 and December 31, 2021, restricted cash included \$8,268 and \$0, respectively, which related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Holdings’ credit facilities. As of December 31, 2021, within restricted cash is included also an amount of \$84,250 as cash collateral in an escrow account, concerning the release of Navios Lumen, Navios Stellar and Navios Phoenix, from the 2022 Notes (as defined below). As of both March 31, 2022 and December 31, 2021, within restricted cash, are also included amounts held as security in the form of letters of guarantee or letters of credit totaling \$10.

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

<u>Vessels, Port Terminals and Other Fixed Assets, net</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2021	\$1,392,629	\$ (442,627)	\$950,002
Additions	3,294	(12,992)	(9,698)
Balance March 31, 2022	<u>\$1,395,923</u>	<u>\$ (455,619)</u>	<u>\$940,304</u>

Deposits for Vessels and Port Terminals Acquisitions

As of March 31, 2022 and December 31, 2021, Navios Logistics had paid \$718 and \$713, respectively, for capitalized expenses for the development of its port operations in Port Murtinho region, Brazil, which was included in the interim condensed consolidated statement of financial position under the caption “Other long-term assets”.

During the first quarter of 2021, Navios Logistics completed the construction of six liquid barges. As of December 31, 2021 a total of \$19,501 had been transferred to “Vessels, port terminals and other fixed assets, net” in the interim condensed consolidated statement of financial position, of which capitalized interest amounted to \$1,062.

During the first quarter of 2021, Navios Logistics completed the construction of two new tanks in its liquid port terminal. As of December 31, 2021 a total of \$1,843 had been transferred to “Vessels, port terminals and other fixed assets, net” in the interim condensed consolidated statement of financial position.

Impairment Loss/ Loss on Sale of Vessels, Net

In March 2021, the Company agreed to sell to an unrelated third party the Navios Serenity, a 2011 built Handysize vessel of 34,690 dwt, for a net sale price of \$10,388. The impairment loss amounted to \$6,957 (including \$11 remaining carrying balance of dry dock and special survey costs) and is included in the interim condensed consolidated statements of comprehensive (loss)/income under the caption “Impairment loss/ loss on sale of vessels, net”. The vessel was delivered to the new owners in June 2021.

In March 2021, the Company completed the sale to Navios Partners of the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt, and the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, for a sale price of \$39,250, including working capital adjustments, amounting to \$5,766. The loss due to sale amounted to \$13,498 (including \$495 remaining carrying balance of dry dock and special survey costs) and is included in the interim condensed consolidated statements of comprehensive (loss)/income under the caption “Impairment loss/ loss on sale of vessels, net”.

In February 2021, the Company completed the sale to an unrelated third party of the Navios Astra, a 2006-built Ultra Handymax vessel of 53,468 dwt, for a net sale price of approximately \$6,644.

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Vessel Acquisitions of Navios Logistics

In the fourth quarter of 2020, Navios Logistics signed a purchase agreement with an unrelated third party for the acquisition of three pushboats and 18 tank barges (the “Navios Logistics 2020 Fleet”), for a purchase price of \$30,000. The acquisition was completed on March 22, 2021.

Since 2018, Navios Logistics acquired approximately 9.0 hectares of undeveloped land located in the Port Murtinho region of Brazil. Navios Logistics plans to develop this land for its port operations, for a total cost of \$1,580.

NOTE 5: INTANGIBLE ASSETS OTHER THAN GOODWILL

<u>Intangible assets</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Acquisition cost	\$ 178,642	\$ 178,642
Accumulated amortization	(87,047)	(85,661)
Total Intangible assets net book value	<u>\$ 91,595</u>	<u>\$ 92,981</u>

Amortization expense for the three month periods ended March 31, 2022 and 2021 amounted to \$1,386 and \$1,386, respectively.

The remaining aggregate amortization of acquired intangibles as of March 31, 2022 will be as follows:

<u>Period</u>	
Year One	\$ 5,581
Year Two	5,581
Year Three	5,588
Year Four	5,581
Year Five	5,581
Thereafter	63,683
Total	<u>\$91,595</u>

NOTE 6: BORROWINGS

<u>Facility</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Secured credit facilities	\$ 196,345	\$ —
2022 Senior Secured Notes	130,000	155,000
2022 Notes	—	455,466
2024 Notes	8,626	8,626
NSM Loan (incl. accrued interest \$306)	—	48,879
\$115.0 million NSM Loan (incl. accrued interest \$571)	—	64,630
NSM Loan I	127,632	—
NSM Loan II	135,000	—
Convertible Debenture	35,497	—
Sale and Leaseback Agreements	141,994	114,837
2025 Logistics Senior Notes	500,000	500,000
Navios Logistics other long-term loans and notes payable	65,702	58,376
Total borrowings	<u>1,340,796</u>	<u>1,405,814</u>
Less: current portion, net	(209,892)	(307,451)
Less: deferred finance costs, net	(20,356)	(19,330)
Total long-term borrowings	<u>\$ 1,110,548</u>	<u>\$ 1,079,033</u>

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Navios Holdings Debt

2022 Senior Secured Notes

On November 21, 2017, the Company and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Company, the “Co-Issuers”) issued \$305,000 of 11.25% Senior Notes due 2022, at a price of 97%.

The 2022 Senior Secured Notes are secured by a first priority lien on certain capital stock owned by certain of the subsidiary guarantors of the Company in each of Navios GP L.L.C., Navios Logistics and Navios Partners (following the NMCI Merger and NNA Merger). The 2022 Senior Secured Notes are unregistered and guaranteed by all of the Company’s direct and indirect subsidiaries, except for certain subsidiaries designated as unrestricted subsidiaries, including Navios Logistics.

The subsidiary guarantees are “full and unconditional”, except that the indenture provides for an individual subsidiary’s guarantee to be automatically released in certain circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an “unrestricted subsidiary” for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Secured Notes.

The Co-Issuers have the option to redeem the 2022 Senior Secured Notes in whole or in part, at any time at par.

Upon occurrence of certain change of control events, the holders of the 2022 Senior Secured Notes may require the Co-Issuers to repurchase some or all of the 2022 Senior Secured Notes at 101% of their face amount. The 2022 Senior Secured Notes contain covenants which, among other things, limit the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliate companies, merging or consolidating or selling all or substantially all of the Co-Issuers’ properties and assets and creation or designation of restricted subsidiaries. The indenture governing the 2022 Senior Secured Notes includes customary events of default. The Co-Issuers were in compliance with the covenants as of March 31, 2022.

Under the terms of the 2022 Senior Secured Notes, the Company had an obligation to make a springing maturity offer in September 2021 to repurchase those notes at par unless certain conditions relating to the refinancing of our 2022 Notes were met.

On June 29, 2021, the Company entered into the Eighth Supplemental Indenture which eliminated the Company’s obligation to make a springing maturity offer for the 2022 Senior Secured Notes following the first redemption of an aggregate principal amount of \$100.0 million of the 2022 Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date (“First Redemption”). On July 23, 2021, the Company completed the First Redemption, which was funded through (i) the sale of a vessel pledged as collateral in respect of the 2022 Senior Secured Notes and (ii) the borrowing of \$75,264 from an affiliate company of NSM.

The Eighth Supplemental Indenture, among other things, (i) clarifies that all past dividends paid in respect of equity pledged as collateral for the 2022 Senior Secured Notes and any future dividends paid in respect of equity pledged as collateral (other than equity of Navios Logistics) can be used by the Company for general corporate purposes, absent a Default or Event of Default; (ii) provides that future dividends paid in respect of equity of Navios Logistics pledged as collateral for the 2022 Senior Secured Notes may be used only to redeem or repurchase 2022 Senior Secured Notes; and (iii) permits the lender under the \$115.0 million NSM Loan (as defined herein) to take a second lien on the pledged share collateral (which pledged share collateral secures the 2022 Senior Secured Notes on a first lien basis).

During September and October of 2021, the Company redeemed an aggregate principal amount of \$20,000, \$20,000 and \$10,000, respectively, of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of September 13, 2021, September 24, 2021 and October 11, 2021 respectively.

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On March 18, 2022, the Company redeemed an aggregate principal amount of \$25,000 of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of March 30, 2022 (the “Fifth Redemption”).

As of March 31, 2022, the Company wrote off \$115 of deferred financing costs associated with the Fifth Redemption discussed above and is included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption “Loss on bond extinguishment, net”.

On May 6, 2022, the Company redeemed an aggregate principal amount of \$25,000 of its 2022 Senior Secured Notes at a redemption price equal to 100.00% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the redemption date of May 17, 2022 (the “Sixth Redemption”).

After the Sixth Redemption, \$105,000 in aggregate principal amount of the 2022 Senior Secured Notes remain outstanding. The 2022 Senior Secured Notes will mature in August 2022.

2022 Notes

On November 29, 2013, the Co-Issuers completed the sale of \$650,000 of 7.375% First Priority Ship Mortgage Notes due 2022 (the “2022 Notes”). During 2021, the Company repurchased \$21,356 in par value of the 2022 Notes for cash consideration of \$18,588 resulting in a gain on bond extinguishment of \$2,728, net of deferred financing cost written-off.

In January 2022, the outstanding balance of \$455,466 of the 2022 Notes was fully repaid using (i) \$206,725 under two credit facilities with commercial banks; (ii) \$77,000 under four sale and leaseback agreements; (iii) \$100,000 of additional financing from NSM; and (iv) cash from operations. In addition, as of December 31, 2021, \$158,873 of 2022 Notes held by the Company that had previously been pledged as collateral to NSM, were cancelled.

2024 Notes

On March 21, 2019, Navios Holdings issued \$4,747 of 9.75% Senior Notes due 2024 (the “2024 Notes”) as an exchange for a total of 10,930 Series H shares which were validly tendered as of that date. For additional information on the Series H shares, see Note 10 “Preferred and Common Stock” to the interim condensed consolidated financial statements.

On April 21, 2019, Navios Holdings issued \$3,879 of the 2024 Notes as an exchange for a total of 8,841 Series G shares which were validly tendered as of that date. For additional information on the Series G shares, see Note 10 “Preferred and Common Stock” to the interim condensed consolidated financial statements.

The 2024 Notes are Navios Holdings’ senior unsecured general obligations and rank senior in right of payment to any of Navios Holding’s existing and future debt that expressly provides that it is subordinated to the 2024 Notes, pari passu in right of payment with all of Navios Holding’s existing and future senior obligations, structurally subordinated in right of payment to the obligations of Navios Holding’s subsidiaries, and effectively subordinated in right of payment to any existing and future obligations of Navios Holdings that are secured by property or assets that do not secure the 2024 Notes, including the 2022 Senior Secured Notes and the 2022 Notes, to the extent of the value of any such property and assets securing such other obligations. The 2024 Notes are not guaranteed by any of Navios Holdings’ subsidiaries.

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.

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Secured Credit Facilities

Hamburg Commercial Bank AG

In December 2021, Navios Holdings entered into a loan agreement with Hamburg Commercial Bank AG (“HCOB”) for an amount of \$101,750, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 3.25% per annum to 4.50% per annum. In March 2022, Navios Holdings prepaid an amount of \$10,380 and one dry bulk vessel was released. The remaining loan balance of \$91,345 is repayable in eight quarterly installments of \$3,915, beginning three months from the date of the initial drawdown, with a final balloon payment of \$60,027 on the last repayment date. The loan facility requires compliance with certain covenants, as described below. As of March 31, 2022, the outstanding balance under this facility was \$91,345.

Credit Agricole CIB/ BNP Paribas

In December 2021, Navios Holdings entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of \$105,000, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bears interest at a rate of LIBOR plus margin ranging from 2.85% per annum to 3.75% per annum. The loan is repayable in four quarterly installments of \$6,500, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4,750 with a final balloon payment of \$41,000 on the last repayment date. The loan facility requires compliance with certain covenants, as described below. As of March 31, 2022, the outstanding balance under this facility was \$105,000.

The facilities are secured by first priority mortgages on certain of Navios Holdings’ vessels and other collateral.

The credit facilities contain a number of restrictive covenants that limit Navios Holdings and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Navios Holdings’ vessels; changing the commercial and technical management of certain Navios Holdings’ vessels; selling or changing the ownership of certain Navios Holdings’ vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities require compliance with the covenants contained in the indentures governing the 2022 Senior Secured Notes and the 2024 Notes (as defined herein). Among other events, it will be an event of default under the credit facilities if the Company fails to maintain the financial covenants or if Angeliki Frangou and her affiliate companies own (in aggregate) less than 10% of the outstanding share capital of Navios Holdings.

The Company’s secured credit facilities require compliance with maintenance covenants. Depending on the facility, these covenants include: (i) value-to-loan ratio covenants based on charter-free valuations, ranging from over 125% to 133%, (ii) minimum liquidity, as defined in the credit facilities, of \$10,000, (iii) total debt divided by total assets, as defined in each credit facility, of 75%; and (iv) net worth, as defined in the credit facility, of \$125,000.

As of March 31, 2022, the Company is in compliance with all of the covenants under each of its credit facilities.

NSM Loan I

In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan (as defined herein) dated August 29, 2019 (the “NSM Loan I”). Pursuant to NSM Loan I, a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127,632, in two tranches. The first tranche of \$48,573 represents borrowings already made available to the Company under the NSM Loan and the second tranche of \$79,059 represents new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. As of March 31, 2022, the total outstanding balance of this facility amounted to \$127,632 and is presented under the caption “Loans payable to affiliate companies, net of current portion”, and an amount of \$5,476 of accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies”. For information on the NSM Loan and NSM Loan I, see Note 9 “Transactions with Related Parties” in the interim condensed consolidated financial statements.

NSM Loan II

In December 2021, Navios Holdings entered an amended and restated loan agreement to the existing \$115.0 million NSM Loan (as defined herein) dated June 29, 2021 (the “NSM Loan II” and, together with NSM Loan I, the “NSM Loans”). Pursuant to NSM

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Loan II, a wholly-owned subsidiary of NSM made up to \$135,000 available to the Company under a secured term loan in two tranches. The first tranche of \$64,059 represents outstanding borrowings already made available under the \$115.0 million NSM Loan and the second tranche of \$70,941 represents new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. As of March 31, 2022, the total outstanding balance of this facility amounted to \$135,000 and is presented under the caption “Loans payable to affiliate companies, net of current portion”, and an amount of \$5,792 of accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies”. For information on the \$115.0 million NSM Loan and NSM Loan II, see Note 9 “Transactions with Related Parties” in the interim condensed consolidated financial statements.

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24,000 in the form of a Convertible Debenture and is included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption “Non-operating other finance cost”. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is payable in the form of Convertible Debenture, described below.

Convertible Debenture

In December 2021, Navios Holdings entered into a convertible debenture with NSM (the “Convertible Debenture”), covering certain payments under the NSM Loans including an upfront fee of \$24,000, accrued interest, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% payment in kind (“PIK”), payable at maturity, if not earlier converted into shares of our common stock. As of March 31, 2022, the total outstanding balance of the Convertible Debenture amounted to \$35,497, including \$11,497, which consists of the accrued PIK interest at 18% on the NSM Loan I and II and the 4% PIK interest, amounting to \$5,476, \$5,792 and \$229, respectively, and is presented under the caption “Convertible debenture payable to affiliate companies”. For information on the Convertible Debenture, see Note 9 “Transactions with Related Parties” in the interim condensed consolidated financial statements.

Sale and Leaseback Agreements

In the first quarter of 2020, the Company entered into two sale and leaseback agreements of \$68,000 in total, with unrelated third parties for two Capesize vessels. 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 for the two Capesize vessels are repayable by 144 consecutive monthly payments of approximately \$224 and \$238 each, commencing as of January 2020 and March 2020, respectively. The agreements mature in the fourth quarter of 2031 and first quarter of 2032, respectively, with a balloon payment of \$750 per vessel on the last repayment date.

In December 2021, Navios Holdings entered into four new sale and leaseback agreements of \$77,000 in total, with unrelated third parties, in order to finance four dry bulk vessels. In December 2021, three of the four new sale and leaseback agreements were drawn down amounting to \$58,000 in total.

Two dry bulk vessels are repayable by 96 consecutive payments of approximately \$481 each, commencing as of December 2021. One dry bulk vessel is repayable by 72 consecutive monthly payments of approximately \$688, commencing as of December 2021. Two of the agreements mature in the fourth quarter of 2029 and one in the fourth quarter of 2027, respectively, with a balloon payment of \$3,600 each for two dry bulk vessels and \$3,500 for one dry bulk vessel on the last repayment date. The fourth sale and leaseback agreement amounting to \$19,000 was drawn down in January 2022, and is repayable by 84 consecutive monthly payments of approximately \$643. The fourth sale and sale and leaseback agreement matures in the first quarter of 2029 with a balloon payment of \$1,000.

In March 2022, Navios Holdings entered into a sale and leaseback agreement to finance one dry bulk vessel. The fifth sale and leaseback agreement amounting to \$12,000 was drawn down in March 2022, and is repayable by 60 consecutive monthly payments of approximately \$521. The fifth sale and leaseback agreement matures in the first quarter of 2027 with a balloon payment of \$1,600.

As of March 31, 2022, the outstanding balance under the seven sale and leaseback agreements was \$141,994 in total.

The seven sale and leaseback agreements have no financial covenants.

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Navios Logistics Debt

2025 Logistics Senior Notes

On July 8, 2020, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and, together with Navios Logistics (the “Logistics Co-Issuers”) issued \$500,000 in aggregate principal amount of senior secured notes due on July 1, 2025, at a fixed rate of 10.75% (the “2025 Logistics Senior Notes”).

On or after August 1, 2022, the Logistics Co-Issuers may redeem some or all of the 2025 Logistics Senior Notes at the redemption prices set forth in the indenture governing the 2025 Logistics Senior Notes. In addition, before August 1, 2022, the Logistics Co-Issuers may redeem up to 35% of the aggregate principal amount of the 2025 Logistics Senior Notes at a price equal to 110.750% of the principal amount of the 2025 Logistics Senior Notes to be redeemed plus accrued and unpaid interest, if any, to the redemption date with an amount equal to the net cash proceeds of one or more equity offerings so long as at least 50% of the originally issued aggregate principal amount of the 2025 Logistics Senior Notes remains outstanding. Prior to August 1, 2022, the Logistics Co-Issuers may also redeem all or a part of the 2025 Logistics Senior Notes at a redemption price equal to the sum of: (a) 100% of the principal amount of the 2025 Logistics Senior Notes to be redeemed; plus (b) the applicable “make-whole” premium described in the Indenture governing the 2025 Logistics Senior Notes, plus (c) accrued and unpaid interest, if any, on the 2025 Logistics Senior Notes to be redeemed, to (but excluding) the applicable redemption date, subject to the right of holders of notes on the relevant record date to receive interest due on all the relevant interest payment dates. The Logistics Co-Issuers may also redeem all, but not less than all, of the 2025 Logistics Senior Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon certain changes in law that would trigger the payment of withholding taxes. Furthermore, upon the occurrence of certain change of control events, the Logistics Co-Issuers may be required to offer to purchase 2025 Logistics Senior Notes from holders at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any.

The 2025 Logistics Senior Notes are senior secured obligations of the Logistics Co-Issuers and rank equal in right of payment to all of their existing and future senior indebtedness and senior in right of payment to all of their future subordinated indebtedness. The 2025 Logistics Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of the Navios Logistics’ direct and indirect subsidiaries, other than the Logistics Co-Issuer. The 2025 Logistics Senior Notes are secured by (i) first priority ship mortgages on four tanker vessels servicing the Navios Logistics’ cabotage business (the (1) Elena H, (2) Makenita H, (3) Sara H and (4) He Man H) owned by certain subsidiary guarantors (such guarantors, the “Mortgaged Vessel Guarantors”) and related assignments of earnings and insurance together with a first priority lien on the capital stock of each Mortgaged Vessel Guarantor; and (ii) an assignment by way of security of the Vale port contract (collectively, the “Collateral”). The 2025 Logistics Senior Notes are effectively senior to all existing and future obligations of the subsidiary guarantors that own Collateral to the extent of the value of the Collateral but effectively junior to any existing and future secured obligations of the Logistics Co-Issuers and the subsidiary guarantors that are secured by assets other than the Collateral to the extent of the value of any assets securing such other obligations. The indenture governing the 2025 Logistics Senior Notes contains restrictive covenants that limit, among other things, the ability of the Logistics Co-Issuers and their restricted subsidiaries to incur additional indebtedness, pay dividends and make distributions on common and preferred stock, make other restricted payments, make investments, incur liens, consolidate, merge, sell or otherwise dispose of all or substantially all of their assets and enter into certain transactions with affiliate companies, in each case, subject to exclusions, and other customary covenants. The indenture governing the 2025 Logistics Senior Notes also contains customary events of default.

The Logistics Co-Issuers were in compliance with the covenants as of March 31, 2022.

As of March 31, 2022 and December 31, 2021, deferred financing costs associated with the 2025 Logistics Senior Notes amounted to \$14,998 and \$15,927, respectively.

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Navios Logistics Other Long-term Loans and Notes Payable

On February 28, 2022, Navios Logistics entered into a \$7,000 loan facility with Alpha Bank (the “2022 Navios Logistics Alpha Bank Loan”) in order to repay existing debt under the Navios Logistics Alpha Bank Loan. The 2022 Navios Logistics Alpha Bank Loan bears interest at a rate of the Secured Overnight Financing Rate (“SOFR”) plus 315 basis points. The Navios Logistics 2022 Alpha Bank Loan is repayable in twelve quarterly installments, beginning on August 18, 2022, with a final balloon payment of \$2,800 on the last repayment date. On May 18, 2022, the amount under this facility was fully drawn.

On March 23, 2022, Navios Logistics entered into a \$25,000 loan facility with Banco Bilbao Vizcaya Argentaria (the “2022 BBVA Facility”). The 2022 BBVA Facility was used to repay existing debt under the existing BBVA Facility and for general corporate purposes. The 2022 BBVA Facility bears interest at a rate of 4.25% per annum, is repayable in quarterly installments with final maturity on July 1, 2025 and is secured by assignments of certain receivables. As of March 31, 2022, Navios Logistics had drawn a total of \$17,000 on the 2022 BBVA Facility and the outstanding balance was \$17,000.

On March 25, 2022, Navios Logistics entered into a \$5,000 loan facility with Banco Santander S.A. (the “Santander Facility”) for general corporate purposes. The Santander facility bears interest at a rate of 4.20% per annum, is repayable in twelve equal quarterly installments with final maturity on March 7, 2026 and is secured by assignments of certain receivables. As of March 31, 2022, Navios Logistics had drawn the total available amount and the outstanding balance was \$5,000.

As of March 31, 2022, Navios Logistics had long-term loans and notes payable, with a total outstanding balance of \$65,702, including the three above mentioned financings. 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 8.50% per annum. The facilities are repayable in installments and have maturities ranging from November 2024 to March 2026. See also the maturity table included below.

On April 28, 2022, Navios Logistics entered into a five year finance leasing contract for eight liquid barges to be delivered from the fourth quarter of 2022 till the second quarter of 2023. The finance lease contract is payable by 60 consecutive monthly payments of \$26 each, commencing from the delivery of each barge. At expiration, the Navios Logistics will have the ability to exercise the purchase option of these barges or extend the finance leasing contract duration.

During the three month ended March 31, 2022, the Company in relation to its secured credit facilities paid \$10,562 related to scheduled repayment installments and \$131,012 related to prepayments of four of the Company’s credit facilities. During the three month period ended March 31, 2022, the proceeds from the NSM Loans were \$262,632, the proceeds from long term debt were \$228,725 and the proceeds from the two sale and leaseback agreements were \$31,000.

During the three month period ended March 31, 2021, the Company in relation to its secured credit facilities paid \$8,090 related to scheduled repayment installments and \$36,199 related to the prepayment of four of Navios Holdings’ credit facilities.

The annualized weighted average interest rates of the Company’s total borrowings for the three month period ended March 31, 2022 and 2021 were 9.92% and 9.35%, respectively.

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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, 2022, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

Payment due by period	
March 31, 2023	\$ 211,626
March 31, 2024	162,062
March 31, 2025	137,989
March 31, 2026	754,301
March 31, 2027	18,213
March 31, 2028 and thereafter	56,605
Total	<u>\$1,340,796</u>

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 financing costs. The 2025 Logistics Senior Notes, the 2022 Senior Secured Notes, three sale and leaseback agreements and four Navios Logistics' loans are fixed rate borrowings and their fair value was determined based on quoted market prices.

Loans payable to affiliate companies, including Convertible Debenture: The carrying amounts of the fixed rate loan and the Convertible Debenture approximate their 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 interim condensed consolidated statements of comprehensive (loss)/income.

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

	March 31, 2022		December 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 41,527	\$ 41,527	\$ 53,591	\$ 53,591
Restricted cash	\$ 8,278	\$ 8,278	\$ 84,260	\$ 84,260
Investments in available-for-sale-securities	\$ 277	\$ 277	\$ 219	\$ 219
Senior and ship mortgage notes, net	\$(623,258)	\$(664,115)	\$(1,101,931)	\$(1,142,545)
Long-term debt, including current portion	\$(400,513)	\$(404,041)	\$ (171,919)	\$ (173,213)
Loans payable to affiliate companies, including current portion and Convertible Debenture	\$(296,671)	\$(298,129)	\$ (112,634)	\$ (112,634)

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, 2022			
	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	\$277	\$ 277	\$ —	\$ —
Total	<u>\$277</u>	<u>\$ 277</u>	<u>\$ —</u>	<u>\$ —</u>

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	Fair Value Measurements as of December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in available-for-sale-securities	\$219	\$ 219	\$ —	\$ —
Total	\$219	\$ 219	\$ —	\$ —

As of March 31, 2021, there were no assets measured at fair value on a non-recurring basis.

As of December 31, 2021, the Company's assets measured at fair value on a non-recurring basis were:

	Fair Value Measurements as of December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Vessels, port terminals and other fixed assets, net	\$7,500	\$ —	\$ 7,500	\$ —
Total	\$7,500	\$ —	\$ 7,500	\$ —

Navios Logistics recorded an impairment loss of \$21,966 for two of its tanker vessels operating in the cabotage business during the year ended December 31, 2021, the fair value of which is measured at \$7,500, as at December 31, 2021.

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, 2022			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 41,527	\$ 41,527	\$ —	\$ —
Restricted cash	\$ 8,278	\$ 8,278	\$ —	\$ —
Investments in available-for-sale-securities	\$ 277	\$ 277	\$ —	\$ —
Senior notes	\$ (664,115)	\$ (655,489)	\$ (8,626)	\$ —
Long-term debt, including current portion ⁽¹⁾	\$ (404,041)	\$ —	\$ (404,041)	\$ —
Loans payable to affiliate companies, including current portion ⁽²⁾ and Convertible Debenture	\$ (298,129)	\$ —	\$ (298,129)	\$ —

	Fair Value Measurements at December 31, 2021			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 53,591	\$ 53,591	\$ —	\$ —
Restricted cash	\$ 84,260	\$ 84,260	\$ —	\$ —
Investments in available-for-sale-securities	\$ 219	\$ 219	\$ —	\$ —
Senior and ship mortgage notes	\$(1,142,545)	\$(1,133,919)	\$ (8,626)	\$ —
Long-term debt, including current portion ⁽¹⁾	\$ (173,213)	\$ —	\$ (173,213)	\$ —
Loans payable to affiliate companies, including current portion ⁽²⁾	\$ (112,634)	\$ —	\$ (112,634)	\$ —

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- (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 loans payable to affiliate companies, including Convertible Debenture 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.

NOTE 8: COMMITMENTS AND CONTINGENCIES

As of March 31, 2022, the Company was contingently liable for letters of guarantee and letters of credit amounting to \$10 (December 31, 2021: \$10) issued by one bank in favor of various organizations and the total amount was collateralized by cash deposits, which were included as a component of restricted cash.

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, 2023.

On July 22, 2016, Navios Logistics guaranteed the compliance of certain obligations related to Edolmix S.A. and Energías Renovables del Sur S.A. (entities wholly owned by Navios Logistics) under their respective direct user agreements with the Free Zone of Nueva Palmira, for the amounts of \$847 and \$519, respectively.

In September 2020, Navios Logistics agreed to a settlement regarding a storage and transshipment contract in the grain port terminal for a total amount to be paid to Navios Logistics as a result of the settlement of \$4,140, which is collected in three equal installments of \$1,380 on June 1, 2021, 2022 and 2023. In June 2021, the Navios Logistics collected the first installment.

In April 2022, Vale S.A. announced the sale of its iron ore, manganese ore and logistics assets in the Midwestern system to J&F Mineracao Ltda., an entity controlled by J&F Investimentos S.A. The sale includes the full assumption by the buyer of the take-or-pay logistics contracts, which remain subject to the consent of the applicable counterparties. The Vale port contract remains in full force and effect. Any transfer, novation or assignment of the Vale port contract or any obligations or rights arising thereunder by Vale is subject to the prior approval of the Navios counterparty.

The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes that the final outcome will not have a significant effect on the Company's operating results or financial position and that no additional provisions over and above provisions already reflected in the interim condensed consolidated financial statements are required.

NOTE 9: TRANSACTIONS WITH RELATED PARTIES

Vessel Operating Expenses (management fees): Pursuant to a management agreement dated August 29, 2019 (the "Management Agreement"), the Manager provides commercial and technical management services to Navios Holdings' vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination is received by either party. The ship management services fees provided by the Manager was a fixed rate of \$3.7 per day per owned/bareboat-in vessel until August 2021 and \$3.8 per day per owned/bareboat-in vessel until August 2022. Thereafter, the rate will increase by 3% annually, unless otherwise agreed. The fee for the ship management services provided by the Manager is a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement are reimbursed by Navios Holdings at cost. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Management Agreement is terminated on or before August 29, 2024. Total management fees for vessel operating expenses for the three month periods ended March 31, 2022 and 2021 amounted to \$8,600 and \$10,571, respectively and are presented under the caption "Direct vessel expenses".

Navios Partners Guarantee: In November 2012 (as amended in March 2014), the Company entered into an agreement with Navios Partners (the "Navios Partners Guarantee") to provide Navios Partners with guarantees against counterparty default on certain existing charters, which had previously been covered by the charter insurance for the same vessels, same periods and same amounts. In April 2021, the Company paid the amount of \$5,000 to Navios Partners as the final settlement of the outstanding balance of the claim.

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General and administrative expenses: Pursuant to an administrative services agreement with the Manager dated August 29, 2019 (“Administrative Services Agreement”), the Manager provides administrative services to Navios Holdings. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Administrative Services Agreement is terminated on or before August 29, 2024. Total general and administrative expenses attributable to this agreement for the three month periods ended March 31, 2022 and 2021 amounted to \$1,991 and \$2,340, respectively, and are presented under the caption “General and administrative expenses”.

Pursuant to an administrative services agreement with the Manager dated August 29, 2019, NSM provides administrative services to Navios Logistics. Total general and administrative fees for each of the three month periods ended March 31, 2022 and 2021 amounted to \$286 and are presented under the caption “General and administrative expenses”.

Balance due to/from affiliate companies: Balance due to NSM as of March 31, 2022 amounted to \$37,111 (December 31, 2021: \$21,028).

As of March 31, 2022 the balance mainly consisted of management fees for vessel operating expenses, payments to the Manager in accordance with the Management Agreement and other amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels.

Omnibus Agreements: Navios Holdings has entered into an omnibus agreement with Navios Partners (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain dry bulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize dry bulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Holdings entered into an omnibus agreement with Navios Acquisition and Navios Partners (the “Acquisition Omnibus Agreement”) in connection with the closing of Navios Acquisition’s initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containership vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter dry bulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its dry bulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliate companies to compete with Navios Midstream under specified circumstances.

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Navios Holdings entered into an omnibus agreement with Navios Containers, Navios Acquisition, and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have granted a right of first refusal to Navios Containers over any container vessels to be sold or acquired in the future, subject to significant exceptions. The right of first refusal would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliate companies to compete with Navios Containers under specified circumstances.

Midstream General Partner Option Agreement: Navios Holdings entered into an option agreement, with Navios Acquisition under which Navios Acquisition, which owns and controls Navios Maritime Midstream Partners GP LLC (“Midstream General Partner”), granted Navios Holdings the option to acquire a minimum of 25% of the outstanding membership interests in Midstream General Partner and the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. The purchase price for the acquisition for all or part of the option interest shall be an amount equal to its fair market value. As of March 31, 2022, Navios Holdings had not exercised any part of that option.

Sale of Vessels and Sale of Rights to Navios Partners: In March 2021, Navios Holdings completed the sale to Navios Partners of the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, and the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, for a sale price of \$39,250, including working capital adjustments.

Secured credit facility with Navios Logistics (Grimaud Loan): On April 25, 2019, Navios Holdings entered into a secured credit facility of up to \$50,000 with Navios Logistics on a secured basis to be used for general corporate purposes, including the repurchase of 2022 Notes. This credit facility was secured by any 2022 Notes purchased by Navios Holdings with these funds. The secured credit facility included an arrangement fee of \$500 and initially bore a fixed interest rate of 12.75% for the first year and 14.75% for the second year. On December 2, 2019, Navios Holdings and Navios Logistics agreed to increase the secured credit facility by \$20,000. Following this amendment, as a result of the redemption of the 2022 Logistics Senior Notes, repayment of the Term Loan B Facility and the issuance of 2025 Logistics Senior Notes, (a) the interest rate on the secured credit facility decreased to 10.0%, and (b) the maturity of the secured credit facility was extended to December 2024. As of December 31, 2021, the total amount of this facility was repaid in full, as described below.

Effective as of May 2021, and upon the release of certain collateral, the facility bore interest of 13.0% per annum.

On June 30, 2021, the Company entered into a supplemental agreement to the Grimaud Loan (the “Supplemental Grimaud Loan Agreement”) with Grimaud, whereby the Company and Grimaud agreed to amend the Grimaud Loan. Pursuant to the amendment, the Grimaud Loan could be repaid or prepaid in full by the issuance of shares of common stock of Navios Holdings. The effectiveness of the Supplemental Grimaud Loan Agreement was subject to, and contingent upon, prepayment of the Grimaud Loan in the amount of \$7,500 in cash and the effectiveness of a registration statement registering the resale of Navios Holdings shares, among other conditions.

On July 13, 2021, the Grimaud Loan plus accrued interest was repaid by the Company in full through the issuance of 9,301,542 shares (the “Shares”) of the Company’s common stock and \$7,500 in cash plus accrued and unpaid interest. Please see also Note 10 “Preferred and Common Stock” to the interim condensed consolidated financial statements.

NSM Loan: On August 29, 2019, Navios Holdings entered into a secured credit facility of \$141,795 (including post-closing adjustments) with a wholly owned subsidiary of NSM (the “NSM Loan”). In general, the amount owed reflects the excess of (i) the liabilities of the ship management business (including liabilities for advances previously made by affiliate companies to the Company for ongoing operating costs, including technical management services, supplies, dry-docking and related expenses) other than liabilities the assumption of which forms part of the consideration for the sale of the management division over (ii) the short term assets of the ship management business. The Company’s obligations under the NSM Loan were guaranteed by substantially the same subsidiaries that guaranteed the 2022 Notes and secured by assets of the Company that did not secure the 2022 Notes or the 2022 Senior Secured Notes. The credit facility was repayable over a five-year period; of the initial amount, \$47,000 was repayable in 2020 in equal quarterly installments, with the remaining principal repayment in equal quarterly installments over the following 48 months. In certain cases, principal payments could 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 provided for interest at 5.0% annually, and 7.0% annually for deferred principal amounts.

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In December 2021, the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of March 31, 2022, and following the refinancing, the NSM Loan was fully repaid.

The Company's obligations under the NSM Loan were guaranteed by 2,072,121 common units in Navios Partners, first priority share pledges on two companies, that have entered into sale and leaseback agreements and five companies that hold the rights to certain bareboat contracts.

\$50.0 million NSM Loan: In June 2020, the Company entered into a secured loan agreement with a wholly owned subsidiary of NSM, for a loan of up to \$50,000 to be used for general corporate purposes (the "\$50.0 million NSM Loan"). The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. The loan agreement was repayable in up to 18 equal consecutive quarterly installments. Principal payments that fell due during the first year following the initial drawdown could be deferred, at the Company's election, in whole or in part. The loan agreement provided for interest at a rate of 5.0% annually (and 7.0% annually for deferred principal amounts).

The Company's obligations under the \$50.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain 2022 Notes due 2022 owned by Navios Holdings and 40,587 common units in Navios Partners.

On July 12, 2021, the Company refinanced the total outstanding balance of \$39,735 under this facility through the \$115.0 million NSM Loan described below.

\$115.0 million NSM Loan: In June 2021, the Company entered into a senior secured term loan facility with a wholly owned subsidiary of NSM for a loan up to \$115,000 (i) to refinance \$39,736 being the outstanding balance under the \$50.0 million NSM Loan described above ("Tranche A"), (ii) to redeem amount of \$70,000 of 2022 Senior Secured Notes and (iii) to be used for general corporate purposes ("Tranche B") (the "\$115.0 million NSM Loan"). The terms and conditions of the secured loan agreement were approved by a Special Committee of the Board of Directors comprised of independent directors. Tranche A was repayable in 14 quarterly installments of \$2,838 and matured on November 30, 2024. Tranche B was repayable in seven quarterly installments with the first two being of an amount of \$22,632 each and the remaining of an amount of \$6,000 each and matured on February 28, 2023.

Both tranches bore interest at a rate of 10.5% per annum, payable quarterly. The Company could have elected to defer one scheduled amortization payment by 90 days and interest payments, in which case the applicable interest rate would be 12.0% per annum, compounded quarterly.

On July 12, 2021, the amount under this facility was fully drawn.

In December 2021, the Company entered into an amended and restated secured loan agreement with NSM in order to refinance the outstanding balance of this facility through the NSM Loan I (as defined herein). As of March 31, 2022, and following the refinancing, the \$115.0 million NSM Loan was fully repaid. As of March 31, 2022, the Company wrote off \$875 of deferred financing costs and was included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption "Interest expense and finance cost, net".

The Company's obligations under the \$115.0 million NSM Loan were guaranteed by first priority security interests in a vessel, as well as pledge of certain 2022 Notes owned by Navios Holdings and 40,587 common units in Navios Partners and a second priority pledge in the Navios Logistics' shares, 1,070,491 Navios Partners' common units and second priority pledge over the collaterals securing the NSM Loan.

NSM Loan I: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019, whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan

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of up to \$127,632 (the “NSM Loan I”), in two tranches: (i) the first tranche of \$48,573 represents borrowings already made available and (ii) the second tranche of \$79,059 represents new borrowings to be made available in exchange of the release by NSM of certain existing collateral. The NSM Loan I is repayable in quarterly installments of \$5,000 with the first installment falling due in the third quarter of 2023. The NSM Loan I has a four-year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter when paid in the form of Convertible Debenture for the first 18 months (“PIK Interest”) and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan I will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. As of March 31, 2022, the outstanding balance is \$127,632, and an amount of \$5,476 accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies.”

The Company’s obligations under the NSM Loan I are guaranteed by 2,072,121 common units in Navios Partners.

NSM Loan II: In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021 whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$135,000 (the “NSM Loan II”) in two tranches (i) the first tranche of \$64,059 represents outstanding borrowings already made available and (ii) the second tranche of \$70,941 represents new borrowings to be made available, in exchange of the release by NSM of certain existing collateral. The NSM Loan II is repayable in quarterly installments of \$5,000 with the first installment falling due in the third quarter of 2023. The NSM Loan II has a four year term and bears interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes are repaid and 16.5% per annum thereafter, when paid in PIK Interest and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan II will be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. As of March 31, 2022, the outstanding balance is \$135,000 and an amount of \$5,792 accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies.”

Upon completion of the refinancing in January 2022, NSM received an upfront fee in respect of the NSM Loan I and the NSM Loan II of \$24,000 in the form of a Convertible Debenture and is included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption “Non-operating other finance cost”. The agreements also provide for prepayment premiums ranging from 5%-10% during the first 36 months of the term which is repayable in the form of Convertible Debenture, described below.

The Company’s obligations under the NSM Loan II are guaranteed by 40,587 common units in Navios Partners, a second priority pledge in the Navios Logistics’ shares and 1,070,491 Navios Partners’ common units and second priority pledge over the collaterals securing the NSM Loan I.

Convertible Debenture: In December 2021, Navios Holdings entered into the Convertible Debenture with NSM, covering an upfront fee of \$24.0 million, accrued interest on the NSM Loans, and prepayment fees. The lender has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years and bears interest at the rate of 4% PIK, payable at maturity, if not earlier converted into shares of our common stock. As of March 31, 2022, the total outstanding balance of the Convertible Debenture amounted to \$35,497, including \$11,497, which consists of the accrued PIK interest at 18% on the NSM Loan I and II and the 4% PIK interest, amounting to \$5,476, \$5,792 and \$229, respectively, and is presented under the caption “Convertible debenture payable to affiliate companies”.

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the “Series I Preferred Stock”) on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 6,106,871 and 9,133,147 shares of common stock issuable as of March 31, 2022 and April 4, 2022, respectively, upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM, the holder of the Series I Preferred Stock, may convert any or all of the outstanding preferred stock into common stock at its option at any time until the maturity of the Convertible Debenture at the conversion rate of \$3.93 per common stock. In addition, there are also provisions for mandatory conversion upon the occurrence of certain events. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

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Navios Logistics' Shareholders Agreement: On November 19, 2019, Navios Holdings entered into a shareholder agreement with Peers Business Inc. granting certain protections to minority shareholders in certain events.

Promissory note: On July 30, 2021, Navios Logistics issued a \$20,000 promissory note to Grimaud. The promissory note is payable in four semi-annual equal installments commencing on August 15, 2021. The Company has the ability to defer payment of one of the first three installments subject to certain conditions. On August 15, 2021, the first installment was paid. On July 30, 2021, Grimaud entered into an assignment agreement with Peers Business Inc., whereby the promissory note was assigned to Peers Business Inc. Please refer to Note 10 "Preferred and Common Stock" to the interim condensed consolidated financial statements.

NOTE 10: PREFERRED AND COMMON STOCK

Vested, Surrendered and Forfeited

During the three month period ended March 31, 2022, 29 restricted shares of common stock were forfeited and 37,879 restricted stock units issued to the Company's officers and directors vested.

During the three month period ended March 31, 2021, 27 restricted shares of common stock were forfeited and 37,879 restricted stock units issued to the Company's employees vested.

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.

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 a total of approximately \$4,747 in aggregate principal amount of 2024 Notes. The difference between the carrying amount of the preferred shares redeemed and the fair value of the consideration transferred amounting to \$16,365 was recorded in accumulated deficit. Following the completion of the offer, the Company cancelled the undeclared preferred dividend of Series H of \$7,678.

As of April 18, 2019, a total of 8,841 Series G were validly tendered representing a net aggregate nominal value of approximately \$21,271. Navios Holdings paid \$620 for tender offer expenses, approximately \$4,423 cash consideration and issued a total of approximately \$3,879 principal amount of 2024 Notes. The difference between the carrying amount of the preferred shares redeemed and the fair value of the consideration transferred amounting to \$12,568 was recorded in accumulated deficit. Following the completion of the offer, the company cancelled the undeclared preferred dividend of series G of \$6,798.

In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G and Series H. On July 15, 2017, the Company reached six quarterly dividend payments in arrears relating to its Series G and Series H and as a result the respective dividend rate increased by 0.25%. Total undeclared preferred dividends as of March 31, 2022 were \$31,625 (net of cancelled dividends).

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Series I Preferred Stock

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of Series I Preferred Stock on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 6,106,871 and 9,133,147 shares of common stock issuable as of March 31, 2022 and April 4, 2022, respectively, upon conversion of a Convertible Debenture and are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM, the holder of the Series I Preferred Stock, may convert any or all of the outstanding preferred stock into common stock at its option at any time until the maturity of the Convertible Debenture at the conversion rate of \$3.93 per common stock. In addition, there are also provisions for mandatory conversion upon the occurrence of certain events.

Issuances to Officers and Directors

On December 15, 2021, pursuant to the stock plan approved by the Board of the Directors, 40,000 restricted shares of common stock were granted to Navios Holdings officers and directors and issued on January 15, 2022.

Navios Holdings had outstanding as of March 31, 2022 and December 31, 2021, 25,238,591 shares and 25,198,620 shares, respectively, from which 2,414,263 shares are held by Navios Corporation and are considered as treasury shares. Preferred stock was 24,032 (5,350 Series G, 17,682 Series H and 1,000 Series I) and 23,032 (5,350 Series G and 17,682 Series H) as of March 31, 2022 and December 31, 2021 respectively.

Sale of Navios Holdings shares of common stock

On July 13, 2021, the Company issued 9,301,542 shares of common stock in order to repay in full the Grimaud Loan. Please refer also to Note 9 “Transactions with Related Parties”. As of December 2021, the Grimaud sold all 9,301,542 shares of common stock of Navios Holdings and generated net proceeds of \$44,437, including costs of \$176, part of which was used to fund the Second, Third and Fourth Redemptions.

NOTE 11: OTHER INCOME, NET

During the three month periods ended March 31, 2022 and 2021, taxes other-than income taxes of Navios Logistics amounted to \$1,418 and \$1,004, respectively, and were included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption “Other expense, net”.

NOTE 12: SEGMENT INFORMATION

The Company currently has two reportable segments from which it derives its revenues: Dry Bulk Vessel Operations and Logistics Business. 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 port terminal business, barge business and cabotage business.

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The Company measures segment performance based on net (loss)/income attributable to Navios Holdings common stockholders. Inter-segment sales and transfers are not significant and have been eliminated and are not included in the following tables. Summarized financial information concerning each of the Company's reportable segments is as follows:

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2022	Logistics Business for the Three Month Period Ended March 31, 2022	Total for the Three Month Period Ended March 31, 2022
Revenue	\$ 68,636	\$ 59,154	\$ 127,790
Interest expense and finance cost, net	(22,221)	(15,344)	(37,565)
Depreciation and amortization	(6,432)	(7,946)	(14,378)
Equity in net earnings of affiliate companies	9,798	—	9,798
Net loss attributable to Navios Holdings common stockholders	(4,771)	(229)	(5,000)
Total assets	1,102,017	602,309	1,704,326
Goodwill	56,240	104,096	160,336
Capital expenditures	(1,578)	(1,721)	(3,299)
Investments in affiliate companies	135,383	—	135,383
Cash and cash equivalents	8,126	33,401	41,527
Restricted cash	8,278	—	8,278
Long-term debt, net (including current and noncurrent portion)	\$ 734,335	\$ 550,610	\$ 1,284,945

	Dry Bulk Vessel Operations for the Three Month Period Ended March 31, 2021	Logistics Business for the Three Month Period Ended March 31, 2021	Total for the Three Month Period Ended March 31, 2021
Revenue	\$ 63,728	\$ 53,223	\$ 116,951
Interest expense and finance cost, net	(21,844)	(14,356)	(36,200)
Depreciation and amortization	(8,797)	(7,469)	(16,266)
Equity in net earnings of affiliate companies	27,740	—	27,740
Net (loss)/ income attributable to Navios Holdings common stockholders	(101)	264	163
Total assets	1,242,351	656,444	1,898,795
Goodwill	56,240	104,096	160,336
Capital expenditures	(1,394)	(18,387)	(19,781)
Investments in affiliate companies	84,625	—	84,625
Cash and cash equivalents	18,408	40,305	58,713
Restricted cash	1,370	—	1,370
Long-term debt, net (including current and noncurrent portion)	\$ 1,006,414	\$ 553,404	\$ 1,559,818

NOTE 13: LOSS PER COMMON SHARE

Loss per share is calculated by dividing net (loss)/income 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.

For the three month period ended March 31, 2022, 210,186 potential common shares 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. The Series I Preferred Stock are considered participating shares which are excluded from the calculation of basic and diluted net loss per share, as they do not participate in losses.

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For the three month period ended March 31, 2021, 391,676 potential common shares 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, 2022	Three Month Period Ended March 31, 2021
Numerator:		
Net (loss)/income attributable to Navios Holdings common stockholders	\$ (5,000)	\$ 163
Less:		
Declared and undeclared dividend on preferred stock and on unvested restricted shares	(1,277)	(1,277)
Plus:		
Loss available to Navios Holdings common stockholders, basic and diluted	\$ (6,277)	\$ (1,114)
Denominator:		
Denominator for basic and diluted net loss per share attributable to Navios Holdings common stockholders —weighted average shares	<u>22,631,476</u>	<u>13,113,385</u>
Basic and diluted net loss per share attributable to Navios Holdings common stockholders	\$ (0.28)	\$ (0.08)

NOTE 14: INVESTMENTS IN AFFILIATE COMPANIES 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., a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest. In August 2019, Navios Holdings sold the general partnership interests in Navios Partners (except for the incentive distribution rights) to NSM.

As of March 31, 2022 and December 31, 2021 Navios Partners has issued 7,687,730 units, for both periods through its Continuous Offering Programs entered into from time to time. Pursuant to the issuance of common units, Navios Partners issued 156,895 general partnership units to its general partner both as of March 31, 2022 and December 31, 2021, in order to maintain its 2.0% general partnership interest.

As of March 31, 2022 and following the NMCI Merger and NNA Merger, Navios Holdings holds a total of 3,183,199 common units representing a 10.3% 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, 2022 and December 31, 2021, 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 \$55,415 and \$56,351, respectively.

As of March 31, 2022 and December 31, 2021, the carrying amount of the investment in Navios Partners was \$135,383 and \$125,744, respectively.

Total equity method income of \$9,798 and \$29,197 were recognized under the caption "Equity in net earnings of affiliate companies" for the three month periods ended March 31, 2022 and 2021, respectively.

Dividends received during each of the three month periods ended March 31, 2022 and 2021 were \$159 and \$104, respectively.

As of March 31, 2022, the market value of the investment in Navios Partners was \$112,049. Based on the Company's evaluation of the duration and magnitude of the fair value decline, Navios Partners' financial condition and near-term prospects, and the Company's intent and ability to hold its investment in Navios Partners until recovery, the Company concluded that the decline in fair value of its investment in Navios Partners below its carrying value is temporary and, therefore, no impairment was recorded.

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Navios Acquisition

On August 25, 2021, Navios Partners and its direct wholly-owned subsidiary Navios Acquisition Merger Sub. Inc. (“Merger Sub”) entered into an Agreement and Plan of Merger with Navios Acquisition (the “NNA Merger”).

On August 25, 2021, Navios Partners purchased 44,117,647 shares of Navios Acquisition, thereby acquiring a controlling interest in Navios Acquisition, and the results of operations of Navios Acquisition are included in Navios Partners’ consolidated statements of operations commencing on August 26, 2021. Pursuant to the NNA Merger, on August 26, 2021, Navios Acquisition called for redemption of all of its outstanding 8.125% first Priority Ship Mortgage Notes due November 15, 2021 (the “Navios Acquisition’s Ship Mortgage Notes”) and remitted to the indenture trustee the aggregate redemption price payable to the holders of the Navios Acquisition’s Ship Mortgage Notes to satisfy and discharge Navios Acquisition’s obligations under the indenture relating to the Navios Acquisition’s Ship Mortgage Notes. The redemption date for the Navios Acquisition’s Ship Mortgage Notes was September 25, 2021.

On October 15, 2021, Navios Partners completed the NNA Merger. As a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Each outstanding common unit of Navios Acquisition that was held by a unitholder, other than Navios Partners, Navios Acquisition and their respective subsidiaries was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public unitholders of Navios Acquisition. As of the close market on October 15, 2021, Navios Acquisitions’ common shares were no longer listed for trading on NYSE.

Upon completion of the NNA Merger, as of October 15, 2021, Navios Holdings derecognized its investment in Navios Acquisition.

Total equity method loss of nil and \$(2,053), were recognized under the caption “Equity in net earnings/(losses) of affiliate companies” for the three month periods ended March 31, 2022 and 2021, respectively.

Dividends received for each of the three month periods ended March 31, 2022 and 2021 were \$nil and \$234, respectively.

Navios Containers

Following the sale of Navios Containers general partnership interest effected on August 30, 2019, 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 was accounted for under the equity method, through the NMCI Merger (as defined herein) on March 31, 2021.

On January 4, 2021, Navios Containers and Navios Partners announced that they entered into a definitive merger agreement (the “NMCI Merger”). Under the terms of the NMCI Merger, Navios Partners acquired all of the publicly held common units of Navios Containers through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers common unit. The NMCI Merger was completed on March 31, 2021. As of the close of the market on March 31, 2021, Navios Containers’ common units were no longer listed for trading on NASDAQ.

Upon completion of the NMCI Merger, as of March 31, 2021, Navios Holdings derecognized its investment in Navios Containers

Total equity method income of nil and \$596, were recognized under the caption “Equity in net earnings/(losses) of affiliate companies” for the three month periods ended March 31, 2022 and 2021, respectively.

Following the results of the significance tests performed by the Company, it was concluded that one affiliate company met the significance threshold requiring summarized financial information of all affiliate companies being presented.

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Summarized financial information of the affiliate company is presented below:

<u>Income Statement</u>	<u>March 31, 2022</u> Navios Partners	<u>March 31, 2021</u> Navios Partners
Revenue	\$ 236,617	\$ 65,063
Time charter and voyage expenses	\$ (17,143)	\$ (2,495)
Direct vessel expenses	\$ (11,193)	\$ (3,154)
Vessel operating expenses	\$ (73,172)	\$ (22,962)
Net income	\$ 85,665	\$ 136,679

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 the interim condensed 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, 2022 and December 31, 2021, the carrying amount of AFS Securities related to STX was \$277 and \$219, respectively and was recorded under the caption “Other long-term assets” in the interim condensed consolidated balance sheet.

For the three month periods ended March 31, 2022 and 2021, the unrealized holding losses related to these AFS Securities included under the caption “Other expense, net” were \$58 and 41, respectively.

NOTE 15: LEASES

Time charter out contracts

The Company’s contract revenues from time chartering are governed by ASC 842. Upon adoption of ASC 842, the timing and recognition of earnings from the time charter contracts to which the Company is party did not change from previous practice.

Time charter-in and bareboat-in contracts

As of March 31, 2022, Navios Holdings had time charter-in and bareboat-in contracts whose remaining lease terms ranged from less than 0.1 years to 8.3 years. Certain operating leases have optional periods. Based on management estimates and market conditions, the lease term of these leases is being assessed at each balance sheet date. The Company will continue to recognize the lease payments for all operating leases as charter hire expense on the interim condensed consolidated statements of comprehensive (loss)/income on a straight-line basis over the lease term.

Land lease agreements

As of March 31, 2022, Navios Logistics had land lease agreements whose remaining lease terms range from 43.9 years to 44.3 years.

Office lease agreements

As of March 31, 2022, Navios Logistics had office lease agreements whose remaining lease terms ranged from less than 0.2 years to 4.6 years.

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The tables below present the components of the Company’s lease expense for the three month period ended March 31, 2022 and 2021:

	Dry Bulk Vessel Operations Three Month Period Ended March 31, 2022	Logistics Business Three Month Period Ended March 31, 2022	Total
Lease expense for charter-in contracts	\$ 15,008	\$ 1,008	\$16,016
Lease expense for land lease agreements	—	144	144
Lease expense for office lease agreements	—	71	71
Total	\$ 15,008	\$ 1,223	\$16,231

	Dry Bulk Vessel Operations Three Month Period Ended March 31, 2021	Logistics Business Three Month Period Ended March 31, 2021	Total
Lease expense for charter-in contracts	\$ 20,598	\$ 1,538	\$22,136
Lease expense for land lease agreements	—	140	140
Lease expense for office lease agreements	—	66	66
Total	\$ 20,598	\$ 1,744	\$22,342

Lease expenses for charter-in contracts are included in the interim condensed consolidated statement of comprehensive (loss)/income under the caption “Time charter, voyage and logistics business expenses”. Lease expenses for land lease agreements and office lease agreements are included in the interim condensed consolidated statement of comprehensive (loss)/income under the captions “Time charter, voyage and logistics business expenses” and “General and administrative expenses”, respectively.

The Company did not enter into new lease liabilities during the three month periods ended March 31, 2022 and 2021, respectively.

The table below provides the total amount of lease payments on an undiscounted basis on our charter-in contracts and office lease agreements as of March 31, 2022:

	Charter-in vessels in operation	Land leases	Office space
March 31, 2023	\$ 65,201	\$ 556	\$ 473
March 31, 2024	50,061	556	387
March 31, 2025	33,740	556	116
March 31, 2026	19,018	556	60
March 31, 2027	12,924	556	38
March 31, 2028 and thereafter	28,339	21,750	—
Total	\$209,283	\$ 24,530	\$ 1,074
Operating lease liabilities, including current portion	\$174,899	\$ 8,122	\$ 955
Discount based on incremental borrowing rate	\$ 34,384	\$ 16,408	\$ 119

As of March 31, 2022, the weighted average remaining lease terms on our charter-in contracts, office lease agreements and land leases are 4.6 years, 2.6 years and 44.1 years, respectively.

NOTE 16: SUBSEQUENT EVENTS

- In May 2022, the Company redeemed an aggregate principal amount of \$25,000 of its 2022 Senior Secured Notes. Please see also Note 6 “Borrowings” to the interim condensed consolidated financial statements.

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: May 27, 2022