UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

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

OR

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

For the fiscal year ended December 31, 2020

OR

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

For the transition period from ___________ to __________

OR

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

Date of event requiring this shell company report ______________

Commission file number 001-33811

Navios Maritime Partners L.P.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's Name into English)

Republic of Marshall Islands

(Jurisdiction of incorporation or organization)

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Units	NMM	New York Stock Exchange LLC

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

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

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 11,345,187 Common Units

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

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

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

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

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

Large Accelerated Filer ☐ Accelerated Filer ☒ Non-Accelerated Filer ☐ Emerging Growth Company ☐

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

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

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

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

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

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

☐ Item 17 ☐ Item 18

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

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FORWARD-LOOKING STATEMENTS

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

Statements included in this annual report which are not historical facts (including our statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto) are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, and the markets in which we operate as described in this annual report. In some cases, you can identify the forward-looking statements by the use of words such as “may,” “could,” “should,” “would,” “expect,” “plan,” “anticipate,” “intend,” “forecast,” “believe,” “estimate,” “predict,” “propose,” “potential,” “continue” or the negative of these terms or other comparable terminology.

Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- our ability to make cash distributions on our common units;
- our future financial condition or results of operations and our future revenues and expenses;
- future levels of operating surplus and levels of distributions, as well as our future cash distribution policy;
- our current and future business and growth strategies and other plans and objectives for future operations;
- our ability to take delivery of, integrate into our fleet, and employ additional vessels, whether secondhand, as the fleet being acquired in the Navios Maritime Containers L.P. (“Navios Containers”) merger, or any newbuildings we may order in the future;
- future charter hire rates and vessel values;
- the repayment of debt;
- our ability to access debt and equity markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- future supply of, and demand for, dry cargo commodities;
- increases in interest rates;
- our ability to maintain long-term relationships with major commodity traders, operators and liner companies;
- our ability to leverage the scale, experience, reputation and relationships of Navios Maritime Holdings Inc. (“Navios Holdings”) and our manager Navios Shipmanagement Inc. (the “Manager”);
- our continued ability to enter into long-term, fixed-rate time charters;
- our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charters;
- timely purchases and deliveries of newbuilding vessels;
- future purchase prices of newbuildings and secondhand vessels;
- our ability to compete successfully for future chartering and newbuilding opportunities;
- our future financial condition or results of operations and our future revenues and expenses, including revenues from any profit sharing arrangements, and required levels of reserves;
- potential liability and costs due to environmental, safety and other incidents involving our vessels;
- our track record, and past and future performance, in safety, environmental and regulatory matters;
- our anticipated incremental general and administrative expenses as a publicly traded limited partnership and our expenses under the management agreement, as amended (the “Management Agreement”) and the administrative services agreement (the “Administrative Services Agreement”) with the Manager and for reimbursements for fees and costs of our general partner;
- estimated future maintenance and replacement capital expenditures;
- future sales of our common units in the public market;
- a lack of sufficient cash to pay the quarterly distribution on our common units;
- the cyclical nature of the international dry cargo and container shipping industry;

- fluctuations in charter rates for dry cargo carriers and containerships;
- the number of newbuildings currently under construction;
- changes in the market values of our vessels and the vessels for which we have purchase options;
- an inability to expand relationships with existing customers and obtain new customers;
- the loss of any customer or charter or vessel;
- the aging of our fleet and resultant increases in operations costs;
- damage to our vessels;
- global economic outlook and growth and changes in general economic and business conditions, including the global impact of the COVID-19 pandemic and efforts throughout the world to contain its spread;
- general domestic and international political conditions, including wars, pandemics, terrorism and piracy;
- public health threats, such as COVID-19, influenza and other highly contagious diseases or viruses;
- increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses;
- the adequacy of our insurance arrangements and our ability to obtain insurance and required certifications;
- the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;
- the changes to the regulatory requirements applicable to the shipping industry, including, without limitation, stricter requirements adopted by international organizations, such as the International Maritime Organization (the “IMO”) and the European Union (sometimes referred to as “EU”), or by individual countries or charterers and actions taken by regulatory authorities and governing such areas as safety and environmental compliance;
- the anticipated taxation of our partnership and our unitholders;
- expected demand in the dry cargo shipping sector in general and the demand for our Panamax, Capesize, Ultra-Handymax and Container vessels in particular;
- our ability to retain key executive officers;
- customers' increasing emphasis on environmental and safety concerns;
- changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors; and
- other factors detailed from time to time in our periodic reports filed with the U.S. Securities and Exchange Commission (the “SEC”).

These and other forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those set forth below, as well as those risks discussed in “Item 3. Key Information”.

The risks and assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond our control and many of which have been and many further be, exacerbated by the COVID-19 pandemic. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

A. Selected Financial Data

The selected consolidated historical financial information as of December 31, 2020 and 2019 and operating results for the years ended December 31, 2020, 2019, and 2018, were derived from the audited consolidated financial statements of Navios Maritime Partners L.P. (sometimes referred to as “Navios Partners”, the “Partnership”, the “Company”, “we” or “us”) which are included elsewhere in this report. The selected consolidated historical financial information as of December 31, 2018, 2017 and 2016 and for the years ended December 31, 2017 and December 31, 2016 have been derived from our

audited financial statements not included in this report. This information is qualified by reference to, and should be read in conjunction with "Item 5. Operating and Financial Review and Prospects" and our consolidated financial statements and notes thereto included elsewhere in this report.

	Year ended December 31,				
	2020	2019	2018	2017	2016
	(Expressed in thousands of U.S. dollars-except unit and per unit data)				
Statement of Operations Data					
Time charter and voyage revenues	$ 226,771	$ 219,379	$ 231,361	$ 211,652	$ 190,524
Time charter and voyage expenses	(11,028)	(12,331)	(10,024)	(4,158)	(5,673)
Direct vessel expenses	(10,337)	(6,985)	(6,180)	(7,172)	(6,381)
Vessel operating expenses (management fees entirely through related parties transactions)	(93,732)	(68,188)	(68,871)	(67,310)	(59,209)
General and administrative expenses	(24,012)	(20,984)	(18,458)	(17,163)	(12,351)
Depreciation and amortization	(56,050)	(53,255)	(58,334)	(72,760)	(92,370)
Vessels impairment loss	(71,577)	(36,680)	(44,344)	(32,677)	(27,201)
Loss on sale of securities	—	—	—	—	(19,435)
Interest expense and finance cost, net	(24,159)	(45,254)	(42,766)	(38,225)	(31,247)
Interest income	639	6,172	4,408	3,277	541
Impairment of receivable in affiliated company	(6,900)	—	—	—	—
Gain on change in control	—	—	—	4,068	—
Other income	5,055	1,053	1,554	9,884	14,523
Other expense	(4,344)	(4,990)	(5,384)	(5,133)	(4,270)
Equity in net earnings/ (loss) of affiliated companies	1,133	(40,071)	3,957	866	—
Net loss	**$ (68,541)**	**$ (62,134)**	**$ (13,081)**	**$ (14,851)**	**$ (52,549)**
Balance Sheet Data (at year end)					
Current assets, including cash	$ 60,780	$ 75,990	$ 111,112	$ 60,306	$ 56,349
Vessels, net	1,041,138	1,062,258	1,043,250	1,099,015	1,037,206
Total assets	1,207,269	1,253,517	1,314,133	1,305,302	1,268,580
Total long-term financial liabilities, including current portion, net	62,758	88,608	23,820	—	—
Total long-term debt, including current portion, net	424,099	400,420	483,665	493,463	523,776
Total operating lease liabilities, including current portion, net	13,153	14,202	—	—	—
Total partners' capital	654,830	728,019	776,753	767,710	680,209
Units issued and outstanding					
Common unitholders	11,345,187	10,987,679	11,270,283	9,853,181	5,554,927
Weighted average units outstanding (basic and diluted)					
Common unitholders	10,966,518	10,830,959	10,823,591	8,840,689	5,540,471
Loss per unit (basic and diluted)					
Common unit	$ (6.13)	$ (5.62)	$ (1.18)	$ (1.65)	$ (9.3)
Dividends declared per unit					
Cash dividend per common unit	$ 0.45	$ 1.20	$ 1.20	—	—
Cash dividend per general partner unit	$ 0.45	$ 1.20	$ 1.20	—	—

	Year ended December 31,				
	2020	2019	2018	2017	2016
	(Expressed in thousands of U.S. dollars-except unit and per unit data)				
Cash Flow Data					
Net cash provided by operating activities	$ 94,086	$ 70,395	$ 68,319	$ 53,499[2]	$ 61,813[2]
Net cash (used in)/ provided by investing activities	(83,854)	(17,034)	(67,888)	(187,211)	5,051
Net cash (used in)/ provided by financing activities	(9,906)	(84,414)	31,091	138,557[2]	(76,315)(2)
Fleet Data:					
Vessels operating at end of period[1]	52	46	37	36	32

(1) Includes owned and bareboat chartered-in vessels.

(2) The net cash provided by operating activities and net increase in operating assets presented in this table have been revised to reflect the adoption of ASU 2016-18, which was effective beginning the first quarter ended March 31, 2018 and applied retrospectively to all prior periods presented in the Company's financial statements.

B. Capitalization and indebtedness.

Not applicable.

C. Reasons for the offer and use of proceeds.

Not applicable.

D. Risk factors

Risks Relating to Our Business and our Industry

- *Our growth depends on continued growth in demand for drybulk commodities, finished or semi-finished goods, and the shipping of drybulk cargoes as well as the shipping of containers.*
- *An increase in trade protectionism and the unraveling of multilateral trade agreements could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.*
- *We are focused on employing vessels on long-term charters and we may have difficulties in doing so if a more active short-term or spot market develops.*
- *Our growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition from new entrants and established companies with significant resources.*
- *As we expand our business, we may have difficulty managing our growth, which could increase expenses.*
- *We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.*
- *Delays in deliveries of secondhand vessels, our decision to cancel an order for purchase of a vessel or our inability to otherwise complete the acquisitions of additional vessels for our fleet, could harm our business, financial condition and results of operations.*
- *If we purchase any newbuilding vessels, delays, cancellations or non-completion of deliveries of newbuilding vessels could harm our operating results.*
- *The loss of a customer, charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.*
- *The aging of our vessels may result in increased operating costs in the future, which could adversely affect our earnings.*
- *Our vessels may be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.*
- *Vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition.*
- *The market value of our vessels may fluctuate significantly. If vessel values are low at a time when we are attempting to dispose of a vessel, we could incur a loss.*
- *Charter rates in the drybulk and container shipping industry have decreased from their historically high levels and may decrease further in the future, which may adversely affect our earnings and ability to pay distributions.*
- *We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less or no cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted.*
- *We may be subject to litigation that, if not resolved in our favor or not sufficiently insured against, could have a material adverse effect on us.*
- *Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses thereby increasing expenses and reducing income.*
- *Security breaches and disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could have a material adverse effect on our business, financial condition, cash flows and results of operations.*
- *Increased competition in technology and innovation could reduce our charter hire income and the value of our vessels.*
- *We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.*
- *A decrease in the level of China's imports of raw materials, exports of goods, or a decrease in trade globally could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.*

- *We conduct a substantial amount of business in China. The legal system in China has inherent uncertainties that could limit the legal protections available to us and could have a material adverse impact on our business, results of operations, financial condition and cash flows.*
- *Charter hire rates are volatile and have declined significantly since their historic highs and may remain at low levels or decrease in the future, which may adversely affect our earnings, revenue and our profitability. The cyclical nature of the international shipping industry may lead to decreases in charter rates and lower vessel values.*
- *The oversupply of drybulk vessel capacity may continue to prolong or further depress the current low charter rates, which has and may continue to limit our ability to operate our drybulk vessels profitably.*
- *An oversupply of containership capacity may depress charter rates, as has happened in the past, or prolong the period of depressed charter rates, and adversely affect our ability to charter our containerships at profitable rates, or at all.*
- *A number of third party owners have ordered so-called "eco-type" vessel designs or have retrofitted scrubbers to remove sulphur from exhaust gases, which may offer substantial bunker savings as compared to older designs or vessels without exhaust gas scrubbers. Increased demand for and supply of "eco-type" or scrubber retrofitted vessels could reduce demand for our vessels that are not classified as such and expose us to lower vessel utilization and/or decreased charter rates.*
- *Fuel price fluctuations may have an adverse effect on our profits.*
- *If we expand the size of our fleet in the future, we generally will be required to make significant installment payments for acquisitions of vessels even prior to their delivery and generation of revenue. Depending on whether we finance our expenditures through cash from operations or by issuing debt or equity securities, our ability to make cash distributions to unitholders, to the extent we are making distributions, may be diminished or our financial leverage could increase or our unitholders could be diluted.*
- *We are subject to various laws, regulations and conventions, including environmental and safety laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities, including any resulting from a spill or other environmental incident.*
- *Climate change and government laws and regulations related to climate change could negatively impact our financial condition.*
- *We are subject to vessel security regulations and we incur costs to comply with adopted regulations. We may be subject to costs to comply with similar regulations that may be adopted in the future in response to terrorism.*
- *Changing laws and evolving reporting requirements could have an adverse effect on our business.*
- *Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions.*
- *We could be materially adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and anti-corruption laws in other applicable jurisdictions.*
- *The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business.*
- *Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flow.*
- *The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.*
- *A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.*
- *Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.*
- *Economic conditions throughout the world, renewed terrorist activity, the growing refugee crises, trade wars and protectionist policies, could have a material adverse effect on our business, financial condition and results of operations.*
- *Disruptions in global financial markets from terrorist attacks, regional armed conflicts, general political unrest, the emergence of a pandemic crisis and the resulting governmental action could have a material adverse impact on our results of operations, financial condition and cash flows.*
- *Our financial and operating performance may be adversely affected by the recent coronavirus outbreak.*
- *Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.*
- *Acts of piracy on ocean-going vessels have increased in frequency and magnitude, which could adversely affect our business.*

Risks Relating to Our Indebtedness

- *The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our credit facilities and result in foreclosure on our mortgaged vessels.*
- *We may be unable to obtain additional debt financing for future acquisitions of vessels and to fund payments in respect of any newbuilding orders that we may place in the future.*
- *Our debt levels may limit our ability to obtain additional financing and pursue other business opportunities, and our interest rates under our credit facilities may fluctuate and may impact our operations.*
- *We are exposed to volatility in the London Interbank Offered Rate, or LIBOR, which can affect our profitability, earnings and cash flow.*
- *Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest expense related to outstanding debt.*
- *Our credit facilities contain restrictive covenants, which may limit our business and financing activities and may prevent us from paying distributions to unitholders, if our board of directors determines to do so again in the future.*

Risks Relating to Our Units

- *Our board of directors may not declare cash distributions in the foreseeable future.*

- *Any dividend payments on our common units would be declared in U.S. dollars, and any unit holder whose principal currency is not the U.S. dollar would be subject to risks of exchange rate fluctuations.*
- *The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions.*
- *The price of our common units may be volatile.*
- *Increases in interest rates may cause the market price of our common units to decline.*
- *Substantial future sales of our common units in the public market, including through our continuous offering sales program, could cause the price of our common units to fall, and would dilute your ownership interests.*
- *Unitholders may be liable for repayment of distributions.*
- *Common unitholders have limited voting rights and our partnership agreement restricts the voting rights of common unitholders owning more than 4.9% of our common units.*

Risks Relating to Our Organizational Structure, Taxes and Other Legal Matters

- *Navios Holdings and Navios Maritime Acquisition Corporation ("Navios Acquisition") and their affiliates may compete with us.*
- *We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make distributions.*
- *We depend on the Manager to assist us in operating and expanding our business.*
- *The loss of key members of our senior management team could disrupt the management of our business.*
- *The Manager may be unable to attract and retain qualified, skilled employees or crew necessary to operate our vessels and business or may have to pay increased costs for its employees and crew and other vessel operating costs.*
- *We may be subject to taxes, which may reduce our cash available for distribution to our unitholders.*
- *U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. unitholders.*
- *We may have to pay tax on U.S.-source income, which would reduce our earnings.*
- *Actions taken by holders of our common units could result in our being treated as a "controlled foreign corporation," which could have adverse U.S. federal income tax consequences to certain U.S. holders.*
- *You may be subject to income tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. Such laws may require you to file a tax return with and pay taxes to those countries.*
- *We have been organized as a limited partnership under the laws of the Republic of the Marshall Islands, which does not have a well-developed body of partnership law; as a result, unitholders may have more difficulty in protecting their interests than would unitholders of a similarly organized limited partnership in the United States.*
- *Because we are organized under the laws of the Marshall Islands and our business is operated primarily from our office in Monaco, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.*
- *We rely on the master limited partnership ("MLP") structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt. The depressed trading price of our common units may affect our ability to access capital markets and, as a result, our ability to pay distributions or repay our debt.*
- *Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.*
- *Our general partner has a limited call right that may require unitholders to sell their common units at an undesirable time or price.*
- *Our general partner may transfer its general partner interest to, and the control of our general partner may be transferred to a third party without unitholder consent.*
- *Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if our public unitholders are dissatisfied, they will need a qualified majority to remove our general partner*
- *Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business.*
- *We can borrow money to pay distributions, it would reduce the amount of credit available to operate our business.*
- *Our management will have broad discretion with respect to the use of the proceeds resulting from the issuance of common units whether under a continuous offering program or a secondary offering.*
- *Our general partner and its affiliates, including Navios Holdings, own a significant interest in us and may have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to the detriment of unitholders.*
- *Our officers face conflicts of interest and conflicts in the allocation of their time to our business.*
- *Fees and cost reimbursements, which the Manager determines for services provided to us, represent significant percentage of our revenues, are payable regardless of profitability and reduce our cash available for distributions.*

Risks Relating to Our Business and our Industry

Our growth depends on continued growth in demand for drybulk commodities, finished or semi-finished goods, and the shipping of drybulk cargoes as well as the shipping of containers.

Our growth strategy focuses on expansion in the dry cargo and container shipping sectors. Accordingly, our growth depends on continued growth in world and regional demand for drybulk commodities, finished or semi-finished goods and the shipping of dry cargoes, which could be negatively affected by a number of factors, such as declines in prices for drybulk commodities or containerized cargoes, or general political, social and economic conditions.

We anticipate that the future demand for our drybulk carriers and drybulk charter rates will be dependent upon demand for imported commodities, economic growth in the emerging markets, including the Asia Pacific region, India, Brazil and Russia. In past years, China and India have had two of the world's fastest growing economies in terms of gross domestic product and have been the main driving force behind increases in marine drybulk trade and the demand for drybulk vessels. The Asia Pacific and Indian economies have also been significant suppliers of manufactured goods currently shipped by container to the developed markets of the Organisation for Economic Cooperation and Development ("OECD") and worldwide. If economic growth declines in China, Japan, India and other countries in the Asia Pacific region, we may face decreases in such drybulk and container shipping trade and demand. For example, recent slowdowns of the Chinese economy have adversely affected demand for Capesize bulk carriers and, as a result, spot and period rates, as well as asset values, are currently at low levels. A slowdown in the economies of the United States (sometimes referred to as the "US") or the European Union, or certain other Asian countries may also adversely affect economic growth in the Asia Pacific region and India. A decline in demand for commodities transported in drybulk carriers and/or containerships, or an increase in supply of drybulk vessels or containerships could cause a further decline in charter rates, which could materially adversely affect our results of operations and financial condition. If we sell a vessel at a time when the market value of our vessels has fallen, the sale may be at less than the vessel's carrying amount, resulting in a loss.

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

Our operations expose us to the risk that increased trade protectionism will adversely affect our business. In past years, government leaders have declared that their countries may turn to trade barriers to protect or revive their domestic industries in the face of foreign imports, thereby depressing the demand for shipping. For example, on January 1, 2021, the trade deal agreed between the United Kingdom and the European Union regarding *Brexit* went into effect on a provisional basis. The commercial, economic and financial short and long term effects of *Brexit* are still unknown. In addition uncertainty has been created about the future relationship between the United States, China and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade.Restrictions on imports, including in the form of tariffs, could have a major impact on global trade and demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause an increase in (i) the cost of goods exported from exporting countries, (ii) the length of time required to deliver goods from exporting countries, (iii) the costs of such delivery and (iv) the risks associated with exporting goods. These factors may result in a decrease in the quantity of goods to be shipped and the distances those goods travel. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade, including trade between the United States and China. These developments would have an adverse impact on our charterers' business, operating results and financial condition. This could, in turn, affect our charterers' ability to make timely charter hire payments to us and impair our ability to renew charters and grow our business. This could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

We are focused on employing vessels on long-term charters and we may have difficulties in doing so if a more active short-term or spot market develops.

One of our principal strategies is to enter into long-term charters, although we believe it is impractical to determine the typical charter length for vessels in our sectors due to factors such as market dynamics, charter strategy and the private nature of charter agreements. If a market for long-term time charters in the sectors in which we operate does not develop, we may have increased difficulty entering into long-term time charters upon expiration or early termination of the time charters for our vessels. As a result, our revenues and cash flows may become more volatile. In addition, an active short-term or spot charter market may require us to enter into charters based on changing market prices, as opposed to contracts based on fixed rates, which could result in a decrease in our revenues and cash flows, including cash available for distribution to unitholders, if we enter into charters during periods when the market price for shipping dry cargoes or containerships is depressed or these markets become depressed during the period of any adjustable rate charter.

Our growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition from new entrants and established companies with significant resources.

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

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

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

As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers for long-term charters on a profitable basis, if at all. However, even if we are successful in employing our vessels under longer term charters, our vessels will not be available for

trading in the spot market during an upturn in the dry cargo market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable time charters our results of operations and financial condition, as well as operating cash flow could be adversely affected.

As we expand our business, we may have difficulty managing our growth, which could increase expenses.

We intend to continue growing our fleet, either through purchases, ordering newbuilt vessels, the increase of the number of chartered-in vessels or through the acquisitions of businesses, as is the case with the latest acquisition of the Navios Containers' fleet. The addition of vessels to our fleet or the acquisition of new businesses will impose significant additional responsibilities on our management. We will also have to increase our customer base to provide continued employment for the new vessels. Our growth will depend on our success in locating and acquiring suitable vessels, identifying and entering into shipbuilding contracts at acceptable prices and consummating acquisitions or joint ventures, integrating any acquired business successfully with our existing operations, enhancing our customer base, managing our expansion, and obtaining required financing.

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

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

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

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

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

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

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

In addition, our business plan and strategy is predicated on buying vessels at what we believe is near the low end of the cycle in what has typically been a cyclical industry. However, charter rates and vessel asset values may sink lower, and shipping costs or vessel asset values may not increase in the near-term or at all.

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

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

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

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

If we purchase any newbuilding vessels, the shipbuilder could fail to deliver the newbuilding vessel as agreed or their counterparty could cancel the purchase contract if the shipbuilder fails to meet its obligations. In addition, under charters that are related to a newbuilding, delays in our delivery of the newbuilding to our customer could result in liquidated damages payable to the customer. For prolonged delays, the customer may terminate the charter and, in addition to the resulting loss of revenues, we may be responsible for additional, substantial liquidated damages. We do not derive any revenue from a vessel until after its delivery and will be required to pay substantial sums as progress payments during construction of a newbuilding. While we expect to have refund guarantees from financial institutions with respect to such progress payments in the event the vessel is not delivered by the shipyard or is otherwise not accepted by us, there is the potential that we may not be able to collect all portion of such refund guarantees, in which case we would lose the amounts of monies we have advanced to the shipyards for such progress payments.

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

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;

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

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

The loss of a customer, charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.

Payments to us by our charterers under time charters are and will be our main source of operating cash flow. Weaknesses in demand for our shipping services, increased operating costs due to changes in environmental or other regulations and the oversupply of vessels increase the likelihood of one or more of our customers being unable or unwilling to pay us contracted charter rates or going bankrupt.

For the year ended December 31, 2020, Hyundai Merchant Marine Co. ("HMM"), Singapore Marine Pte Ltd. ("Singapore Marine"), and Cargill International S.A. ("Cargill"), represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine Asia Pte. Ltd. ("Swissmarine") and Cargill, represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. For the year ended December 31, 2018, HMM represented approximately 24.5% of total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented. The charterers in the containership sector consist of a limited number of liner companies. The combination of any surplus of vessel capacity, the expected entry into service of new technologically advanced vessels, and the expected increase in the size of the world fleet over the next few years may make it difficult to secure substitute employment for any of our vessels if our counterparties fail to perform their obligations under the currently arranged time charters, and any new charter arrangements we are able to secure may be at lower rates. Furthermore, the surplus of capacity available at lower charter rates and lack of demand for our customers could negatively affect our charterers' willingness to perform their obligations under our time charters, which in many cases provide for charter rates significantly above current market rates. The number of leading liner companies which are our client base may continue to shrink and we may depend on an even more limited number of customers to generate a substantial portion of our revenues. The cessation of business with these liner companies or their failure to fulfill their obligations under the time charters for our containerships could have a material adverse effect on our financial condition and results of operations, as well as our cash flows, including cash available for distributions to our unitholders.

We could lose a customer or the benefits of our time charter arrangements 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 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. If any of these customers terminates its charters, chooses not to re-charter our ships after charters expire or is unable to perform under its charters and we are not able to find replacement charters on similar terms or are unable to re-charter our ships at all, we will suffer a loss of revenues that could have a material adverse effect on our business, results of operations and financial condition and our ability to make distributions to our unitholders, as we will not receive any revenues from such a vessel while it is un-chartered, but we will be required to pay expenses necessary to maintain and insure the vessel and service any indebtedness on it. Accordingly we may have to grant concessions to our charterers in the form of lower charter rates for the remaining duration of the relevant charter or part thereof, or to agree to re-charter vessels coming off charter at reduced rates compared to the charter then ended.

For example, in 2016, HMM faced financial difficulties and developed a restructuring plan, which included restructuring agreements for five of our containerships (see Note 18 — Notes Receivable). In addition, Navios Partners has filed claims for lost revenues in connection with the 2016 filing by Hanjin for rehabilitation, which was later followed by entry into liquidation in 2017. In October 2020, the bankruptcy court ruled against one of the two claims filed by the Company. The relevant court is still assessing the claim regarding the Navios Luz. The Company has fully provided for these amounts in its books (see Note 2(f) — Summary of Significant Accounting Policies).

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

The aging of our vessels may result in increased operating costs in the future, which could adversely affect our earnings.

As of March 23, 2021, the vessels in our fleet had an average age of approximately 10.1 years, when most dry cargo vessels have an expected life of approximately 25 years for drybulk vessels and 30 years for containerships and we may acquire older vessels in the future. Older vessels are typically more costly to maintain than more recently constructed vessels due to improvements in engine technology. As our fleet ages, we will incur increased costs. In some instances, charterers prefer newer vessels that are more fuel efficient than older vessels. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers as well. Therefore, as vessels age it can be more difficult to employ them on profitable time charters, particularly during periods of decreased demand in the charter market. Accordingly, we may find it difficult to continue to find profitable employment for our vessels as they age. Governmental regulations, safety or other equipment standards related to the age of the vessels may require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which these vessels may engage. Older vessels may require longer and more expensive dry-dockings, resulting in more off-hire days and reduced revenue. We cannot assure you that as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we sell vessels, we may have to sell them at a loss, and if charterers no longer charter our vessels due to their age, it could materially adversely affect our earnings.

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

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

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

For more information on "off-hire" see "Item 4. Information on the Partnership - B. Business Overview – Off-hire."

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

If our owned vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that insurance does not cover. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, could decrease our revenues and earnings substantially, particularly if a number of vessels are damaged or drydocked at the same time. Under the terms of the Management Agreement with the Manager, the costs of drydocking repairs are not included in the daily management fee, but are be reimbursed at cost upon occurrence.

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

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

The factors that influence vessel values include:

- the number of newbuilding deliveries;
- prevailing economic conditions in the markets in which drybulk or containerships operate;
- reduced demand for drybulk or containerships, including as a result of a substantial or extended decline in world trade;
- the number of vessels scrapped or otherwise removed from the total fleet;
- changes in environmental and other regulations that may limit the useful life of vessels;
- changes in global dry cargo commodity supply or sources and destinations of containerized cargoes;
- types, sizes and age of vessels;
- advances in efficiency, such as the introduction of remote or autonomous vessels;
- the development of an increase in use of other modes of transportation;
- where the ship was built and as-built specification;
- lifetime maintenance record;
- the cost of vessel acquisitions;
- governmental or other regulations (including the application of any IMO rules, including those contemplated regarding any reduction in CO2 emissions);
- prevailing level of charter rates;
- the availability of financing, or lack thereof, for ordering newbuildings or for facilitating ship sale and purchase transactions;
- general economic and market conditions affecting the shipping industry; and
- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

If the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would incur a loss. If a charter expires or is terminated, we may be unable to re-charter the vessel at an acceptable rate and, rather than continue to incur costs to maintain the vessel, may seek to dispose of it. Our inability to dispose of a vessel at a reasonable price could result in a loss on its sale and could materially and adversely affect our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

Charter rates in the drybulk and container shipping industry have decreased from their historically high levels and may decrease further in the future, which may adversely affect our earnings and ability to pay distributions.

The current charter rates for dry cargo vessels have significantly decreased from their historic highs reached in the second quarter of 2008. Current container charter rates have also decreased from historic highs reached in the first half of 2005. If the drybulk or container shipping industries, which have been highly cyclical and volatile, are depressed in the future when our charters expire, our earnings and available cash flow may be adversely affected. We cannot assure you that we will be able to successfully charter our vessels in the future or renew our existing charters at rates sufficient to allow us to operate our business profitably, to meet our obligations, including payment of debt service to our lenders, or to pay dividends to our unitholders. Our ability to re-charter our vessels upon the expiration or termination of their current charters, or on vessels that we may acquire in the future, as well as, the charter rates payable under any replacement charters will depend upon, among other things, economic conditions in the sectors in which our vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the transportation of commodities.

All of our drybulk time charters are scheduled to expire on dates ranging from March 2021 to June 2024. If, upon expiration or termination of these or other contracts, long-term recharter rates are lower than existing rates, particularly considering that we intend to enter into long-term charters, or if we are unable to obtain replacement charters, our earnings, cash flow and our ability to make cash distributions to our unitholders could be materially adversely affected.

Five containerships that we own are on long-term time charter for ten years until 2023 with our option to extend until 2028. The other two containerships are on time charters that expire within the third quarter of 2021 and 2022. Our ability to re-charter our containerships upon the expiration or termination of their current time charters and the charter rates payable under any renewal options or replacement time charters will depend upon, among other things, the prevailing state of the containership charter market, which can be affected by consumer demand for products shipped in containers.

If the charter market is depressed when our vessels' time charters expire or when we are otherwise seeking new charters, we may be forced to re-charter our vessels at reduced or even unprofitable rates, or we may not be able to re-charter them at all and/or we may be forced to scrap them, which may reduce or

eliminate our earnings, make our earnings volatile, affect our ability to generate cash flows and maintain liquidity.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less or no cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted.

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

Our significant maintenance and replacement capital expenditures, including without limitation the management fees paid to the Manager pursuant to the Management Agreement, to maintain and replace, over the long-term, the operating capacity of our fleet, as well as to comply with environmental and safety regulations, may reduce or eliminate the amount of cash we have available for distribution to our unitholders. Our partnership agreement requires our board of directors to deduct estimated, rather than actual, maintenance and replacement capital expenditures from operating surplus each quarter in an effort to reduce fluctuations in operating surplus. The amount of estimated capital expenditures deducted from operating surplus is subject to review and change by the Conflicts Committee of our board of directors at least once a year. If our board of directors underestimates the appropriate level of estimated maintenance and replacement capital expenditures, we may have less, if any, cash available for distribution in future periods when actual capital expenditures begin to exceed previous estimates.

For detailed information on the amount of management fees owed under the Management Agreement, please see the section entitled, “Item 5. Operating and Financial Review and Prospects - A. Operating results – Vessel operating expenses (management fees)”.

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

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

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

We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are at present predominantly U.S. dollar-denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect on the date of each transaction. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase thereby decreasing our income or vice versa if the U.S. dollar increases in value. For example, as of December 31, 2020, the value of the U.S. dollar as compared to the Euro decreased by approximately 8.5% compared with the respective value as of December 31, 2019. A greater percentage of our transactions and expenses in the future may be denominated in currencies other than the U.S. dollar.

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

In the ordinary course of business, we rely on information technology networks and systems to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities. Additionally, we collect and store certain data, including proprietary business information and customer and employee data, and may have access to other confidential information in the ordinary course of our business. Despite our cybersecurity measures, which includes active monitoring, training, reporting and other activities designed to protect and secure our data, our information technology networks and infrastructure may be vulnerable to damage, disruptions, or shutdowns due to attack by hackers or breaches, employee error or malfeasance, data leakage, power outages, computer viruses and malware, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Any such events could result in legal claims or proceedings, liability or penalties under privacy or other laws, disruption in operations, and damage to our reputation, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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

Increased competition in technology and innovation could reduce our charter hire income and the value of our vessels.

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

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

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, fire, human error, war, terrorism, piracy, loss of life, contact with floating objects, property loss, cargo loss or damage and business interruption due to political circumstances in foreign

countries, hostilities and labor strikes. Any of these events may result in loss of revenues, increased costs and decreased cash flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps.

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

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

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

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

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

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

China imports significant quantities of raw materials, and exports significant amounts of finished or semi-finished goods. For example, in 2020, China imported 1.146 billion tons of iron ore by sea out of a total of 1.503 billion tons shipped globally, accounting for about 76% of the global seaborne iron ore trade. While it only accounted for approximately 20% of seaborne coal movements of coal in 2020 according to current estimates (238 million tons imported compared to 1.165 billion tons of seaborne coal traded globally), that is a decline from over 22% in 2013 (264 million tons imported compared to 1.183 billion tons of seaborne coal traded globally). Our drybulk vessels and containerships are deployed by our charterers on routes involving drybulk or container trade in and out of emerging markets, and our charterers' drybulk and container shipping and business revenue may be derived from the shipment of goods within the Asia Pacific region and to or from various overseas export markets. Any reduction in or hindrance to China-based importers or exporters could have a material adverse effect on the growth rate of China's imports and exports and on our charterers' business. For instance, the government of China has implemented economic policies aimed at reducing pollution, increasing consumption of domestically produced Chinese coal and Chinese-made goods, or promoting the export of Chinese coal or increasing consumption of natural gas or banning imports of coal or other commodities from certain countries to China or increasing the production of electricity from renewable resources. This may have the effect of (i) reducing the demand for imported raw materials and may, in turn, result in a decrease in demand for drybulk shipping, and (ii) reducing the supply of goods available for export and may, in turn, result in a decrease of demand for container shipping. Additionally, though in China there is an increasing level of autonomy and a gradual shift in emphasis to a “market economy” and enterprise reform, many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented or experimental and may be subject to revision, change or abolition. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government. The ongoing global trade war between the U.S. and China may contribute to an economic slowdown in China.

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

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

business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

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

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

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

Charter hire rates are volatile and have declined significantly since their historic highs and may remain at low levels or decrease in the future, which may adversely affect our earnings, revenue and our profitability. The cyclical nature of the international shipping industry may lead to decreases in charter rates and lower vessel values.

The drybulk shipping industry is cyclical with attendant volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of drybulk vessels has varied widely, and charter hire rates for drybulk vessels have declined significantly from historically high levels. For example, in the past time charter and spot market rates for drybulk vessels have declined below operating costs of vessels. The Baltic Dry Index, or BDI, an index published by the Baltic Exchange Limited of shipping rates for 26 key drybulk routes, fell 97% from a peak of 11,793 in May 2008 to a low of 290 in February 2016. While the BDI showed improvement since then, it has ranged from a high of 2,518 in September 2019 to a low of 393 in May 2020, it remains at low levels compared to historical highs and there can be no assurance that the drybulk charter market will not decline further.

The ocean-going container shipping industry is both cyclical and volatile in terms of charter rates, profitability and, consequently, vessel values. According to industry data, containership charter rates peaked in 2005, with the Containership Timecharter Rate Index (a $/day per twenty-foot equivalent units ("TEU") weighted average of 6-12 month time charter rates of Panamax and smaller vessels (1993=100)) reaching 172 points in March and April 2005, and generally stayed above 100 points until the middle of 2008, when the effects of the economic crisis began to affect global container trade, driving the Containership Timecharter Rate Index to a 10-year low of 32 points in the period from November 2009 to January 2010. As of the end of January 2020, the Containership Timecharter Rate Index stood at 61 points, hit a bottom of 41 points as of the end of June 2020 and then rose to 115 points at the beginning of March 2021.

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

Furthermore, a significant decrease in charter rates would cause asset values to decline, and we may have to record an impairment charge in our consolidated financial statements which could adversely affect our financial results. Because the market value of our vessels may fluctuate significantly, we may also incur losses when we sell vessels, which may adversely affect our earnings. If we sell vessels at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount in our financial statements, resulting in a loss and a reduction in earnings.

Factors that influence demand for vessels capacity include:

- global and regional economic and political conditions, including armed conflicts, wars and terrorist activities (including piracy), embargoes and strikes;
- disruptions and developments in international trade, including the effects of currency exchange rate changes;
- changes in seaborne and other transportation patterns, such as port congestion and canal closures or expansions;
- supply and demand for energy resources, drybulk products, commodities, semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, semi-finished and finished consumer and industrial products;
- supply and demand for products shipped in containers;
- supply and demand for commodities shipped in dry cargo vessels;
- changes in global production of raw materials, semi-finished or finished goods and products transported by containerships;
- the distance drybulk cargo or containers are to be moved by sea;
- fuel prices for the bunker fuel used aboard ships;
- whether the vessel is equipped with scrubbers or not;
- natural or man-made disasters;
- the globalization of manufacturing;
- carrier alliances, vessel sharing or container slot sharing that seek to allocate container ship capacity on routes;
- weather and crop yields;
- political, environmental and other regulatory developments, including but not limited to governmental macroeconomic policy changes (including the application of stimulus programs or withdrawal of same), import and export restrictions, including trade wars, central bank policies and pollution conventions or protocols;
- competition from alternative sources of energy or governmental policies encouraging use of alternative energy supplies;
- international sanctions, embargoes, and nationalizations; and
- technical advances in ship design and construction.

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

- the number of vessels that are out of service (including any held in quarantine or waiting for crew changes due to health related or other restrictions), namely those that are laid-up, drydocked, awaiting or undergoing repairs or otherwise not available for hire;
- the scrapping rate of older vessels;

- the availability of finance or lack thereof for ordering newbuildings or for facilitating ship sale and purchase transactions;
- port and canal traffic and congestion, including canal improvements that can affect employment of ships designed for older canals;
- the number of shipyards and ability of shipyards to deliver vessels;
- the number of newbuilding deliveries;
- vessel casualties;
- weather;
- changes in environmental and other regulations and standards (including IMO rules requiring a reduction in the use of high sulphur fuels, the fitting of additional ballast water treatment systems and upcoming rules intended to reduce CO2 emissions) that limit the profitability, operations or useful lives of vessels;
- the price of steel, fuel and other raw materials; and
- the economics of slow steaming.

In addition to the prevailing and anticipated charter rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to newbuilding and scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage costs, the efficiency and age profile of the existing drybulk fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These and other factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for our vessels will be dependent upon economic growth in all of the world's economies, particularly China and India, seasonal and regional changes in demand, changes in the capacity of the global dry and container fleets and the sources and supply of drybulk or containerized cargo to be transported by sea.

The oversupply of drybulk vessel capacity may continue to prolong or further depress the current low charter rates, which has and may continue to limit our ability to operate our drybulk vessels profitably.

The market supply of drybulk carriers has been increasing as a result of the delivery of numerous newbuilding orders over the last few years. Newbuildings have been delivered in significant numbers over the last few years and, as of March 1, 2021, newbuilding orders had been placed for an aggregate of about 6% of the existing global drybulk fleet, with deliveries expected during the next three years. That 6% is an all-time low since records began in January 1996, but there is no guarantee that the orderbook will continue at these low levels in the future. While vessel supply will continue to be affected by the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or accidental losses, an over-supply of drybulk carrier capacity could exacerbate decreases in charter rates or prolong the period during which low charter rates prevail which may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

An oversupply of containership capacity may depress charter rates, as has happened in the past, or prolong the period of depressed charter rates, and adversely affect our ability to charter our containerships at profitable rates, or at all.

From 2005 through 2010, the containership orderbook was at historically high levels as a percentage of the in-water fleet reaching a high of 61% in November 2007, according to industry data. Since that time, deliveries of previously ordered containerships increased substantially and ordering momentum slowed somewhat with the total orderbook declining as a percentage of the existing fleet from 21% in October 2015 to an all-time low of 8% as of October 2020, but has since increased to 12% as of March 2021. The orderbook remains significantly skewed towards vessels over 8,000 TEU. An oversupply of large newbuilding vessel and/or re-chartered containership capacity entering the market, combined with any decline in the demand for containerships, may prolong or further depress current charter rates and may decrease our ability to charter our containerships when we are seeking new or replacement charters other than for unprofitable or reduced rates, or we may not be able to charter our containerships at all.

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

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

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

The cost of fuel is a significant factor in negotiating charter rates and can affect us in both direct and indirect ways. This cost will be borne by us when our vessels are not employed or are employed on voyage charters or contracts of affreightment so an increase in the price of fuel beyond our expectations may adversely affect our profitability. Even where the cost of fuel is borne by the charterer, which is the case with all of our existing time charters that cost may affect the level of charter rates that charterers are prepared to pay. Rising costs of fuel will make our older and less fuel efficient vessels less competitive compared to the more fuel efficient newer vessels or compared with vessels which can utilize less expensive fuel and may reduce their charter hire, limit their employment opportunities and force us to employ them at a discount compared to the charter rates commanded by more fuel efficient vessels or not at all.

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

The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geo-political developments (such as the impact of the COVID-19 pandemic), supply and demand for oil, actions by members of the Organization of the Petroleum Exporting Countries and other oil and gas producers, economic or other sanctions levied against oil and gas producing countries, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

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

The actual cost of a vessel varies significantly depending on the market price, the size and specifications of the vessel, governmental regulations and maritime self-regulatory organization standards. If we purchase additional vessels in the future, we generally will be required to make installment payments

prior to their delivery. If we finance these acquisition costs by issuing debt or equity securities, we will increase the aggregate amount of interest payments or distributions, to the extent we are making distributions, prior to generating cash from the operation of the vessel.

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

We are subject to various laws, regulations and conventions, including environmental and safety laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities, including any resulting from a spill or other environmental incident.

Vessel owners and operators are subject to government regulation in the form of international conventions, and national, state, and local laws and regulations in the jurisdictions in which their vessels operate, in international waters, as well as in the country or countries where their vessels are registered. Such laws and regulations include those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, discharges of operational and other wastes into the water, and ballast water management. Port State regulation significantly affects the operation of vessels, as it commonly is more stringent than international rules and standards. This is the case particularly in the United States and, increasingly, in Europe. Non-compliances with such laws and regulations can give rise to civil or criminal liability, and/or vessel delays and detentions in the jurisdictions in which we operate.

Our vessels are subject to scheduled and unscheduled inspections by regulatory and enforcement authorities, as well as private maritime industry entities. This includes inspections by Port State Control authorities, including the U.S. Coast Guard, harbor masters or equivalent entities, classification societies, flag Administrations (country in which the vessel is registered), charterers, and terminal operators. Certain of these entities require vessel owners to obtain permits, licenses, and certificates for the operation of their vessels. Failure to maintain necessary permits or approvals could require a vessel owner to incur substantial costs or temporarily suspend operation of one or more of its vessels. Heightened levels of environmental and quality concerns among insurance underwriters, regulators, and charterers continue to lead to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. Vessel owners are required to maintain operating standards for all vessels that will emphasize operational safety, quality maintenance, continuous training of officers and crews, and compliance with U.S. and international regulations.

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

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

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

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

- Limitations on sulfur oxide and nitrogen oxide emissions from ships could cause increased demand and higher prices for low sulfur fuel due to supply constraints, as well as significant cost increases due to the implementations of measures such as fuel switching, vessel modifications such as adding distillate fuel storage capacity, or installation of exhaust gas cleaning systems or scrubbers;

- Environmental requirements can affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, vessel modifications or operational changes or restrictions, lead to decreased availability of, or more costly insurance coverage for, environmental matters or result in the denial of access to certain jurisdictional waters or ports.

- Under local and national laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and claims for natural resource damages, personal injury and/or property damages in the event that there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations.

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

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

We cannot predict with any degree of certainty what effect, if any, possible climate change and legal requirements relating to climate change will have on our operations. However, we believe that climate change, including the possible increases in severe weather events, and legal requirements relating to

climate change may affect, directly or indirectly, (i) the cost of the vessels we may acquire in the future, (ii) our ability to continue to operate as we have in the past, (iii) the cost of operating our vessels, and (iv) insurance premiums and deductibles, and the availability of insurance coverage. As a result, our financial condition could be materially impacted by climate change and related legal requirements.

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

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

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

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

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

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

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

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

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

Given our relationship with Navios Holdings (and/or its affiliates), we cannot give any assurance that an adverse finding against Navios Holdings (and/or its affiliates) by a governmental or legal authority or others, with respect to sanction matters or any future matter related to regulatory compliance by Navios Holdings (and/or its affiliates) will not have a material adverse impact on our business, reputation or the market price or trading of our common units.

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

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

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

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

The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business.

The operation of ocean-going vessels in international trade is inherently risky. The ownership and operation of ocean-going vessels in international trade is affected by a number of inherent risks, including mechanical failure, personal injury, vessel and cargo loss or damage, business interruption due to political conditions in foreign countries, unexpected port closures, hostilities, piracy, terrorism, labor strikes and/or boycotts, adverse weather conditions and catastrophic marine disaster, including environmental accidents and collisions. All of these risks could result in liability, loss of revenues, increased costs and loss of reputation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Economic conditions throughout the world, renewed terrorist activity, the growing refugee crises, trade wars and protectionist policies, could have a material adverse effect on our business, financial condition and results of operations.

The global economy remains relatively weak, especially when compared to the period prior to the 2008-2009 financial crisis. The current global recovery is proceeding at varying speeds across regions and is still subject to downside economic risks stemming from factors like the continuing global impact of the COVID-19 pandemic and the availability of the vaccines and their global deployment, fiscal fragility in advanced economies, high sovereign and private debt levels, highly accommodative macroeconomic policies, the significant fall in the price of crude oil and other commodities and persistent difficulties in access to credit and equity financing as well as political risks such as the continuing war in Syria, renewed terrorist attacks around the world and the emergence of populist and protectionist political movements in advanced economies.

Concerns regarding terrorist threats from groups in Europe and the refugee crisis may advance protectionist policies and may negatively impact globalization and global economic growth, which could disrupt financial markets, and may lead to weaker consumer demand in the European Union, the

United States, and other parts of the world which could have a material adverse effect on our business. The deterioration in the global economy has caused, and may continue to cause, a decrease in worldwide demand for dry cargo and certain goods shipped in containerized form.

In recent years, China has been one of the world's fastest growing economies in terms of gross domestic product, which has had a significant impact on shipping demand. However, if China's growth in gross domestic product declines and other countries in the Asia Pacific region experience slower or negative economic growth in the future, this may negatively affect the fragile recovery of the economies of the United States and the European Union, and thus, may negatively impact the shipping industry. For example, the possibility of the introduction of impediments to trade within the European Union member countries in response to increasing terrorist activities, and the possibility of market reforms to float the Chinese renminbi, either of which development could weaken the euro against the Chinese renminbi, could adversely affect consumer demand in the European Union. Moreover, the revaluation of the renminbi may negatively impact the United States' demand for imported goods, many of which are shipped from China. Political events such as a global trade war between the U.S. and China, or any moves by either China, the United States or the European Union to levy additional tariffs on imported goods as part of protectionist measures or otherwise, could decrease shipping demand. Such weak economic conditions or protectionist measures could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

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

Disruptions in global financial markets from terrorist attacks, regional armed conflicts, general political unrest, the emergence of a pandemic crisis (such as the ongoing COVID-19 pandemic) and the resulting governmental action could have a material adverse impact on our results of operations, financial condition and cash flows.

Terrorist attacks in certain parts of the world and the continuing response of the United States and other countries to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty and volatility in the world financial markets and may affect our business, results of operations and financial condition. The continuing refugee crisis in the European Union, the continuing war in Syria and the presence of terrorist organizations in the Middle East, conflicts and turmoil in Yemen, Iraq, Afghanistan and Iran, general political unrest in Ukraine, political tension, continuing concerns relating to Brexit (as defined herein), concerns regarding epidemics and pandemics, including the ongoing outbreak of COVID-19, and its spread throughout Asia and other parts of the world, and other viral outbreaks or conflicts in the Asia Pacific Region such as in the South China Sea, mainland China and North Korea have led to increased volatility in global credit and equity markets. Further, as a result of the ongoing political, social and economic turmoil in Greece resulting from the sovereign debt crisis and the influx of refugees from Syria and other areas, the operations of our Manager located in Greece may be subjected to new regulations and potential shift in government policies that may require us to incur new or additional compliance or other administrative costs and may require the payment of new taxes or other fees. We also face the risk that strikes, work stoppages, civil unrest and violence within Greece, as well as any work, travel or other restrictions implemented due the impact of the ongoing COVID-19 pandemic, may disrupt the shoreside operations of our Manager located in Greece.

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

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

Our financial and operating performance may be adversely affected by the recent coronavirus outbreak.

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

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

affect financing institutions. If any such impact on the financial system is not addressed, we may find it difficult to finance loans that are maturing or to obtain financing for new projects, thus materially affecting our financial position.

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

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

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

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

Acts of piracy on ocean-going vessels have increased in frequency and magnitude, which could adversely affect our business.

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

Risks Relating to Our Indebtedness

The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our credit facilities and result in foreclosure on our mortgaged vessels.

If the market value of our owned vessels decreases, we may be required to record additional impairment charges in our consolidated financial statements that, among other things, could cause us to breach covenants contained in our credit facilities, which could adversely affect our financial results. We purchased the majority of our drybulk vessels from Navios Holdings based on market prices that were, for certain vessels, at historically high levels. If we breach the covenants in our credit facilities and are unable to remedy any relevant breach, our lenders could accelerate our debt and foreclose on the collateral, including our vessels. Any loss of vessels would significantly decrease our ability to generate positive cash flow from operations and therefore service our debt.

We may be unable to obtain additional debt financing for future acquisitions of vessels and to fund payments in respect of any newbuilding orders that we may place in the future.

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

Our debt levels may limit our ability to obtain additional financing and pursue other business opportunities, and our interest rates under our credit facilities may fluctuate and may impact our operations.

As of December 31, 2020, the total borrowings amounted to $491.2 million. We have the ability to incur additional debt, subject to limitations in our credit facilities. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;
- we may need to use a substantial portion of our cash from operations to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities, distributions to unitholders;
- our debt level could make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt depends upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. Our ability to service debt under our credit facilities also will depend on market interest rates, since the interest rates applicable to our borrowings will fluctuate with the London Interbank Offered Rate ("LIBOR"), or the prime rate. We do not currently hedge against increases in such rates and, accordingly, significant increases in such rate would require increased debt levels and reduce distributable cash. We may not be able to refinance all or part of our maturing debt on favorable terms, or at

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

We are exposed to volatility in the LIBOR, which can affect our profitability, earnings and cash flow.

The loans under our credit facilities are generally advanced at a floating rate based on LIBOR, which was volatile in prior years and has been steadily increasing in recent years. LIBOR can affect the amount of interest payable on our debt, which, in turn, could have an adverse effect on our earnings and cash flow. In addition, although in recent years LIBOR has been at relatively low levels, LIBOR increased during 2016 and may continue to rise in the future as the current low interest rate environment comes to an end.

Our financial condition could be materially adversely affected as we have not entered into interest rate hedging arrangements to hedge our exposure to the interest rates applicable to our credit facilities and may not enter into interest rate hedging arrangements for these or any other financing arrangements we may enter into in the future, including those we may enter into to finance a portion of the amounts payable with respect to newbuildings or acquisitions.

We may enter into derivative contracts to hedge our overall exposure to interest rate risk. Entering into swaps and other derivatives transactions is inherently risky and presents possibilities for incurring significant expenses. The derivatives strategies that we may employ may not be successful or effective, and we could, as a result, incur substantial additional interest and breakage costs.

Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest expense related to outstanding debt.

Our outstanding debt bears interest rates in relation to LIBOR. On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (“FCA Announcement”). The FCA Announcement indicated that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is unclear if at that time new methods of calculating LIBOR will be established such that it continues to exist after 2021. On November 30, 2020 the administrator of LIBOR, the ICE Benchmark Administration (“IBA”), announced that it would consult on ceasing to determine one-week and two-month U.S. dollar LIBOR with effect from the December 31, 2021 deadline but ceasing to determine the remaining U.S. dollar LIBOR tenors on June 30, 2023. This announcement coincided with an announcement by the International Swaps and Derivatives Association that the IBA announcement was not a triggering event which would set the spread to be used in its derivative contracts as part of the risk-free rate determination process.

In addition, lenders have recently insisted on provisions that entitle the lenders, in their discretion, to replace published LIBOR as the base for the interest calculation with their cost-of-funds rate. Such provisions could significantly increase our lending costs, which would have an adverse effect on our profitability, earnings and cash flow.

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

Our credit facilities contain restrictive covenants, which may limit our business and financing activities and may prevent us from paying distributions to unitholders, if our board of directors determines to do so again in the future.

We have two credit facilities with DVB Bank S.E. (the “DVB $66m Credit Facility” and the “DVB $44m Credit Facility”), a credit facility with BNP PARIBAS (the “BNP Credit Facility”), a credit facility with Nordea Bank AB, Skandinaviska Enskilda Banken AB and NIBC Bank N.V. (the “Nordea Credit Facility”), a credit facility with NIBC Bank N.V. (the “NIBC Credit Facility”), a credit facility with DNB Bank ASA (the “DNB Credit Facility”), a credit facility with Hamburg Commercial Bank AG (the “HCOB Credit Facility”), two credit facilities with Credit Agricole Corporate and Investment Bank (“CACIB”) (the “CACIB $52.8m Credit Facility” and the “CACIB $33.0m Credit Facility”), a credit facility with ABN Amro Bank N.V. (the “ABN $32.2m Credit Facility”), a credit facility with Hellenic Bank Public Company Limited (the “Hellenic Credit Facility”) and a credit facility with Dory Funding DAC (the “Dory Credit Facility”). We also have five sale and leaseback agreements with unrelated third parties for the Navios Fantastiks, the Navios Beaufiks, the Navios Sol, the Navios Sagittarius and the Navios Ace (together, the “Financial Liabilities”). As of December 31, 2020, the outstanding loan balance under Navios Partners' borrowings, net of deferred finance costs, was $486.9 million.

The operating and financial restrictions and covenants in our credit facilities and any future credit facilities could adversely affect our ability to finance future operations or capital needs to engage, expand or pursue our business activities and reduce cash available for distribution on our common units. For example, our credit facilities require the consent of our lenders or limit our ability to (among other things):

- incur or guarantee indebtedness;
- charge, pledge or encumber the vessels;
- merge or consolidate;
- change the flag, class or commercial and technical management of our vessels;
- make cash distributions;
- make new investments; and
- sell or change the ownership or control of our vessels.

Our credit facilities also require us to comply with the International Safety Management Code (the “ISM Code”), and the ISPS Code and to maintain valid safety management certificates and documents of compliance at all times.

The credit facilities require compliance with a number of financial covenants, including: (i) maintain a required security amount ranging from over 120% to 140%; (ii) minimum free consolidated liquidity in an amount equal to at least $0.5 million to $0.65 million per owned vessel; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in our credit facilities) of less than 0.75; and (v) maintain a minimum net worth to $135.0 million.

The Financial Liabilities have no financial covenants.

It is an event of default under the credit facilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

In addition, our credit facilities prohibit the payment of distributions if we are not in compliance with certain financial covenants or upon the occurrence of an event of default.

Events of default under our credit facilities include, among other things, the following:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness;
- an event of insolvency or bankruptcy;
- material adverse change in the financial position or prospects of us or our general partner;
- failure of any representation or warranty to be materially correct; and
- failure of Navios Holdings or its affiliates (as defined in the credit facilities agreements) to own at least 15% of us.

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

Risks Relating to Our Units

Our board of directors may not declare cash distributions in the foreseeable future.

The declaration and payment of cash distributions, if any, will always be subject to the discretion of our board of directors, restrictions contained in our credit facilities and the requirements of Marshall Islands law. The timing and amount of any cash distributions declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, our ability to obtain debt and equity financing on acceptable terms as contemplated by our growth strategy, the terms of our outstanding indebtedness and the ability of our subsidiaries to distribute funds to us. The containership and drybulk sector of the shipping industry is highly volatile, and we cannot predict with certainty the amount of cash, if any, that will be available for distribution as cash distributions in any period. Also, there may be a high degree of variability from period to period in the amount of cash that is available for the payment of cash distributions.

We may not have sufficient cash available to pay quarterly distributions or to maintain or increase distributions following the establishment of cash reserves and payment of fees and expenses. In February 2016, we announced that our board of directors decided to suspend the quarterly cash distributions to our unitholders, including the distribution for the quarter ended December 31, 2015, in order to conserve cash and improve our liquidity. In March 2018, our board of directors determined to reinstate a distribution and any continued distribution will be at the discretion of our board of directors. The amount of cash we can distribute on our common units depends principally upon the amount of cash we generate from our operations, which may fluctuate based on numerous factors including, those set forth elsewhere in this section.

The actual amount of cash we will have available for distribution also will depend on other factors, some of which are beyond our control, such as the level of capital expenditures we make (including those associated with maintaining vessels, building new vessels, acquiring existing vessels and complying with regulations), our debt service requirements and restrictions on distributions contained in our debt instruments, interest rate fluctuations, the cost of acquisitions, if any, fluctuations in our working capital needs, our ability to make working capital borrowings, and the amount of any cash reserves, including reserves for future maintenance and replacement capital expenditures, working capital and other matters, established by our board of directors in its discretion.

In addition, the amount of cash we generate from our operations may differ materially from our profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income.

Any dividend payments on our common units would be declared in U.S. dollars, and any unit holder whose principal currency is not the U.S. dollar would be subject to risks of exchange rate fluctuations.

Our common units, and any cash dividends or other distributions to be declared in respect of them, if any, will be denominated in U.S. dollars. Unitholders whose principal currency is not the U.S. dollar will be exposed to foreign currency exchange rate risk. Any depreciation of the U.S. dollar in relation to such foreign currency will reduce the value of such unitholders' units and any appreciation of the U.S. dollar will increase the value in foreign currency terms. In addition, we will not offer our unitholders the option to elect to receive dividends, if any, in any other currency. Consequently, unitholders may be required to arrange their own foreign currency exchange, either through a brokerage house or otherwise, which could incur additional commissions or expenses.

The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions.

Our securities are listed on the New York Stock Exchange (the “NYSE”), a national securities exchange. The NYSE minimum listing standards, require that we meet certain requirements relating to stockholders' equity, number of round-lot holders, market capitalization, aggregate market value of publicly held shares and distribution requirements. For example, on March 13, 2019, we were notified by the NYSE that we were no longer in compliance with the NYSE's continued listing standards because the average closing price of our common stock over a consecutive 30 trading-day period was less than $1.00 per common unit. Although we regained compliance on May 21, 2019, following a reverse split of our common units, we cannot assure you that we will continue to satisfy the NYSE minimum listing standards and our securities will continue to be listed on the NYSE in the future.

If NYSE delists our securities from trading on its exchange, we could face significant material adverse consequences, including limited availability of market quotations for our securities, limited amount of news and analyst coverage for us, decreased ability for us to issue additional securities or obtain additional financing in the future, limited liquidity for our unitholders and the loss of our tax exemption under Section 883 of the Internal Revenue Code of 1986, as amended (the “Code”), loss of preferential capital gain tax rates for certain dividends received by certain non-corporate U.S. holders, and loss of “mark-to-market” election by U.S. holders in the event we are treated as a passive foreign investment company (“PFIC”).

The price of our common units may be volatile.

The price of our common units may be volatile and may fluctuate due to various factors including:

- actual or anticipated fluctuations in quarterly and annual results;
- fluctuations in the seaborne transportation industry, including fluctuations in the containership market;
- our making of distributions;
- mergers and strategic alliances in the shipping industry;
- changes in governmental regulations or maritime self-regulatory organization standards;
- shortfalls in our operating results from levels forecasted by securities analysts;
- announcements concerning us or our competitors;
- general economic conditions, including the impact of the COVID-19 pandemic;
- terrorist acts;
- future sales of our common units or other securities;
- investors' perceptions of us and the international container shipping industry;
- the general state of the securities markets; and
- other developments affecting us, our industry or our competitors.

The containership and drybulk sector of the shipping industry has been highly unpredictable and volatile. Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our securities may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our securities in spite of our operating performance. Consequently, you may not be able to sell our securities at prices equal to or greater than those at which you pay or paid.

Increases in interest rates may cause the market price of our common units to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general and in particular for yield-based equity investments such as our common units. Any such increase in interest rates or reduction in demand for our common units resulting from other relatively more attractive investment opportunities may cause the trading price of our common units to decline. In addition, our interest expense will increase, since initially our debt will bear interest at a floating rate, subject to any interest rate swaps we may enter into the future.

Substantial future sales of our common units in the public market, including through our continuous offering sales program, could cause the price of our common units to fall, and would dilute your ownership interests.

In order to raise additional capital, we may in the future offer additional common units or other securities convertible into or exchangeable for our common units, including convertible debt. For instance, in 2016 we entered into a Continuous Offering Program Sales Agreement for the offer and sale of up to $25.0 million in aggregate amount of our common units from time to time through the sales agent. Whether we choose to effect future sales under the continuous offering program or through secondary offerings, will depend upon a variety of factors, including, among others, market conditions and the trading price of our common units relative to other sources of capital.

We cannot predict the size of future issuances or sales of our common units, including those made pursuant to the continuous offering program sales agreement or in connection with future acquisitions or capital activities, or the effect, if any, that such issuances or sales may have on the market price of our common units. The issuance and sale of substantial amounts of common units, including issuance and sales pursuant to the continuous offering program sales agreement, or announcement that such issuance and sales may occur, could adversely affect the market price of our common units, and decrease unitholders' proportionate ownership interest in us.

Unitholders may be liable for repayment of distributions.

Under some circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under the Marshall Islands Act, we may not make a distribution to unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount. Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the partnership that are known to the assignee at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

Common unitholders have limited voting rights and our partnership agreement restricts the voting rights of common unitholders owning more than 4.9% of our common units.

Holders of our common units have only limited voting rights on matters affecting our business. We hold a meeting of the limited partners every year to elect one or more members of our board of directors and to vote on any other matters that are properly brought before the meeting. Common unitholders may only elect four of the seven members of our board of directors. The elected directors are elected on a staggered basis and serve for three year terms. Our general partner in its sole discretion has the right to appoint the remaining three directors and to set the terms for which those directors will serve. The partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Unitholders will have no right to elect our general partner and our general partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class.

Our partnership agreement further restricts common unitholders' voting rights by providing that if any person or group owns beneficially more than 4.9% of the common units then outstanding, any such common units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such common unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected independent directors.

Risks Relating to Our Organizational Structure, Taxes and Other Legal Matters

In addition to the following risk factors, you should read the sections entitled “Material U.S. Federal Income Tax Considerations” and “Non-United States Tax Considerations” for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of common units.

Navios Holdings and Navios Maritime Acquisition Corporation ("Navios Acquisition") and their affiliates may compete with us.

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

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

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

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

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

We depend on the Manager to assist us in operating and expanding our business.

Pursuant to the Management Agreement between Navios Partners and the Manager, the Manager provides to us significant commercial and technical management services (including the commercial and technical management of our vessels, vessel maintenance and crewing, purchasing and insurance and shipyard supervision). In addition, pursuant to the Administrative Services Agreement between us and the Manager, the Manager provides to Navios Partners significant administrative, financial and other support services. Our operational success and ability to execute our growth strategy will depend significantly upon the Manager's satisfactory performance of these services. Our business will be harmed if the Manager fails to perform these services satisfactorily, if the Manager cancels either of these agreements, or if the Manager stops providing these services to us.

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

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with suppliers and other third parties.

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

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

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

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

Our success will depend in part on the Manager's ability to attract, hire, train and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract, hire, train and retain qualified crew members is intense, and crew manning costs continue to increase. If we are not able to increase our hire rates to compensate for any crew cost increases, our business, financial condition, results of operations and ability to make cash distributions to our unitholders may be adversely affected. Any inability we experience in the future to attract, hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business.

We may be subject to taxes, which may reduce our cash available for distribution to our unitholders.

We and our subsidiaries may be subject to tax in the jurisdictions in which we are organized or operate, reducing the amount of cash available for distribution. In computing our tax obligation in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that upon review of these positions the applicable authorities will agree with our positions. A successful challenge by a tax authority could result in additional tax imposed on us or our subsidiaries, further reducing the cash available for distribution. In addition, changes in our operations or ownership could result in additional tax being imposed on us or our subsidiaries in jurisdictions in which operations are conducted.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece are subject to duties towards the Greek state which are calculated on the basis of the relevant vessels' tonnage. The payment of said duties exhausts the tax liability of the foreign ship owning company and the relevant manager against any tax, duty, charge or contribution payable

on income from the exploitation of the foreign flagged vessel. In case that tonnage tax and/or similar taxes/duties are paid to the vessel's flag state, these are deducted from the amount of the duty to be paid in Greece.

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

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a "passive foreign investment company" ("PFIC"), for U.S. federal income tax purposes if either (1) at least 75.0% of its gross income for any taxable year consists of certain types of "passive income", or (2) at least 50.0% of the average value of the entity's assets produce or are held for the production of those types of "passive income". Based on our current and projected methods of operations, and an opinion of counsel, we believe that we were not a PFIC for any taxable year, and we do not believe that we will be a PFIC for 2020 and subsequent taxable years. For purposes of these tests, "passive income" generally includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income". U.S. unitholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their units in the PFIC, as well as additional U.S. federal income tax filing obligations.

Based on our current and projected method of operation, and on opinion of counsel, we believe that we were not a PFIC for our 2020 taxable year, and we expect that we will not become a PFIC with respect to any other taxable year. Our U.S. counsel, Thompson Hine LLP, is of the opinion that (1) the income we receive from time chartering activities and the assets we own that are engaged in generating such income should not be treated as passive income or assets, respectively, and (2) so long as our income from time charters exceeds 25.0% of our gross income from all sources for each taxable year after our initial taxable year and the fair market value of our vessels contracted under time charters exceeds 50.0% of the average fair market value of all of our assets for each taxable year after our initial taxable year, we should not be a PFIC for any taxable year. This opinion is based on representations and projections provided by us to our counsel regarding our assets, income and charters, and its validity is conditioned on the accuracy of such representations and projections. We expect that all of the vessels in our fleet will be engaged in time chartering activities and intend to treat our income from those activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes. However, we cannot assure you that the method of our operations, or the nature or composition of our income or assets, will not change in the future and that we will not become a PFIC. Moreover, although there is legal authority for our position, there is also contrary authority and no assurance can be given that the Internal Revenue Service, or the IRS, will accept our position.

We may have to pay tax on U.S.-source income, which would reduce our earnings.

Under the Code, 50.0% of the gross transportation income of a vessel-owning or chartering corporation that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States is characterized as U.S. Source International Transportation Income. U.S. Source International Transportation Income generally is subject to a 4.0% U.S. federal income tax without allowance for deduction or, if such U.S. Source International Transportation Income is effectively connected with the conduct of a trade or business in the United States, U.S. federal corporate income tax (presently imposed at a 21.0% rate) as well as a branch profits tax (presently imposed at a 30.0% rate on effectively connected earnings) applies, unless the non-U.S. corporation qualifies for exemption from tax under Section 883 of the Code.

Based on an opinion of counsel, and certain assumptions and representations, we believe that we have qualified for this statutory tax exemption, and we will take this position for U.S. federal income tax return reporting purposes for our 2020 taxable year. However, there are factual circumstances, including some that may be beyond our control that could cause us to lose the benefit of this tax exemption, including the delisting of our securities from quotation on the NYSE and thereby make us subject to U.S. federal income tax on our U.S. Source International Transportation Income. See "Risks Relating to Our Units-The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions". Furthermore, our board of directors could determine that it is in our best interests to take an action that would result in this tax exemption not applying to us in the future. In addition, our conclusion that we qualify for this exemption, as well as the conclusions in this regard of our counsel, Thompson Hine LLP, is based upon legal authorities that do not expressly contemplate an organizational structure such as ours; specifically, although we have elected to be treated as a corporation for U.S. federal income tax purposes, we are organized as a limited partnership under Marshall Islands law. Therefore, we can give no assurances that the IRS will not take a different position regarding our qualification for this tax exemption.

If we were not entitled to the Section 883 exemption for any taxable year, we generally would be subject to a 4.0% U.S. federal gross income tax with respect to our U.S. Source International Transportation Income or, if such U.S. Source International Transportation Income were effectively connected with the conduct of a trade or business in the United States, U.S. federal corporate income tax as well as a branch profits tax for those years. Our failure to qualify for the Section 883 exemption could have a negative effect on our business and would result in decreased earnings available for distribution to our unitholders.

Actions taken by holders of our common units could result in our being treated as a "controlled foreign corporation," which could have adverse U.S. federal income tax consequences to certain U.S. holders.

Although we believe that Navios Partners was not a controlled foreign corporation (a "CFC") as of December 31, 2020, or at any time during 2020, tax rules enacted by the 2017 Tax Cuts and Jobs Act, including the imposition of so-called "downward attribution" for purposes of determining whether a non-U.S. corporation is a CFC, may result in Navios Partners being treated as a CFC for U.S. federal income tax purposes in the future. Through downward attribution, U.S. subsidiaries of Navios Holdings are treated as constructive owners of the equity interests of Navios Partners for purposes of determining whether Navios Partners is a CFC. If, in the future, U.S. holders (including U.S. subsidiaries of Navios Holdings, as discussed above) that each own 10.0% or more (by vote or value) of the equity of Navios Partners own in the aggregate more than 50% of the equity of Navios Partners (by vote or value), in each case, directly, indirectly or constructively, Navios Partners would become a CFC.

U.S. holders who at all times own less than 10% of our equity should not be affected. However, if we were to become a CFC, any U.S. holder owning 10% or more (by vote or value), directly, indirectly, or constructively (but not through downward attribution), of our equity could be subject to U.S. federal income tax in respect of a portion of our earnings. Any U.S. holder of Navios Partners that owns 10% or more (by vote or value), directly, indirectly or constructively, of the equity of Navios Partners should consult its own tax advisor regarding U.S. federal tax consequences that may result from Navios Partners being treated as a CFC (*see "Material U.S. Federal Income Tax Considerations – U.S. Federal Income Taxation U,S, Holders - Controlled Foreign Corporation*).

You may be subject to income tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. Such laws may require you to file a tax return with and pay taxes to those countries.

We intend that our affairs and the business of each of our controlled affiliates will be conducted and operated in a manner that minimizes income taxes imposed upon us and these controlled affiliates or which may be imposed upon you as a result of owning our common units. However, because we are organized as a partnership, there is a risk in some jurisdictions that our activities and the activities of our subsidiaries may be attributed to our unitholders for tax purposes and, thus, that you will be subject to tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if,

under the laws of any such country, we are considered to be carrying on business there. If you are subject to tax in any such country, you may be required to file a tax return with and to pay tax in that country based on your allocable share of our income. We may be required to reduce distributions to you on account of any withholding obligations imposed upon us by that country in respect of such allocation to you. The United States may not allow a tax credit for any foreign income taxes that you directly or indirectly incur.

We believe we can conduct our activities in such a manner that our unitholders should not be considered to be carrying on business in one or more non-U.S. countries including Greece solely as a consequence of the acquisition, holding, disposition or redemption of our common units. However, the question of whether either we or any of our controlled affiliates will be treated as carrying on business in any particular country will be largely a question of fact to be determined based upon an analysis of contractual arrangements, including the Management Agreement and the Administrative Services Agreement we entered into with the Manager, and the way we conduct business or operations, all of which may change over time. Furthermore, the laws of Greece or any other country may change in a manner that causes that country's taxing authorities to determine that we are carrying on business in such country and are subject to its taxation laws. Any foreign taxes imposed on us or any subsidiaries will reduce our cash available for distribution.

We have been organized as a limited partnership under the laws of the Republic of the Marshall Islands, which does not have a well-developed body of partnership law; as a result, unitholders may have more difficulty in protecting their interests than would unitholders of a similarly organized limited partnership in the United States.

Our partnership affairs are governed by our partnership agreement and by the Marshall Islands Act. The provisions of the Marshall Islands Act resemble provisions of the limited partnership laws of a number of states in the United States, most notably Delaware. The Marshall Islands Act also provides that it is to be applied and construed to make it uniform with Delaware law and, so long as it does not conflict with the Marshall Islands Act or decisions of the Marshall Islands courts, interpreted according to the non-statutory law (or case law) of the State of Delaware. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Marshall Islands Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as the courts in Delaware. For example, the rights of our unitholders and the fiduciary responsibilities of our general partner under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. As a result, unitholders may have more difficulty in protecting their interests in the face of actions by our officers or directors than would unitholders of a similarly organized limited partnership in the United States.

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

We are organized under the laws of the Marshall Islands, and all of our assets are located outside of the United States. Our business is operated primarily from our office in Monaco. In addition, our general partner is a Marshall Islands limited liability company, and our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands, the Monaco and other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or the assets of our general partner or our directors or officers.

We rely on the master limited partnership structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt. The depressed trading price of our common units may affect our ability to access capital markets and, as a result, our ability to pay distributions or repay our debt.

We rely on the master limited partnership structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt.

We rely on our ability to raise capital in the equity and debt markets to grow our fleet and to refinance our debt. A protracted deterioration in the valuation of our common units would increase our cost of capital, make any equity issuance significantly dilutive and may affect our ability to access capital markets and, as a result, our capacity to pay distributions to our unitholders and refinance or repay our debt.

Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.

Our partnership agreement contains provisions that reduce the standards to which our general partner and directors would otherwise be held by Marshall Islands law. For example, our partnership agreement:

- permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. Where our partnership agreement permits, our general partner may consider only the interests and factors that it desires, and in such cases it has no fiduciary duty or obligation to give any consideration to any interest of, or factors affecting us, our affiliates or our unitholders. Decisions made by our general partner in its individual capacity will be made by Olympos Maritime Ltd. Specifically, pursuant to our partnership agreement, our general partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the partnership;
- appoints any directors or votes for the election of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units or, general partner interest or votes upon the dissolution of the partnership;
- provides that our general partner and our directors are entitled to make other decisions in “good faith” if they reasonably believe that the decision is in our best interests;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the Conflicts Committee of our board of directors and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be “fair and reasonable” to us and that, in determining whether a transaction or resolution is “fair and reasonable,” our board of directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and
- provides that neither our general partner nor our officers or our directors will be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or directors or our officers or directors or those other persons engaged in actual fraud or willful misconduct.

In order to become a limited partner of our partnership, a common unitholder is required to agree to be bound by the provisions in the partnership agreement, including the provisions discussed above.

Our general partner has a limited call right that may require unitholders to sell their common units at an undesirable time or price.

If at any time our general partner and its affiliates, including Navios Holdings, own more than 80% of the common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than their then-current market price. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return on their investment. Unitholders may also incur a tax liability upon a sale of their units.

As of March 24, 2021, Navios Holdings directly owned 2,070,216 common units, which represented a 18.2% common interest in us based on all outstanding common units. As of March 24, 2021, our general partner owned 237,822 general partner units, which represented a 2.1% interest in us based on all outstanding common units and general partner units.

Our general partner may transfer its general partner interest to, and the control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party without the consent of the unitholders. In addition, our partnership agreement does not restrict the ability of the members of our general partner from transferring their respective membership interests in our general partner to a third party. A different general partner may make decisions or operate our business in a manner that is different, and significantly less skilled and beneficial to us, and that could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if our public unitholders are dissatisfied, they will need a qualified majority to remove our general partner

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner.

- The vote of the holders of at least 66 2/3 % of all the then outstanding common units, voting together as a single class is required to remove the general partner. Navios Holdings currently owns approximately 18.2% of the total number of outstanding common units.
- Common unitholders elect only four of the seven members of our board of directors. Our general partner in its sole discretion has the right to appoint the remaining three directors.
- Election of the four directors elected by unitholders is staggered, meaning that the members of only one of three classes of our elected directors are selected each year. In addition, the directors appointed by our general partner will serve for terms determined by our general partner.
- A director appointed by our general partner may be removed from our board of directors at any time without cause only by our general partner and with cause by either our general partner, the vote of holders of a majority of all classes of equity interests in us voting as a single class or the majority vote of the other members of our board. A director elected by our common unitholders may be removed from our board of directors at any time with cause by the vote of holders of a majority of our outstanding common units or the majority vote of the other members of our board. “Cause” is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding our general partner or director liable for actual fraud or willful or wanton misconduct in its capacity as our general partner or as a member of the board of directors, as the case may be. Cause does not include most cases of charges of poor business decisions such as charges of poor management of our business by the directors appointed by our general partner or as a member of the Board of Directors, as the case may be.
- Our partnership agreement contains provisions limiting the ability of unitholders to call meetings of unitholders, to nominate directors and to acquire information about our operations as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.
- Unitholders' voting rights are further restricted by the partnership agreement provision providing that if any person or group owns beneficially more than 4.9% of the common units then outstanding, any such common units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such common unitholders in excess of 4.9% will be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.
- We have substantial latitude in issuing equity securities without unitholder approval.

Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business.

As a limited partner in a partnership organized under the laws of the Marshall Islands, unitholders could be held liable for our obligations to the same extent as a general partner if they participate in the “control” of our business. Our general partner generally has unlimited liability for the obligations of the partnership, such as its debts and environmental liabilities, except for those contractual obligations of the partnership that are expressly made without recourse to our general partner.

We can borrow money to pay distributions, which would reduce the amount of credit available to operate our business.

Our partnership agreement will allow us to make borrowings to make distributions. Accordingly, we can make distributions on all our units even though cash generated by our operations may not be sufficient to pay such distributions. Any borrowings by us to make distributions will reduce the amount of borrowings we can make for operating our business.

Our management will have broad discretion with respect to the use of the proceeds resulting from the issuance of common units whether under a continuous offering program or a secondary offering.

Our management will have broad discretion in the application of the net proceeds from continuous offering programs or secondary offerings, and could spend such proceeds in ways that do not improve our results of operations or enhance the value of our common units. The failure by our management to apply these funds effectively could result in financial losses and cause the price of our common units to decline. Pending their use, we may invest the net proceeds from continuous offering programs or secondary offerings in a manner that does not produce income or that loses value.

Our general partner and its affiliates, including Navios Holdings, own a significant interest in us and may have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to the detriment of unitholders.

Navios Holdings is our main unitholder owning an approximate 18.2% limited partner interest in us. In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interests in the Company to N Shipmanagement Acquisition Corp. and related entities, affiliated with the Company's Chairman and Chief Executive Officer. Our general partner owns 2.1% interest in us based on all outstanding common untis and general partner units. This concentration of ownership may delay, deter or prevent acts that would be favored by our other

unitholders or deprive unitholders of an opportunity to receive a premium for their common units as part of a sale of our business, and it is possible that the interests of the controlling unitholders may in some cases conflict with our unitholders. The interests of our general partner and its affiliates, including Navios Holdings, may be different from your interests. As a result of these conflicts, our general partner and its affiliates may favor their own interests over the interests of our unitholders. These conflicts include, among others, the following situations:

- neither our partnership agreement nor any other agreement requires our general partner to pursue, in the operation of their businesses, a business strategy that favors us;
- our general partner and our directors have limited liabilities and reduced their fiduciary duties under the laws of the Marshall Islands, while the remedies available to our unitholders are also restricted, and, as a result of purchasing common units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by our general partner and our directors, all as set forth in the partnership agreement;
- either or both of our general partner and our board of directors are involved in determining the amount and timing of our asset purchases and sales, capital expenditures, borrowings, issuances of additional partnership securities and reserves, each of which can affect the amount of cash that is available for distribution to our unitholders;
- our general partner is authorized to cause us to borrow funds in order to permit the payment of cash distributions;
- our general partner is entitled to reimbursement of all reasonable costs incurred by it and its affiliates for our benefit;
- our partnership agreement does not restrict us from paying our general partner or its affiliates for any services rendered to us on terms that are fair and reasonable or entering into additional contractual arrangements with any of these entities on our behalf; and
- our general partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80% of our common units.

Although a majority of our directors will be elected by common unitholders, our general partner will likely have substantial influence on decisions made by our board of directors.

Our officers face conflicts of interest and conflicts in the allocation of their time to our business.

Certain of our executive officers and/or directors also serve as executive officers and/or directors of Navios Holdings and Navios Acquisition. Our Chief Executive Officer is also the Chief Executive Officer of Navios Acquisition and Navios Holdings. Navios Holdings and Navios Acquisition conduct substantial businesses and activities of their own. If these separate activities are significantly greater than our activities, there will be material competition for the time and effort of our officers, who also provide services to Navios Acquisition, Navios Holdings and their respective affiliates. Our officers are not required to work full-time on our affairs and, in the future, we may have additional officers that also provide services to Navios Holdings, Navios Acquisition, and their affiliates. As such these individuals have fiduciary duties to Navios Holdings and Navios Acquisition which may cause them to pursue business strategies that disproportionately benefit Navios Holdings and Navios Acquisition or which otherwise are not in our best interests or those of our unitholders. Conflicts of interest may arise between Navios Holdings and Navios Acquisition, on the one hand, and us and our unitholders on the other hand. Based solely on the anticipated relative sizes of our fleet and the fleet owned by the Navios Holdings and Navios Acquisition, over the next twelve months, we estimate that certain our officers may spend a substantial portion of their monthly business time dedicated to the business activities of the Navios Holdings, Navios Acquisition and their affiliates. However, the actual allocation of time could vary significantly from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses.

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

A large portion of the management, staffing and administrative services that we require to operate our business are provided to us by the Manager. We pay the Manager, a commercial and technical management fee under the management agreement, as well as an administrative services fee under the Administrative Services Agreement.

Pursuant to the Management Agreement, dated November 16, 2007, as amended or supplemented from time to time, the Manager provides commercial and technical management services to our vessels. The term of the Management Agreement as amended in August 2019 and December 2019, expires on January 1, 2025. During the remaining years of the term of the management agreement, we will reimburse the Manager for all of the actual operating costs and expenses it incurs in connection with the management of our fleet.

In addition, the Manager will provide us with administrative services, pursuant to the Administrative Services Agreement dated November 16, 2007, as amended or supplemented from time to time, expiring on January 1, 2025, and we will reimburse the Manager for all costs and expenses reasonably incurred by it in connection with the provision of those services. The exact amount of these future costs and expenses are unquantifiable at this time and they are payable regardless of our profitability.

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

For detailed information on the amount of management fees owed under the Management Agreement, please see the section entitled, “Item 5. Operating and Financial Review and Prospects - A. Operating results – Vessel operating expenses (management fees)”.

Item 4. Information on the Partnership

A. History and Development of the Partnership

Navios Partners is an international owner and operator of dry cargo vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands as a limited partnership, under the Marshall Islands Limited Partnership Act. Olympos Maritime Ltd. is Navios Partners' general partner (the “General Partner”) and currently owns an approximately 2.1% interest in Navios Partners based on all outstanding units and general partner units.

Navios Partners is engaged in the seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain and fertilizer and also containers, chartering its vessels generally under medium to long-term charters. The operations of Navios Partners are managed by the Manager from its offices in Piraeus, Greece, Singapore and Monaco.

The principal executive offices of Navios Partners are located at c/o Navios Maritime Partners L.P., 7 Avenue de Grande Bretagne, Office 11B2, Monte Carlo, MC 98000 Monaco, and its telephone number is (011) + (377) 9798-2140.

Pursuant to the IPO on November 16, 2007, Navios Partners entered into the following agreements:

(a) the Management Agreement with the Manager (the “Management Agreement”) pursuant to which the Manager provides Navios Partners commercial and technical management services;

(b) the Administrative Services Agreement with the Manager pursuant to which the Manager provides Navios Partners administrative services; and

(c) the Omnibus Agreement with Navios Holdings, governing, among other things, when Navios Partners and Navios Holdings may compete against each other as well as rights of first offer on certain drybulk carriers.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. The address of the Company's internet site is https://www.navios-mlp.com. Information contained on this website does not constitute part of this report.

Navios Containers Merger

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company will acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the "Transaction"). Under the terms of the Transaction, public unitholders of Navios Containers will receive 0.39 of a common unit of the Company for each outstanding common unit of Navios Containers. The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The general partner of Navios Containers consented to the merger, and the Company voted the Navios Containers' common units it holds in favor of the Transaction. The Transaction is expected to close on or about March 31, 2021. The expenses of this transaction are included in the General and Administrative expenses, in the Consolidated Statements of Operations.

Financing Arrangements

On March 23, 2021, Navios Partners entered into a new credit facility with a commercial bank for a total amount of $58.0 million in order to refinance the CACIB $33.0m Credit Facility and to finance the acquisition of two dry bulk vessels. The credit facility matures in March 2026 and bears interest at LIBOR plus 3% per annum. On March 30, 2021, the entire amount was drawn under this loan, net of the loan's discount of $0.4 million.

Navios Partners is in advance discussions with a commercial bank for a new credit facility of up to $115.0 million for the refinancing of its' existing facility maturing in August 2021. The new facility is expected to mature in the second quarter of 2025 and bears interest at LIBOR plus 3% per annum. The transaction is expected to close in the second quarter of 2021, however it cannot be certain that a definitive agreement will be executed or that the refinancing will be consummated in whole or in part.

On September 30, 2020, the Company entered into a second supplemental agreement with ABN Amro Bank N.V., to extend the terms of the then outstanding balance of the ABN Amro Bank N.V. credit facility (the "ABN $23.5m Credit Facility"). The Company had initially entered into a credit facility with ABN Amro Bank N.V., on December 12, 2019, of up to $23.5 million, in order to finance the acquisition of the five containerships acquired from Navios Europe I, which had subsequently been refinanced from Hellenic Bank Public Company Limited in June 2020. The facility was due to matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to February 28, 2021 and 600 bps per annum up to maturity date. On January 13, 2021, Navios Partners fully repaid the outstanding balance of $3.4 million.

On September 28, 2020, the Company entered into a new credit facility with Credit Agricole Corporate and Investment Bank ("CACIB"), (the "CACIB $33.0m Credit Facility") of up to $33.0 million in order to finance the acquisition of the two drybulk vessels acquired from Navios Holdings. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 325 bps per annum up to maturity date.

On June 26, 2020, the Company entered into a new credit facility with ABN Amro Bank N.V. (the "ABN $32.2m Credit Facility") of up to $32.2 million in order to finance the acquisition of the five drybulk vessels acquired from Navios Europe II. The facility matures in the second quarter of 2021 and bears interest at LIBOR plus 400 bps per annum up to December 31, 2020 and 425 bps per annum up to maturity date.

On June 25, 2020, the Company entered into a new credit facility with Hellenic Bank Public Company Limited (the "Hellenic Credit Facility") in order to partially refinance the ABN $23.5m Credit Facility, relating to four of the containerships acquired from Navios Europe I, of up to $17.0 million (divided into four tranches). The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 350 bps per annum. On January 28, 2021, Navios Partners prepaid the outstanding balance of the fourth tranche in the amount of $3.7 million. On February 11, 2021, Navios Partners prepaid the outstanding balance of the third tranche in the amount of $3.8 million.

Distributions

In January 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2020 of $0.05 per unit. The distribution was paid on February 12, 2021 to all unitholders of common units and general partner units of record as of February 9, 2021. The aggregate amount of the declared distribution was $0.6 million.

Equity Offerings and Issuances

On November 18, 2016, Navios Partners entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to $25.0 million. An amended Sales Agreement was entered into on August 3, 2020. As of March 26, 2021, since the commencement of the amended Sales Agreement, Navios Partners has issued 578,971 units and received net proceeds of $7.8 million. Pursuant to the issuance of the common units, Navios Partners issued 11,816 general partnership units to its General Partner in order to maintain its 2.0% general partner interest. The net proceeds from the issuance of the general partnership units are expected to be approximately $0.2 million.

Acquisitions and Sales of Vessels

Acquisitions of Vessels

On March 25, 2021, Navios Partners agreed to bareboat charter-in one Japanese newbuilding capesize vessel from an unrelated third party. The vessel has approximately 180,000 dwt and is being bareboat chartered-in for 15 years. Navios Partners has the option to acquire the vessel starting at the end of year four until the end of the charter period. Assuming exercise of the option at the end of the 15-year period, the implied fixed interest rate is 5.0%. The vessel is expected to be delivered into Navios Partners' fleet during the first half of 2023.

On March 23, 2021, Navios Partners agreed to acquire from Navios Holdings the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt. On March 30, 2021, Navios Partners completed the acquisition of the two vessels from Navios Holdings for a purchase price of $39.3 million, including working capital adjustments.

On March 23, 2021, Navios Partners agreed to acquire from an unrelated third party a newbuilding Panamax vessel for a purchase price of $31.6 million. The vessel has approximately 81,000 dwt and is expected to be delivered into Navios Partners' fleet during the second half of 2022.

On January 25, 2021, Navios Partners agreed to bareboat charter-in three Japanese newbuilding capesize vessels from an unrelated third party. Each vessel has approximately 180,000 dwt and is being bareboat chartered-in for 15 years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Assuming exercise of the option at the end of the 15-year period, the implied fixed interest rate is 4.4%. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2022.

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51.0 million, including working capital balances of $(4.4) million.

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of $56.1 million in total, including working capital balances of $(2.7) million, following the liquidation of Navios Europe II.

Sales of Vessels

On March 25, 2021, Navios Partners completed the sale of the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sale price of $8.2 million.

On February 10, 2021, Navios Partners completed the sale of the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sale price of $8.9 million.

On January 28, 2021, Navios Partners completed the sale of the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sale price of $11.1 million.

On January 13, 2021, Navios Partners completed the sale of the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sale price of $4.6 million.

On December 10, 2020, Navios Partners completed the sale of the Navios Soleil, a 2009-built Ultra–Handymax vessel of 57,337 dwt, to an unrelated third party for a net sale price of $8.2 million.

B. Business Overview

Introduction

We are an international owner and operator of dry cargo vessels formed by Navios Holdings (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. Our vessels are generally chartered-out under medium to long-term time charters with an average remaining term of approximately two years to a strong group of counterparties, including Cargill International S.A., Singapore Marine Pte Ltd. and HMM.

Our Fleet

Navios Partners' fleet consists of 27 Panamax vessels, 18 Capesize vessels, four Ultra-Handymax vessels and seven Containerships, including two Panamax bareboat charter-in vessels which are expected to be delivered by the first half of 2021; three Capesize bareboat charter-in vessels which are expected to be delivered by the second half of 2022; two Panamax vessels acquired on March 30, 2021 and one Panamax vessel expected to be delivered by the second half of 2022, excluding one Capesize bareboat charter-in vessel which is expected to be delivered by the first half of 2023. Pursuant to the anticipated merger, Navios Partners' fleet will consist of 27 Panamax vessels, 18 Capesize vessels, four Ultra Handymax vessels and 36 containerships, including two Panamax bareboat charter-in vessels, which are expected to be delivered by the first half of 2021; three Capesize bareboat charter-in vessels which are expected to be delivered by the second half of 2022; two Panamax vessels acquired on March 30, 2021 and one Panamax vessel expected to be delivered by the second half of 2022, excluding one Capesize bareboat charter-in vessel which is expected to be delivered by the first half of 2023. Pursuant to the anticipated merger our fleet will have an average age of 10.7 years for drybulk vessels and containerships, which approximates the current industry average of about 10.6 years for drybulk vessels and 13.2 years for containerships, respectively (both industry averages as of March 1, 2021). Panamax vessels are highly flexible vessels capable of carrying a wide range of dry cargo commodities, including iron ore, coal, grain and fertilizer and being accommodated in most major discharge ports, while Capesize vessels are primarily dedicated to the carriage of iron ore and coal. Ultra-Handymax vessels are similar to Panamax vessels although with less carrying capacity and generally have self-loading and discharging gear on board to accommodate undeveloped ports. Containerships are specifically constructed to transport containerized cargo. We may from time to time purchase additional vessels, including vessels from Navios Holdings and other affiliates.

We generate revenues by charging our customers for the use of our vessels to transport their dry cargo commodities. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to twelve years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered under long-term charters.

Pursuant to the anticipated merger with Navios Containers, Navios Partners anticipates it will own and operate a fleet comprised of 49 dry bulk vessels and 36 containerships. The following table provides summary information about Navios Partners fleet and Navios Containers fleet as of March 23, 2021:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios La Paix	Ultra-Handymax	2014	61,485	—	111% average BSI 58 10TC	February 2022
Navios Christine B	Ultra-Handymax	2009	58,058	$9,548	No	January 2022
Navios Amaryllis	Ultra-Handymax	2008	58,735	$8,835	No	August 2021
Serenitas N	Ultra-Handymax	2011	56,644	$11,020	No	April 2021
Navios Hyperion	Panamax	2004	75,707	$8,759	No	March 2021
				$10,106	No	June 2021
				—	100% average BPI 4TC	October 2021
Navios Alegria	Panamax	2004	76,466	$8,667	No	March 2021
				—	99.5% average BPI 4TC	April 2022
Navios Orbiter	Panamax	2004	76,602	$8,663	No	March 2021
				$13,379	No	June 2021
				—	100% average BPI 4TC	February 2022
Navios Helios	Panamax	2005	77,075	—	100% average BPI 4TC	March 2021
				$12,031	No	June 2021
				—	100% average BPI 4TC	October 2021
Navios Sun	Panamax	2005	76,619	$9,144	No	March 2021
				$13,475	No	June 2021
				—	100% average BPI 4TC	February 2022
Navios Hope	Panamax	2005	75,397	$9,625	No	January 2022
				—	100% average BPI 4TC	February 2022
Navios Sagittarius[6]	Panamax	2006	75,756	$10,783	No	November 2021
Navios Harmony	Panamax	2006	82,790	$8,740	No	April 2021
Navios Prosperity I	Panamax	2007	75,527	$10,213	No	April 2021
Navios Libertas	Panamax	2007	75,511	$8,550	No	April 2021
Navios Altair I	Panamax	2006	74,475	$8,075	No	March 2021
Navios Symmetry	Panamax	2006	74,381	$11,804	No	January 2022
Navios Apollon I	Panamax	2005	87,052	—	109% average BPI 4TC	February 2022
Navios Sphera	Panamax	2016	84,872	$11,954	No	March 2021
				—	120% average BPI 4TC	May 2022
Navios Camelia	Panamax	2009	75,162	$9,975	No	August 2021
Navios Anthos	Panamax	2004	75,798	$9,595	No	January 2022
Navios Azalea	Panamax	2005	74,759	$11,400	No	May 2021
Copernicus N	Panamax	2010	93,062	—	95.75% average BPI 4TC	April 2021
Unity N	Panamax	2011	79,642	—	95.5% average BPI 4TC	April 2021
Odysseus N	Panamax	2011	79,642	$9,390	No	March 2021
				—	95.5% average BPI 4TC	June 2021
Navios Victory	Panamax	2014	77,095	—	112% average BPI 4TC	April 2021
				$12,513	No	April 2022
Navios Beaufiks[7]	Capesize	2004	180,310	—	100% average BCI 5TC	April 2021
Navios Symphony	Capesize	2010	178,132	—	100.5% average BCI 5TC	October 2021
Navios Fantastiks[8]	Capesize	2005	180,265	$21,650	No	March 2023
Navios Aurora II	Capesize	2009	169,031	$14,857	No	March 2021
				—	95.25% average BCI 5TC	April 2022
Navios Pollux	Capesize	2009	180,727	—	100% of pool earnings	June 2021
Navios Sol[9]	Capesize	2009	180,274	$17,636	No	March 2021
				$17,922	No	April 2021
				—	110% average BCI 5TC	March 2022
Navios Fulvia	Capesize	2010	179,263	$15,561	No	March 2021
				—	100% average BCI 5TC	June 2021
Navios Buena Ventura	Capesize	2010	179,259	Freight Voyage/ TCE Estimate $18,000	No	April 2021
Navios Melodia	Capesize	2010	179,132	$29,356	Profit sharing 50% above $37,500/day based on Baltic Exchange Capesize TC Average	September 2022
Navios Luz	Capesize	2010	179,144	—	101% average BCI 5TC	March 2022
Navios Ace[10]	Capesize	2011	179,016	Freight Voyage/ TCE Estimate $21,400	No	May 2021
Navios Aster	Capesize	2010	179,314	$16,431	No	March 2021
				—	105% average BCI 5TC	May 2021
Navios Joy	Capesize	2013	181,389	$18,664	No	April 2021
				—	113% average BCI 5TC	May 2021
Navios Gem	Capesize	2014	181,336	$17,623	No	February 2022
Navios Mars	Capesize	2016	181,259	$22,610	No	February 2022

Owned Vessels to be delivered	Type	Delivery	Capacity	Charter-Out	Index[2]	Expiration Date[3]

		Date	(DWT)	Rate[1]		
Navios Avior[4]	Panamax	2021	81,355	$14,131	No	February 2022
Navios Centaurus[4]	Panamax	2021	81,472	$9,310	No	April 2021
TBN6[11]	Panamax	2022	81,000	—	—	—

Bareboat Chartered-in vessel	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Libra	Panamax	2019	82,011	$10,638	No	March 2021
				$23,070	No	June 2021
				—	125% average BPI 4TC	September 2021

Bareboat Chartered-in vessels to be delivered	Type	Delivery Date	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios TBN1[4]	Panamax	2021	81,000	—	110% average BPI 82	May 2024
Navios TBN2[4]	Panamax	2021	81,000	—	110% average BPI 82	June 2024
Navios TBN3[11]	Capesize	2022	180,000	—	—	—
Navios TBN4[11]	Capesize	2022	180,000	—	—	—
Navios TBN5[11]	Capesize	2022	180,000	—	—	—

Owned Containerships	Type	Built	TEU	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Hyundai Hongkong[5]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Singapore[5]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Tokyo[5]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Shanghai[5]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Busan[5]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Protostar N	Containership	2007	2,741	$17,775	No	July 2022
Harmony N	Containership	2006	2,824	$8,181	No	July 2021

Navios Containers Owned Containerships	Type	Built	TEU	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Summer [12]	Containership	2006	3,450	$16,960	No	May 2022
Navios Verano [12]	Containership	2006	3,450	$9,036	No	May 2021
				$22,713	No	May 2023
Navios Spring [12]	Containership	2007	3,450	$7,961	No	July 2021
Navios Vermilion [12]	Containership	2007	4,250	$21,330	No	December 2021
Navios Indigo [12]	Containership	2007	4,250	$22,713	No	February 2022
Navios Amaranth [12]	Containership	2007	4,250	$18,121	No	December 2021
Navios Amarillo [12]	Containership	2007	4,250	$20,845	No	November 2022

Navios Containers Owned Containerships	Type	Built	TEU	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Verde [12]	Containership	2007	4,250	$20,845	No	April 2023
Navios Azure [12]	Containership	2007	4,250	$22,678	No	September 2022
Navios Domino [12]	Containership	2008	4,250	$7,720	No	March 2021
				$24,934	No	June 2023
Navios Dedication [12]	Containership	2008	4,250	$8,010	No	June 2021
Navios Delight [12]	Containership	2008	4,250	$9,023	No	May 2021
Navios Destiny [12]	Containership	2009	4,250	$18,022	No	November 2021
Navios Devotion [12]	Containership	2009	4,250	$23,700	No	February 2022
Navios Lapis	Containership	2009	4,250	$13,000	No	April 2021
				$31,353	No	May 2023
Navios Tempo	Containership	2009	4,250	$13,000	No	April 2021
				—	Index[15]	November 2021
Navios Dorado	Containership	2010	4,250	$21,676	No	April 2023
Navios Felicitas	Containership	2010	4,360	$18,121	No	December 2021
Bahamas	Containership	2010	4,360	$22,219	No	November 2022
Bermuda	Containership	2010	4,360	$11,580	No	March 2022
Navios Miami	Containership	2009	4,563	$18,022	No	November 2021
Navios Magnolia	Containership	2008	4,730	$18,022	No	November 2021
Navios Jasmine	Containership	2008	4,730	$21,825	No	December 2022
APL Denver	Containership	2008	4,730	$8,239	No	April 2021
				$30,083	No	July 2023
Navios Nerine	Containership	2008	4,730	$24,125	No	July 2021
Navios Utmost [13]	Containership	2006	8,204	$21,656	No	September 2022
Navios Unite [13]	Containership	2006	8,204	$23,160	No	May 2021
				$27,840	No	January 2024
Navios Unison [14]	Containership	2010	10,000	$25,301	No	May 2021
				$26,276	No	May 2026
Navios Constellation [14]	Containership	2011	10,000	$26,276	No	May 2026

(1) Daily charter-out rate per day, net of commissions.
(2) Index rates exclude commissions.
(3) Charter expiration dates shown reflect expected redelivery basis midpoint or the Company’s best estimate of full redelivery period in the charter

agreement, unless otherwise noted and including Navios Partners' extension options, not declared yet.

(4) Expected to be delivered by the first half of 2021.

(5) Upon acquisition, the vessels are fixed on ten/twelve year charters with Navios Partners' option to terminate after year seven.

(6) The vessel is subject to a sale and leaseback transaction for a period of up to three years, at which time we have an obligation to purchase the vessel.

(7) The vessel is subject to a sale and leaseback transaction for a period of up to five years, at which time we have an obligation to purchase the vessel.

(8) The vessel is subject to a sale and leaseback transaction for a period of up to six years, at which time we have an obligation to purchase the vessel.

(9) The vessel is subject to a sale and leaseback transaction for a period of up to ten years, at which time we have an obligation to purchase the vessel.

(10) The vessel is subject to a sale and leaseback transaction for a period of up to 11 years, at which time we have an obligation to purchase the vessel.

(11) Expected to be delivered by the second half of 2022.

(12) The vessel is subject to a sale and leaseback transaction with Minsheng Financial Leasing Co. Ltd. for a period of up to five years, at which time we have an obligation to purchase the vessel.

(13) The vessel is subject to a sale and leaseback transaction with a Chinese financial institution for a period of up to five years, at which time we have an obligation to purchase the vessel.

(14) The vessel is subject to a sale and leaseback transaction with a Chinese financial institution for a period of up to seven years, at which time we have an obligation to purchase the vessel.

(15) The market rate will be calculated according to the Container Ship Time Charter Assessment Index (ConTex) as published for a 4,250 TEU vessel for a 12 month period.

Our Competitive Strengths

We believe that our future prospects for success are enhanced by the following aspects of our business:

- Stable cash flows. We believe that by maintaining medium to long-term, fixed-rate charters will provide a stable base of revenue (during high market periods we seek to fix longer term charters and during low market periods we seek shorter period employment in order to take advantage of any market up turn). Our merger with Navios Containers builds scale for us through a larger, diversified asset base with an increased earnings capacity. The merger also enhances our credit profile by increasing cash flow to support our growth and deleveraging initiatives. In addition, we believe that the potential opportunity to purchase additional vessels from Navios Holdings and other affiliates and through the secondary market provides future growth in our revenue and distributable cash flow. We believe that our management agreement, which has been extended until January 1, 2025, will continue to provide us with predictable expenses and our simplified capital and organizational structure post our merger with Navios Containers will reduce our administrative costs.

- Strong relationship with our Manager. We believe our relationship with the Manager provides us with numerous benefits that are key to our long-term growth and success, the Manager's commercial expertise and reputation within the shipping industry and its network of strong relationships with many of the world's dry cargo raw material producers, agricultural traders and exporters, industrial end-users, shipyards and shipping companies. We benefit from the Manager's expertise in technical management, which provides efficient operations and maintenance for our vessels at fixed rates. The Manager's expertise in fleet management is reflected in their history of low number of off-hire days and in their record of no material incidents giving rise to loss of life or pollution.

- High-quality, flexible fleet. Pursuant to the anticipated merger with Navios Containers, our fleet will consist of 27 Panamax vessels, 18 Capesize vessels, four Ultra-Handymax vessels and 36 Containerships, including two Panamax bareboat charter-in vessels, which are expected to be delivered by the first half of 2021; three Capesize bareboat charter-in vessels which are expected to be delivered by the second half of 2022; two Panamax vessels acquired on March 30, 2021 and one Panamax vessel expected to be delivered by the second half of 2022, excluding one Capesize bareboat charter-in vessel which is expected to be delivered by the first half of 2023. Our combined fleet will have an average age of 10.7 years as of March 2021 (average age of 9.8 years for drybulk fleet and 13.1 years for containerships fleet), compared to a current industry average age of about 10.6 years for the drybulk fleet and 13.2 years for the containerships fleet (both industry averages as of March 1, 2021). Our large asset base provides us a significant buffer of collateral value.

Business Strategies

Our primary business strategies are the following:

- *Pursue stable cash flows through long-term charters for our fleet.* We intend to utilize medium to long-term, fixed-rate charters for our existing fleet. Pursuant to the anticipated merger, the vessels in our fleet have average remaining charter duration of 1.4 years. We will seek to opportunistically re-charter our vessels in order to add incremental stable cash flow and improve the long-term charter terms.

- *Continue to grow and diversify our fleet of owned and chartered-in vessels.* We seek to make strategic acquisitions to expand our fleet in order to capitalize on the demand for container and drybulk vessels. We recently expanded our fleet by 29 vessels through the merger with Navios Maritime Containers. We have the right to purchase certain additional drybulk vessels currently owned or chartered-in by Navios Holdings when those vessels are fixed under long-term charters for a period of three or more years. In addition, we may seek to expand and diversify our fleet through the open market purchase of owned and chartered-in drybulk or container vessels with or without charters.

- *Capitalize on our relationship with Navios Holdings and the Manager and expand our charters with recognized charterers.* We believe that we can use our relationship with Navios Holdings and the Manager and their established reputation in order to obtain favorable long-term time charters and attract new customers. We will continue to increase the number of vessels we charter to our existing charterers, as well as enter into charter agreements with new customers, in order to develop a portfolio that is diverse from a customer, geographic and maturity perspective.

- *Provide superior customer service by maintaining high standards of performance, reliability and safety.* Our customers seek transportation partners that have a reputation for high standards of performance, reliability and safety. We intend to use the Manager's operational expertise and customer relationships to further expand a sustainable competitive advantage with consistent delivery of superior customer service.

Our Customers

We provide or will provide seaborne shipping services under long-term time charters with customers that we believe are creditworthy. For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues.

For the year ended December 31, 2018, HMM represented approximately 24.5% of total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

Although we believe that if any one of our charters were terminated, we could recharter the related vessel at the prevailing market rate relatively quickly, the permanent loss of a significant customer or a substantial decline in the amount of services requested by a significant customer could harm our business, financial condition and results of operations if we were unable to recharter our vessel on a favorable basis due to then-current market conditions, or otherwise.

Competition

The drybulk shipping market is extensive, diversified, competitive and highly fragmented, divided among approximately 2,189 independent drybulk carrier owners. The world's active drybulk fleet consists of approximately 12,353 vessels, aggregating approximately 916.7 million dwt as of March 1, 2021. As a general principle, the smaller the cargo carrying capacity of a drybulk carrier, the more fragmented is its market, both with regard to charterers and vessel owner/operators. Even among the larger drybulk owners and operators, whose vessels are mainly in the larger sizes, only ten companies are known to have fleets of 97 vessels or more: China COSCO Shipping, Nippon Yusen Kaisha, Wisdom Marine, Fredriksen Group, China Merchants, Star Bulk Carriers, Pacific Basin Shipping, Kawasaki Kisen, Oldendorff Carriers and Mitsui O.S.K. Lines. There are about 40 owners known to have fleets of between 36 and 84 vessels. However, vessel ownership is not the only determining factor of fleet control. Many owners of bulk carriers charter their vessels out for extended periods, not just to end users (owners of cargo), but also to other owner/operators and to tonnage pools. Such operators may, at any given time, control a fleet many times the size of their owned tonnage. Navios Holdings is one such operator; others include Cargill, Pacific Basin Shipping, Bocimar, Zodiac Maritime, Louis Dreyfus/Cetragpa, Cobelfret, Torvald Klaveness, Swiss Marine and Singapore Marine.

The container shipping market is extensive, diversified, competitive and fragmented, divided among approximately 664 liner operators and independent owners. The world's active containership fleet consists of approximately 5,455 vessels, aggregating approximately 23.8 million TEU as of March 1, 2021. As a general principle, the smaller the cargo carrying capacity of a containership, the more fragmented is its market, both with regard to charterers and vessel owner/operators. Even among the larger liner companies and containership owners and operators, whose vessels are mainly in the larger sizes, only ten companies are known to control fleets of 95 vessels or more: AP Moller, China COSCO Shipping, Mediterranean Shipping Co. (MSC), CMA CGM, Atlas Corp (former Seaspan), Evergreen, Hapag Lloyd, Wan Hai Lines, SITC and Pacific International Lines. There are about 40 owners known to control fleets of between 29 and 86 vessels. However, vessel ownership is not the only determining factor of fleet control. Liner companies, who control the movement of containers on land and at sea, own vessels directly and charter in vessels on short and long-term charters. Many owners/managers of containerships charter their vessels out for extended periods but do not control the movement of any containers, the so called tonnage providers. Liner companies may, at any given time, control a fleet many times the size of their owned tonnage. AP Moller and MSC are such liner operators; whereas Peter Dohle, Seaspan and others including Navios Partners are tonnage providers.

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

Time Charters

A time charter is a contract for the use of a vessel for a fixed period of time at a specified daily rate. Under a time charter, the vessel owner provides crewing and other services related to the vessel's operation, the cost of which is included in the daily rate and the customer is responsible for substantially all of the vessel voyage costs. All of the vessels in our fleet are hired out under time charters, and we intend to continue to hire out our vessels under time charters. The following discussion describes the material terms common to all of our time charters.

Basic Hire Rate

“Basic hire rate” refers to the basic payment from the customer for the use of the vessel. The hire rate is generally payable semi-monthly, in advance, in U.S. dollars as specified in the charter.

Expenses

The charterer generally pays the voyage expenses, which include all expenses relating to particular voyages, including any bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions.

Off-hire

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

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

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

Termination

We are generally entitled to suspend performance under the time charters covering our vessels if the customer defaults in its payment obligations. Under some of our time charters, either party may terminate the charter in the event of war in specified countries or in locations that would significantly disrupt the free trade of the vessel. Some of our time charters covering our vessels require us to return to the charterer, upon the loss of the vessel, all advances paid by the charterer but not earned by us.

Classification, Inspection and Maintenance

Every sea going vessel must be “classed” by a classification society. The classification society certifies that the vessel is “in class,” signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

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

- *Annual Surveys:* For seagoing ships, annual surveys are conducted for the hull and the machinery (including the electrical plant) and, where applicable, for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated

in the certificate.

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

Management of Ship Operations, Administration and Safety

Pursuant to the Management Agreement and the Administrative Services Agreement with the Manager, we have access to human resources, financial and other administrative functions, including:

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

Technical management services are also provided, including:

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

For more information on the Management Agreement and the Administrative Services Agreement, please read "Item 7. – Major Unitholders and Related Party Transactions".

Crewing

The Manager crews its vessels primarily with Filipino, Ukrainian, Polish, Russian, Indian, Georgian, and Romanian officers and Filipino, Georgian, Ethiopian, Indian and Ukrainian seamen. For these nationalities, officers and seamen are referred to the Manager by local crewing agencies. The Manager is also responsible for travel and payroll of the crew. The crewing agencies handle each seaman's training. The Manager requires that all of its seamen have the qualifications and licenses required to comply with international regulations and shipping conventions.

Risk of Loss and Liability Insurance

General

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

Hull and Machinery and War Risk Insurances

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

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

Protection and Indemnity Insurance

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

Navios Partners' fleet is currently entered for protection and indemnity insurance with International Group associations where, in line with all International Group Clubs, coverage for oil pollution is limited to $1.0 billion per event. The 13 P&I Associations that comprise the International Group insure approximately 95% of the world's commercial tonnage and have entered into a pooling agreement to collectively reinsure each association's liabilities. Each vessel that Navios Partners acquires will be entered with P&I Associations of the International Group. Under the International Group reinsurance program for the current policy year, each P&I club in the International Group is responsible for the first $10.0 million of every claim. In every claim the amount in

excess of $10.0 million and up to $100.0 million is shared by the clubs under the pooling agreement. Any claim in excess of $100.0 million is reinsured by the International Group in the international reinsurance market under the General Excess of Loss Reinsurance Contract. This policy currently provides an additional $2.0 billion of coverage for non-oil pollution claims. Further to this, an additional reinsurance layer has been placed by the International Group for claims up to $1.0 billion in excess of $2.1 billion, i.e. $3.1 billion in total. For passengers and crew claims, the overall limit is $3.0 billion for any one event on any one vessel with a sub-limit of $2.0 billion for passengers. With the exception of pollution, passenger or crew claims, should any other P&I claim exceed Group reinsurance limits, the provisions of all International Group Club's overspill claim rules will operate and members of any International Group Club will be liable for additional contributions in accordance with such rules. To date, there has never been an overspill claim, or one even nearing this level.

As a member of the P&I Associations, which is a member of the International Group, Navios Partners will be subject to calls payable to the associations based on the individual fleet record, the associations' overall claim records as well as the claim records of all other members of the individual associations, and members of the pool of P&I Associations comprising the International Group. The P&I Associations' policy year commences on February 20th. Calls are levied by means of Estimated Total Premiums ("ETP") and the amount of the final installment of the ETP varies according to the actual total premium ultimately required by the club for a particular policy year. Members have a liability to pay supplementary calls which might be levied by the board of directors of the club if the ETP is insufficient to cover amounts paid out by the club.

Should a member leave or entry cease with any of the associations, at the Club's Managers discretion, they may be also be liable to pay release calls or provide adequate security for the same amount. Such calls are levied in respect of potential outstanding Club/Member liabilities on open policy years and include but are not limited to liabilities for deferred calls and supplementary calls.

Uninsured Risks

Not all risks are insured and not all risks are insurable. The principal insurable risks which nonetheless remain uninsured across our fleet are "loss of hire" and "strikes," except in cases of loss of hire due to war or a piracy event or due to presence or suspected presence of Contraband on board. Specifically, Navios Partners does not insure these risks because the costs are regarded as disproportionate. These insurances provide, subject to a deductible, a limited indemnity for hire that would not be receivable by the ship owner for reasons set forth in the policy. Should a vessel on time charter, where the vessel is paid a fixed hire day by day, suffer a serious mechanical breakdown, the daily hire will no longer be payable by the charterer. The purpose of the loss of hire insurance is to secure the loss of hire during such periods. In the case of strikes insurance, if a vessel is being paid a fixed sum to perform a voyage and the ship becomes strike bound at a loading or discharging port, the insurance covers the loss of earnings during such periods.

However, in some cases when a vessel is transiting high risk war and/or piracy areas, we arrange war loss of hire insurance to cover up to 270 days of detention/loss of time. When our charterers engage in legally permitted trading in locations which may still be subject to sanctions or boycott, such as Iran, Syria and Sudan, our insurers may be contractually or by operation of law prohibited from honoring our insurance contract for such trading, which could result in reduced insurance coverage for losses incurred by the related vessels. Furthermore, our insurers and we may be prohibited from posting or otherwise be unable to post security in respect of any incident in such locations, resulting in the loss of use of the relevant vessel and negative publicity for our Company which could negatively impact our business, results of operations, cash flows and share price.

There are no deductibles for the war loss of hire cover in case of piracy and contraband cover.

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

Credit Risk Insurance

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into an agreement (the "Navios Holdings Guarantee") by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20.0 million. In October 2020, Navios Holdings paid an amount of $5.0 million to Navios Partners. As of December 31, 2020, the outstanding claim receivable amounted to $5.0 million. The final settlement of the amount from Navios Holdings will take place at a specific date, in accordance with a signed letter of agreement between the parties. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets.

Regulation

Sources of Applicable Maritime Laws and Standards

Shipping is one of the world's most heavily regulated industries, as it is subject to both Governmental regulation and industry standards. The Governmental regulations to which we are subject include local and national laws, as well as international treaties and conventions, and regulations in force in jurisdictions where our vessels operate and are registered. We also are subject to regulation by ship classification societies and industry associations, which often have independent standards. In the United States and, increasingly, in Europe, the national, state, and local laws and regulations are more stringent than international conventions, as well as industry standards. Violations of these laws, regulations, treaties and other requirements could result in sanctions by regulators, possibly fines, penalties, delays, and detention.

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

International Conventions and Standards

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

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- **MARPOL**

The International Convention for the Prevention of Pollution from Ships or "MARPOL" is the primary international convention governing vessel pollution prevention and response. MARPOL includes six annexes concerning operational pollution by oil, noxious liquid substances, harmful substances, sewage, garbage and air emissions. More specifically, these annexes contain regulations for the prevention of pollution by oil (Annex I), by noxious liquid substances in bulk (Annex II), by harmful substances in packaged forms within the scope of the International Maritime Dangerous Goods Code (Annex

III), by sewage (Annex IV), by garbage (Annex V), and by air emissions, including sulfur oxides (“SOx”), nitrogen oxides (“NOx”), and particulate matter (Annex VI). The annexes also contain recordkeeping and inspection requirements.

Under MARPOL Annex I, our ships are required to have an International Oil Pollution Prevention Certificate and a Shipboard Oil Pollution Emergency Plan; under Annex IV, an International Sewage Pollution Prevention Certificate; under Annex V, a Garbage Management Plan; and under Annex VI, an International Air Pollution Prevention Certificate issued by their flag States, among other requirements, some of which must be approved by their flag States. Certain jurisdictions in which we trade have not adopted all of the MARPOL annexes, but have established various national, regional, or local laws and regulations that apply to these areas.

MARPOL Annex VI has been amended and was also designed to phase in increasingly stringent limits on sulfur emissions. On January 1, 2020, the emissions standard under MARPOL Annex VI for the reduction of sulfur oxides was lowered to 0.5% worldwide (down from the previous level of 3.5%). Current regulations also allow for special emissions control areas (“ECAs”) to be established with more stringent controls on emissions of 0.1% sulfur, particulate matter, and nitrogen oxide emissions. Depending on the type of vessel, transitioning to use of low sulfur fuel as a means of compliance may have required fuel system modification and tank cleaning. Another means of compliance is the installation of pollution control equipment (exhaust gas cleaning systems or scrubbers), allowing the vessel to use the existing, less expensive, high sulfur content fuel.

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

Despite Annex VI’s extensive regulations, other jurisdictions have taken unilateral approaches to air emissions regulation. For example, the U.S. state of California adopted more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil, extending out to 24 nautical miles, which thus prohibits exhaust gas cleaning systems. China has also established local emissions control areas. While the Chinese areas are currently consistent with international standards in terms of sulfur content, certain Chinese local emissions control areas may become more stringent than international requirements in the future. Similarly, South Korea has established Port Air Quality Control Zones which cap the sulfur content of fuel at 0.1%. This provision took effect on September 1, 2020.

Additionally, Annex II to MARPOL prescribes requirements for carriage of designated noxious liquid substances (“NLS”) in bulk. NLS are separated into three categories (X, Y, and Z) depending upon the seriousness of the hazard presented. Coastal or flag States may issue civil or criminal penalties for the discharge of NLS into the sea depending on the category discharged, the location of the discharge, and the conditions of discharge. Similar fines and penalties may be issued for violations of other of MARPOL's Annexes.

Annex III contains general requirements for the prevention of pollution by harmful substances carried by sea in packaged form. This Annex contains requirements for safe handling of packaged substances that represent a serious risk to the environment, as well as guidelines for identification of harmful substances. For example, any relevant documents, such as the ship’s manifest, must identify the substances carried, if any, aboard our vessels. Violations of this Annex may also lead to applicable fines and penalties, as with all MARPOL annexes.

- **Ballast Water**

The IMO, as well as jurisdictions worldwide acting outside the scope of the IMO, have implemented requirements relating to the management of ballast water to prevent the harmful effects of foreign invasive species. The IMO's International Convention for the Control and Management of Ships’ Ballast Water and Sediments (the “BWM Convention”) entered into force on September 8, 2017. The BWM Convention requires ships to manage ballast water in a manner that removes, renders harmless, or avoids the uptake or discharge of aquatic organisms and pathogens within ballast water and sediment. As of March 2, 2021, the BWM Convention had 86 contracting states, representing 91.12% of world gross tonnage. The United States is not party to the BWM Convention, but has similar, though not identical, requirements.

As amended, the BWM Convention requires, among other things, ballast water exchange, the maintenance of certain records, and the implementation of a Ballast Water and Sediments Management Plan. It also requires the installation of ballast water management systems for existing ships by certain deadlines, as described below.

Ships constructed prior to September 8, 2017 must install ballast water management systems by the first renewal survey following September 8, 2017 and must comply with IMO discharge standards by the due date for their International Oil Pollution Prevention Certificate renewal survey under MARPOL Annex I. Ships constructed after September 8, 2017 are required to comply with the BWM Convention upon delivery. All ships must meet the IMO ballast water discharge standard by September 8, 2024, regardless of construction date. During the Marine Environmental Protection Committee (“MEPC”) session 75, held November 16-20, 2020, new amendments were adopted regarding testing and certification of ballast water management systems, which are expected to enter into force on June 1, 2022. The updated guidance for Ballast Water and Sediments Management Plan includes more robust testing and performance specifications.

- **International Convention for Bunker Oil Pollution Damage and Other Pollution Liability Regimes**

Several international conventions impose and limit pollution liability from vessels. For example, the International Convention on Civil Liability for Bunker Oil Pollution Damage (the “Bunker Convention”) in addition to local and national environmental laws. The Bunker Convention entered into force in 2008 and imposes strict liability on shipowners for pollution damage and response costs incurred in contracting States caused by discharges, or threatened discharges, of bunker oil from all classes of ships not covered by the International Convention for Civil Liability for Oil Pollution Damage. The Bunker Convention also requires registered owners of ships over a certain tonnage to maintain insurance to cover their liability for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime, including liability limits calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976, as amended (the “1976 Convention”). As of March 2, 2021, the Bunker Convention had 100 contracting States, representing 95.06% of the gross tonnage of the world's merchant fleet. In non-contracting States, such as the United States, liability for such bunker oil pollution is typically determined by the national or other domestic laws in the jurisdiction in which the spillage occurs.

The 1976 Convention is the most widely applicable international regime limiting maritime pollution liability. Rights to limit liability under the 1976 Convention are forfeited where a spill is caused by a shipowner’s intentional or reckless conduct. Certain jurisdictions have ratified the IMO’s Protocol of 1996 to the 1976 Convention, referred to herein as the “Protocol of 1996”. The Protocol of 1996 provides for substantially higher liability limits in those jurisdictions than the limits set forth in the 1976 Convention. Finally, some jurisdictions, such as the United States, are not a party to either the 1976 Convention or the Protocol of 1996, and, therefore, a shipowner’s rights to limit liability for maritime pollution in such jurisdictions may be uncertain or subject to national and local law.

- **International Convention for the Safety of Life at Sea and the International Safety Management Code**

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

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

Noncompliance with the ISM Code and regulations contained in other IMO conventions may subject a shipowner to increased liability, lead to decreases in available insurance coverage for affected vessels, or result in the denial of access to, or detention in, certain ports. For example, the United States Coast Guard and European Union authorities have indicated that vessels not in compliance with the ISM Code may be prohibited from trading in ports in the United States and European Union. Non-compliances identified in port may lead to delays and detention. Each company's DOC and each vessel's SMC must be periodically renewed, and compliance must be periodically verified. The failure of a ship operator to comply with the ISM Code and IMO measures could subject such party to increased liability, decrease available insurance coverage for the affected vessels, or result in a denial of access to, or detention in, certain ports.

- **Energy Efficiency and Greenhouse Gas Reduction**

The IMO now has mandatory measures for an international greenhouse gas ("GHG") reduction regime for a global industry sector, and recent activity indicates continued interest and regulation in this area in the coming years. Amendments to MARPOL Annex VI included energy efficiency measures took effect on January 1, 2013 and apply to all ships of 400 gross tonnage and above. A major component of this GHG regime is the development of a ship energy efficiency management plan ("SEEMP"), with which vessels across the industry must comply. Vessel SEEMPs were required to be updated by December 31, 2018 to include data collection processes and vessels were required to begin collecting data on fuel oil consumption on January 1, 2019. In November 2020, MEPC approved draft amendments to MARPOL Annex VI concerning mandatory goal-based technical and operational measures to reduce carbon intensity of international shipping, with a view to adoption at the MEPC 76 meeting in June 2021. If adopted, they would enter into force on January 1, 2023.

- **ISPS Code**

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

Among the various requirements are:

§ On-board installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications;

§ On-board installation of ship security alert systems;

§ Development of Vessel Security Plans;

§ Appointment of a Ship Security Officer and a Company Security Officer; and

§ Compliance with flag State's security certification requirements.

Applicable U.S. Laws

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

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

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

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

The United States is not a party to the BWM Convention discussed above. Instead, ballast water operations are governed by the National Invasive Species Act ("NISA") and U.S. Coast Guard regulations mandating ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters, as well as the Vessel General Permit issued by the U.S. Environmental Protection Agency ("EPA") under the CWA. In addition, through the CWA certification provisions that allow U.S. states to place additional conditions on EPA's Vessel General Permit, a number of states have proposed or implemented a variety of stricter ballast water requirements including, in some states, specific treatment standards.

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

VIDA establishes a new framework for regulation of discharges incidental to the normal operation of commercial vessels into navigable waters of the United States, including management of ballast water. VIDA requires the EPA to implement a final rule setting forth standards for incidental discharges, including ballast water, by December 4, 2020 and the U.S. Coast Guard to issue a final rule implementing the EPA's standards by December 4, 2022. However, EPA missed the statutory deadline of December 4, 2020 and EPA's final rule is not expected to be published for several months at best. As such, the overall implementation of VIDA will be delayed, including the U.S. Coast Guard's implementation of EPA's final rule on standards. Implementation of VIDA is expected to create more uniformity in state and federal regulation of incidental vessel discharges and thus is expected to result in a simplification of the current patch-work of federal, state, or local ballast water regulations in the United States. However, the relevant standards and regulations implementing those standards are expected to take at least until sometime in 2023, and it is ultimately unclear what discharge limits may apply to discharges under VIDA, as well as how certain permissible state-specific standards may be implemented.

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

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

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

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

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

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

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

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

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

Trading in the United States without a valid COFR may result in the vessel being detained and/or fined up to USD 48,192.00 per day or prevented from entering U.S. ports or U.S. protectorates until the COFR is in place, or possible seizure by, and forfeiture to, the United States We have provided satisfactory evidence of financial responsibility to the U.S. Coast Guard for all of our vessels and all have valid COFRs.

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

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

CERCLA contains a liability regime and provides for cleanup, removal and natural resource damages for the release of hazardous substances (other than oil) whether on land or at sea. In some cases, CERCLA could be applicable to potential cargo spills from our vessels rather than OPA.

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

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

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

- **Clean Air Act and Emissions Regulations**

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

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

· **State Laws**

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

§ California adopted more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil and prohibiting exhaust gas cleaning systems.

§ California also requires the use of shore power or equivalent emissions reductions strategies for vessels at all California ports.

§ Vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred. For example, many U.S. states have unlimited liability and more stringent requirements for financial responsibility and contingency planning.

§ Most states do not have comprehensive laws relating specifically to the discharge of hazardous substances into state waters as they do for oil discharges, but many states have general water pollution prevention laws that apply to hazardous substances and other materials and others have broadly written hazardous substance cleanup laws based on CERCLA that would provide a cause of action for discharges of hazardous substances from vessels.

· **Ship Safety and Security Laws**

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

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

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

Applicable EU Laws

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

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

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

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

There is skepticism that the notion of “serious negligence” is likely to prove any narrower in practice than ordinary negligence. Either way, however, criminal liability for a pollution incident could result in the imposition of substantial penalties or fines and also facilitate civil liability claims for greater compensation than would otherwise have been payable.

· **Regulation of Emissions and Emissions Trading System**

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

In December 2016, the EU signed into law the National Emissions Ceiling (“NEC”) Directive, which entered into force on December 31, 2016. The NEC required implementation by individual members States through particular laws in each State by June 30, 2018. The NEC aims to set stricter emissions limits on SO_2, ammonia, non-methane volatile organic compounds, NOx and fine particulate (PM2.5) by setting new upper limits for emissions of these pollutants. While the NEC is not specifically directed toward the shipping industry, the EU specifically mentions the shipping industry in its announcement of the NEC as a contributor to emissions of PM2.5, SO_2 and NOx.

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

· **Ship Recycling and Waste Shipment Regulations**

On December 31, 2018, EU-flagged vessels became subject to Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling (the “EU Ship Recycling Regulation” or “ESRR”) and exempt from Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (the “European Waste Shipment Regulation” or “EWSR”), which had previously governed their disposal and recycling. The EWSR continues to be applicable to Non-European Union Member State-flagged (“non-EU-flagged”) vessels.

Under the ESRR, commercial EU-flagged vessels of 500 gross tonnage and above may be recycled only at shipyards included on the European List of Authorised Ship Recycling Facilities (the “European List”). Additionally, shipowners will need to carry a certified Inventory of Hazardous Materials (“IHM”) on board their vessels. The IHM Part shall be properly maintained and updated throughout the operational life of the ship, reflecting new installations containing any hazardous materials. As of December 31, 2019, 33 of our EU-flagged vessels met this tonnage specification. The European List presently includes eight facilities in Turkey, but no facilities in the major ship recycling countries in Asia The combined capacity of the European List facilities may prove insufficient to absorb the total recycling volume of EU-flagged vessels. This circumstance, taken in tandem with the possible decrease in cash sales, may result in longer wait times for divestment of recyclable vessels as well as downward pressure on the purchase prices offered by European

List shipyards. Furthermore, facilities located in the major ship recycling countries generally offer significantly higher vessel purchase prices, and as such, the requirement that we utilize only European List shipyards may negatively impact revenue from the residual values of our vessels.

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

Laws and International Standards to Stem Climate Change and Reduce Greenhouse Gas Emissions

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the "UNFCCC") entered into force. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain gases, generally referred to as GHGs, which are suspected of contributing to global warming. Currently, the GHG emissions from international shipping do not come under the Kyoto Protocol.

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

There are varying approaches on whether to add additional regulations on GHG emissions in the United States, which has re-entered international commitments relating to GHG regulation. However, the Transportation Committee of the U.S. House of Representatives, in January 2020, held a hearing on "Decarbonizing the Maritime Industry," which highlighted alleged health impacts of GHG, the IMO's goal of decarbonization, and what next steps can be taken in reducing emissions from vessels. Further, in March 2020 legislation was introduced in the U.S. Congress which would have required emissions reductions of 80% below the 2005 emissions level. The bill would also have required each U.S. state to develop its own Strategic Action Plan for reducing greenhouse gas emissions. Although this bill did not become law, similar legislation has been introduced in the current Congress. The current legislation under consideration in the U.S. House of Representatives would aspire to reduce GHGs by at least 50 percent below 2005 levels by 2030, and achieve net-zero GHG emissions by 2050. The bill would also authorize changes to the standards used to regulate engines in vessels and incentivize the use of shore power while in port. It is notable that both bills targeted the transportation sector in particular for GHG regulation. In addition, the IMO has developed and intends to continue developing limits on emissions before 2023. The IMO is also considering its position on market-based measures through an expert working group. Among the numerous proposals being considered by the working group are the following: a port State levy based on the amount of fuel consumed by the vessel on its voyage to the port in question; and a global emissions trading scheme which would allocate emissions allowances and set an emissions cap, among others. The IMO's current strategy encompasses a reduction in total GHG emissions from international shipping. The IMO's goal is to reduce the total annual GHG emissions by at least 40% by 2030 compared to 2008, while, at the same time, pursuing efforts towards phasing them out entirely.

In 2018, IMO's call to action on GHGs was met with industry pushback in many countries. Despite this, work on GHG continues to be an important issue at the IMO, and recent indications show the potential for further regulation of GHG in shipping. Specifically, at the MEPC 75 meeting held November 16-20, 2020, draft regulations to cut the cargo intensity of existing ships were approved. The draft amendments will be put forward for formal adoption at MEPC 76, to be held in June 2021. Also, MEPC 75 adopted amendments to MARPOL, Annex VI to significantly strengthen the Energy Efficiency Design Index ("EEDI") "phase 3" requirements, which are expected to enter into force on April 1, 2022. This means that new container ships and general cargo ships will have to be built significantly more energy efficient than the baseline. Further, MEPC will consider draft amendments to MARPOL Annex VI, which would regulate GHG beginning in 2023. MEPC additionally also issued comments on the IMO's "Fourth IMO GHG Study." These developments signal continued and potentially increasing interest in GHG regulation from the IMO and the MEPC in particular.

Sanction and Compliance

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

Iran Sanctions

Prior to January 2016, the scope of sanctions imposed against Iran, the government of Iran and persons engaging in certain activities or doing certain business with and relating to Iran was expanded by a number of jurisdictions, including the U.S., the EU and Canada. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act ("CISADA"), which expanded the scope of the former Iran Sanctions Act. The scope of U.S. sanctions against Iran were expanded subsequent to CISADA by, among other U.S. laws, the National Defense Authorization Act of 2012 (the "2012 NDAA"), the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA"), and the Iran Freedom and Counter-Proliferation Act of 2012 ("IFCA"). The foregoing laws, among other things, expanded the application of prohibitions to non-U.S. companies such as our company and to transactions with no U.S. nexus, and introduced limits on the ability of non-U.S. companies and other non-U.S. persons to do business or trade with Iran when such activities relate to specific activities such as investment in Iran, the supply or export of refined petroleum or refined petroleum products to Iran, the supply and delivery of goods to Iran which could enhance Iran's petroleum or energy sectors, and the transportation of crude oil from Iran to countries which do not enjoy Iran crude oil sanctions waivers (Navios Acquisition's tankers called in Iran but did not engage in the prohibited activities specifically identified by these sanctions).

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

- Sanctions on the purchase or acquisition of U.S. dollar banknotes by the Government of Iran;

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

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

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

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

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

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

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

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

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

Russia/Ukraine Sanctions

As a result of the crisis in Ukraine and the annexation of Crimea by Russia in 2014, both the U.S. and the EU have implemented sanctions against certain Russian individuals and entities.

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

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

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

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

Venezuela-Related Sanctions

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

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

U.S. Executive Orders

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

- 13884 - Blocking Property of the Government of Venezuela - (August 5, 2019)
- 13857 - Taking Additional Steps to Address the National Emergency With Respect to Venezuela (January 25, 2019)
- 13850 - Blocking Property of Additional Persons Contributing to the Situation in Venezuela (November 1, 2018)
- 13835 - Prohibiting Certain Additional Transactions with Respect to Venezuela (May 21, 2018)
- 13827 - Taking Additional Steps to Address the Situation in Venezuela (March 19, 2018) - prohibits all transactions related to, provision of financing for, and other dealings in, by a U.S. person or within the U.S., in any digital currency, digital coin, or digital token, (the Petro) that was issued by, for, or on behalf of the Government of Venezuela on or after January 9, 2018.
- 13808 - Imposing Additional Sanctions with Respect to the Situation in Venezuela (August 24, 2017) - This executive Order prohibits transactions involving, dealings in, and the provision of financing for (by (US persons) of:
  - New debt with a maturity of greater than 90 days of PdVSA;
  - New debt with a maturity of greater than 30 days or new equity of the Government of Venezuela, other than debt of PdVSA;
  - Bonds issued by the Government of Venezuela prior to August 25, 2017, the EO's effective date;
  - Dividend payments or other distributions of profits to the Government of Venezuela from any entity directly or indirectly owned or controlled by the Government of Venezuela; or
  - Direct or indirect purchase by U.S. persons or persons within the U.S. of securities from the Government of Venezuela, other than securities qualifying as new debt with a maturity of less than or equal to 90 or 30 days as covered by the EO (Section 1).
- 13692-Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela (March 8, 2015) - blocks designated Venezuelan government officials.

Other U.S. Economic Sanctions Targets

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

Other EU Economic Sanctions Targets

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

Taxation of the Partnership

United States Taxation

The following is a discussion of the material U.S. federal income tax considerations applicable to us. This discussion is based upon provisions of the Code, final and temporary regulations thereunder ("Treasury Regulations"), and administrative rulings and court decisions, all as in effect currently and during our year ended December 31, 2020 and all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below. The following discussion is for general information purposes only and does not purport to be a comprehensive description of all of the U.S. federal income tax considerations applicable to us.

Election to be Treated as a Corporation: We have elected to be treated as a corporation for U.S. federal income tax purposes. As such, we are subject to U.S. federal income tax on our income to the extent it is from U.S. sources or otherwise is effectively connected with the conduct of a trade or business in the Unites States as discussed below.

Taxation of Operating Income: Substantially all of our gross income is attributable to the transportation of drybulk and related products. For this purpose, gross income attributable to transportation ("Transportation Income") includes income derived from, or in connection with, the use, the hiring for use, or the leasing for use (if any) of a vessel to transport cargo, or the performance of services directly related to the use of any vessel to transport cargo, and thus includes both time charter income and bareboat charter income (if any).

Transportation Income that is attributable to transportation that either begins or ends, but that does not both begin and end in the United States ("U.S. Source International Transportation Income") is considered to be 50.0% derived from sources within the United States. Transportation Income attributable to transportation that both begins and ends in the United States ("U.S. Source Domestic Transportation Income") is considered to be 100.0% derived from sources within the United States. Transportation Income attributable to transportation exclusively between non-U.S. destinations is considered to be 100.0% derived from sources outside the United States. Transportation Income derived from sources outside the United States generally is not subject to U.S. federal income tax.

We believe that we did not earn any U.S. Source Domestic Transportation Income for our fiscal year ended December 31, 2020 and expect that we will not earn any such income for future years. However, certain of our activities gave rise to U.S. Source International Transportation Income, and future expansion of our operations could result in an increase in the amount of U.S. Source International Transportation Income, which generally would be subject to U.S. federal income taxation, unless the exemption from U.S. federal income taxation under Section 883 of the Code (the "Section 883 Exemption") applied.

The Section 883 Exemption: In general, the Section 883 Exemption provides that if a non-U.S. corporation satisfies the requirements of Section 883 of the Code and the Treasury Regulations thereunder (the "Section 883 Regulations"), it will not be subject to the net basis and branch profit taxes or the 4.0% gross basis tax described below on its U.S. Source International Transportation Income. The Section 883 Exemption applies only to U.S. Source International Transportation Income and does not apply to U.S. Source Domestic Transportation Income. We qualify for the Section 883 Exemption if, among other matters, we meet the following three requirements:

- We are organized in a jurisdiction outside the United States that grants an equivalent exemption from tax to corporations organized in the United States with respect to the types of U.S. Source International Transportation Income that we earn (an "Equivalent Exemption");
- We satisfy the Publicly Traded Test (as described below) or the Qualified Shareholder Stock Ownership Test (as described below); and
- We meet certain substantiation, reporting and other requirements.

We are organized under the laws of the Republic of the Marshall Islands. The U.S. Treasury Department has recognized the Republic of the Marshall Islands as a jurisdiction that grants an Equivalent Exemption with respect to the type of income we have earned and are expected to earn. Consequently, our U.S. Source International Transportation Income (including for this purpose, any such income earned by our subsidiaries, that have elected to be disregarded as entities separate from us for U.S. federal income tax purposes) will be exempt from U.S. federal income taxation provided we meet the Publicly Traded Test or the Qualified Shareholder Stock Ownership Test and we satisfy certain substantiation, reporting and other requirements.

In order to meet the "Publicly Traded Test", the equity interests in the non-U.S. corporation at issue must be "primarily traded" and "regularly traded" on an established securities market either in the United States or in a jurisdiction outside the United States that grants an Equivalent Exemption. The Section 883 Regulations generally provide, in pertinent part, that a class of equity interests in a non-U.S. corporation will be considered to be "primarily traded" on an established securities market in a given country if the number of units of such class that are traded during any taxable year on all established securities markets in that country exceeds the number of units in such class that are traded during that year on established securities markets in any other single country. Equity interests in a non-U.S. corporation will be considered to be "regularly traded" on an established securities market under the Section 883 Regulations provided one or more classes of such equity interests representing more than 50.0% of the aggregate vote and value of all of the outstanding equity interests in the non-U.S. corporation satisfy certain listing and trading volume requirements. These listing and trading volume requirements are satisfied with respect to a class of equity interests listed on an established securities market provided trades in such class are effected, other than in de minimis quantities, on such market on at least 60 days during the taxable year and the aggregate number of units in such class that are traded on such market or markets during the taxable year are at least 10% of the average number of units outstanding in that class during the taxable year (with special rules for short taxable years). In addition, a class of equity interests traded on an established securities market in the United States will be considered to satisfy the listing and trading volume requirements if the equity interests in such class are "regularly quoted by dealers making a market" in such class (within the meaning of the Section 883 Regulations). Notwithstanding these rules, a class of equity that would otherwise be treated as "regularly traded" on an established securities market will not be so treated if, for more than half of the number of days during the taxable year, one or more "5.0% unitholders" (i.e., unitholders owning, actually or constructively, at least 5.0% of the vote and value of that class) own in the aggregate 50.0% or more of the vote and value of that class (the "Closely Held Block Exception"), unless the corporation can establish that a sufficient proportion of such 5.0% unitholders are Qualified Shareholders so as to preclude other persons who are 5.0% unitholders from owning 50.0% or more of the value of that class for more than half the days during the taxable year.

Because substantially all of our common units are and have been traded on the NYSE, which is considered to be an established securities market, our common units are and have been "primarily traded" on an established securities market for purposes of the Publicly Traded Test.

Further, although the matter is not free from doubt, based upon our expected cash flow and distributions on our outstanding equity interests, we believe that our common units represented more than 50.0% of the total value of all of our outstanding equity interests, and we believe that we satisfied the trading volume requirements described previously for our fiscal year ended December 31, 2020. We believe that we did not lose eligibility for the Section 883 Exemption as a result of the Closely Held Block Exception for such year, and consequently, we believe we satisfied the Publicly Traded Test for our fiscal year ended December 31, 2020.

While there can be no assurance that we will continue to satisfy the requirements for the Publicly Traded Test in the future, and our board of directors could determine that it is in our best interests to take an action that would result in our not being able to satisfy the Publicly Traded Test, we presently expect, subject to the possibility that our common units may be delisted by a qualifying exchange, to continue to satisfy the requirements for the Publicly Traded Test and the Section 883 Exemption for future years. Please see below for a discussion of the consequences in the event we do not satisfy the Publicly Traded Test or otherwise fail to qualify for the Section 883 Exemption.

Please also see the risk factor entitled "Item 3. D. Risk Factors-Risks Relating to Our Units-The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions".

The Net Basis Tax and Branch Profits Tax: If we earn U.S. Source International Transportation Income and the Section 883 Exemption does not apply, the U.S. source portion of such income may be treated as effectively connected with the conduct of a trade or business in the United States ("Effectively Connected Income") if we have a fixed place of business in the United States and substantially all of our U.S. Source International Transportation Income is attributable to regularly scheduled transportation or, in the case of bareboat charter income (if any), is attributable to a fixed place of business in the United States.

We believe that, for our fiscal year ended December 31, 2020, none of our U.S. Source International Transportation Income was attributable to regularly scheduled transportation or received pursuant to bareboat charters. As a result, we believe that none of our U.S. Source International Transportation Income for such year would be treated as Effectively Connected Income even in the event we did not qualify for the Section 883 Exemption. However, there is no assurance that we will not earn income pursuant to regularly scheduled transportation or bareboat charters attributable to a fixed place of business in the United States in the future, which would result in such income being treated as Effectively Connected Income. In addition, any U.S. Source Domestic Transportation Income may be treated as Effectively Connected Income. Any income we earn that is treated as Effectively Connected Income would be subject to U.S. federal corporate income tax (presently imposed at a 21.0% rate) as well as 30.0% branch profits tax imposed under Section 884 of the Code. In addition, a 30.0% branch interest tax could be imposed on certain interest paid or deemed paid by us.

On the sale of a vessel that has produced Effectively Connected Income, we could be subject to the net basis corporate income tax as well as branch profits tax with respect to the gain recognized up to the amount of certain prior deductions for depreciation that reduced Effectively Connected Income. Otherwise, we would not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the gain is not attributable to an office or other fixed place of business maintained by us in the United States under U.S. federal income tax principles.

The 4.0% Gross Basis Tax: If the Section 883 Exemption does not apply and the net basis tax does not apply, we would be subject to a 4.0% U.S. federal income tax on the U.S. source portion of our gross U.S. Source International Transportation Income, without benefit of deductions.

Marshall Islands Taxation

Based on the opinion of Reeder and Simpson, P.C., our counsel as to matters of the law of the Republic of the Marshall Islands, because we, our operating subsidiary and our controlled affiliates do not, and do not expect to, conduct business or operations in the Republic of the Marshall Islands, neither we nor our controlled affiliates will be subject to income, capital gains, profits or other taxation under current Marshall Islands law. As a result, distributions by our operating subsidiary and our controlled affiliates to us will not be subject to Marshall Islands taxation.

Other Tax Jurisdictions

Certain of Navios Partners' subsidiaries are incorporated in countries which impose taxes, such as Malta, however such taxes are immaterial to Navios Partners' operations.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece are subject to duties towards the Greek state which are calculated on the basis of the relevant vessel's tonnage. The payment of said duties exhausts the tax liability of the foreign ship owning company and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel. In case that tonnage tax and/or similar taxes/duties are paid to the vessel's flag state, these are deducted from the amount of the duty to be paid in Greece.

C. Organizational Structure

Please read exhibit 8.1 to this Annual Report for a list of our significant subsidiaries as of December 31, 2020.

Affiliates included in the financial statements accounted for under the equity method:

In the consolidated financial statements of Navios Partners, the following entities are included as affiliates and are accounted for under the equity method for such periods: (i) Navios Containers and its subsidiaries with an ownership interest of 35.7% as of December 31, 2020; (ii) Navios Europe I and its subsidiaries with an ownership interest of 5% through the date of its liquidation on December 13, 2019; and (iii) Navios Europe II and its subsidiaries with an ownership interest of 5% through the date of its liquidation on June 29, 2020.

D. Property, plants and equipment

Other than our vessels, we do not have any material property, plants or equipment.

Item 4A. Unresolved Staff Comments

None

Item 5. Operating and Financial Review and Prospects

The following is a discussion of Navios Partners’ financial condition and results of operations for each of the fiscal years ended December 31, 2020, 2019 and 2018. Navios Partners’ financial statements have been prepared in accordance with U.S. GAAP. You should read this section together with the consolidated financial statements and the accompanying notes to those financial statements, which are included in this document.

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

Overview

We are an international owner and operator of dry cargo vessels, formed in August 2007 by Navios Holdings, a vertically integrated seaborne shipping and logistics company with over 60 years of operating history in the dry cargo shipping industry. We have been a public company since November 2007.

As of March 24, 2021, there were outstanding 11,345,187 common units and 237,822 general partnership units. Navios Holdings currently owns an approximately 18.2% common unit interest in Navios Partners and Olympos Maritime Ltd, our general partner, currently owns 2.1% interest in Navios Partners based on all outstanding common units and general partner units.

Please see “Item 4. - Information on the Partnership”.

Fleet Developments

On December 10, 2020, Navios Partners completed the sale of the Navios Soleil, a 2009-built Ultra–Handymax vessel of 57,337 dwt, to an unrelated third party for a net sale price of $8.2 million.

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51.0 million, including working capital balances of $(4.4) million.

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of $56.1 million in total, including working capital balances of $(2.7) million, following the liquidation of Navios Europe II.

On December 16, 2019, Navios Partners acquired four drybulk vessels, from an entity affiliated with the Company's Chairman and CEO, for a fair value of $40.4 million, in total.

On December 13, 2019, Navios Partners acquired three Sub-Panamax and two Panamax Containerships for a fair value of $56.1 million in total, including working capital balances of $14.4 million, following the liquidation of Navios Europe I.

On April 23, 2019, Navios Partners completed the sale of the Navios Galaxy I, a 2001-built Panamax vessel of 74,195 dwt, to an unrelated third party, for a net sale price of $6.0 million.

On December 14, 2018, Navios Partners completed the sale of the Navios Libra II, a 1995-built Panamax vessel of 70,136 dwt. The vessel was sold to an unrelated third party for a net sale price of $4.6 million.

On December 4, 2018, Navios Partners completed the sale of the Navios Felicity, a 1997-built Panamax vessel of 73,867 dwt. The vessel was sold to an unrelated third party for a net sale price of $4.7 million.

On August 31, 2018, Navios Partners acquired from its affiliate, Navios Holdings, the Navios Sphera, a 2016-built Panamax vessel of 84,872 dwt and the Navios Mars, a 2016-built Capesize vessel of 181,259 dwt, for an acquisition cost $79.0 million, in total.

On July 2, 2018, Navios Partners completed the sale of the YM Unity and the YM Utmost, two 2006-built containerships of 8,204 TEU each. The vessels were sold to its affiliate, Navios Containers, for a total sale price of $67.0 million.

On June 7, 2018, Navios Partners acquired from an unrelated third party the Navios Altair I, a 2006-built Panamax vessel of 74,475 dwt, for an acquisition cost of $11.8 million.

On May 21, 2018, Navios Partners acquired from an unrelated third party the Navios Symmetry, a 2006-built Panamax vessel of 74,381 dwt, for an acquisition cost of $11.8 million.

On May 9, 2018, Navios Partners acquired from an unrelated third party the Navios Apollon I, a 2005-built Panamax vessel of 87,052 dwt, for an acquisition cost of $13.4 million.

The historical results discussed below, and the historical financial statements and related notes included elsewhere in this annual report, present operating results of the fleet for the periods beginning from January 1, 2018 to December 31, 2020.

		Country of	Statements of Operations		
Company name	**Vessel name**	**incorporation**	**2020**	**2019**	**2018**
Libra Shipping Enterprises Corporation[1]	Navios Libra II	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Felicity Shipping Corporation[2]	Navios Felicity	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Gemini Shipping Corporation[3]	Navios Gemini S	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Galaxy Shipping Corporation[4]	Navios Galaxy I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Palermo Shipping S.A.[5]	Navios Apollon	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fantastiks Shipping Corporation[13]	Navios Fantastiks	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Sagittarius Shipping Corporation[13]	Navios Sagittarius	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Golem Navigation Limited[16]	Navios Soleil	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Perigiali Navigation Limited[13]	Navios Beaufiks	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Finian Navigation Co. [13]	Navios Ace	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Ammos Shipping Corp.	Navios Prosperity I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Wave Shipping Corp.	Navios Libertas	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Casual Shipholding Co.[13]	Navios Sol	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Avery Shipping Company	Navios Symphony	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Coasters Ventures Ltd.	Navios Christine B	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Ianthe Maritime S.A.	Navios Aster	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fairy Shipping Corporation[6]	YM Utmost	Marshall Is.	—	—	1/01 – 7/02

Limestone Shipping Corporation[6]	YM Unity	Marshall Is.	—	—	1/01 – 7/02
Dune Shipping Corp.[7]	MSC Cristina	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Citrine Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Cavalli Navigation Inc.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Seymour Trading Limited	Navios Altair I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	6/07 – 12/31
Goldie Services Company	Navios Symmetry	Marshall Is.	1/01 – 12/31	1/01 – 12/31	5/21 – 12/31
Andromeda Shiptrade Limited	Navios Apollon I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	5/09 – 12/31
Esmeralda Shipping Corporation	Navios Sphera	Marshall Is.	1/01 – 12/31	1/01 – 12/31	8/31 – 12/31
Triangle Shipping Corporation	Navios Mars	Marshall Is.	1/01 – 12/31	1/01 – 12/31	8/31 – 12/31
Oceanus Shipping Corporation[8]	Castor N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Cronus Shipping Corporation[8]	Protostar N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Leto Shipping Corporation[8]	Esperanza N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Dionysus Shipping Corporation[8]	Harmony N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Prometheus Shipping Corporation[8]	Solar N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Camelia Shipping Inc. [9]	Navios Camelia	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Anthos Shipping Inc.[9]	Navios Anthos	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Azalea Shipping Inc. [9]	Navios Azalea	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Amaryllis Shipping Inc.[9]	Navios Amaryllis	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Zaffre Shipping Corporation[14]	Serenitas N	Marshall Is.	6/29 – 12/31	—	—
Wenge Shipping Corporation[14]	Joie N	Marshall Is.	6/29 – 12/31	—	—
Sunstone Shipping Corporation[14]	Copernicus N	Marshall Is.	6/29 – 12/31	—	—
Fandango Shipping Corporation[14]	Unity N	Marshall Is.	6/29 – 12/31	—	—
Flavescent Shipping Corporation[14]	Odysseus N	Marshall Is.	6/29 – 12/31	—	—
Emery Shipping Corporation[15]	Navios Gem	Marshall Is.	9/30 – 12/31	—	—
Rondine Management Inc. [15]	Navios Victory	Marshall Is.	9/30 – 12/31	—	—
Bareboat Chartered-in vessels					
Cavos Navigation Co.[10]	Navios Libra	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Perivoia Shipmanagement Co.[11]	Navios TBN1	Marshall Is.	1/01 – 12/31	9/25 – 12/31	—
Pleione Management Limited[11]	Navios TBN2	Marshall Is.	1/01 – 12/31	9/25 – 12/31	—
Other					
Prosperity Shipping Corporation	—	Marshall Is.	—	—	—
Aldebaran Shipping Corporation	—	Marshall Is.	—	—	—
JTC Shipping and Trading Ltd.[12]	Holding Company	Malta	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Maritime Operating LLC.	N/A	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31

(1) The vessel was sold on December 14, 2018 (see Note 6 — Vessels, net).
(2) The vessel was sold on December 4, 2018 (see Note 6 — Vessels, net).
(3) The vessel was sold on December 21, 2017.
(4) The vessel was sold on April 23, 2019 (see Note 6 — Vessels, net).
(5) The vessel was sold on April 21, 2017.
(6) The vessels were sold on July 2, 2018 (see Note 6— Vessels, net).
(7) The vessel was sold on January 12, 2017.
(8) The vessels were acquired on December 13, 2019, following the liquidation of Navios Europe I (see Note 6 – Vessels, net).
(9) The vessels were acquired on December 16, 2019 (see Note 6 — Vessels, net).
(10) The vessel was delivered on July 24, 2019 (see Note 22 — Leases).
(11) The vessels are expected to be delivered by the first half of 2021 (see Note 15 — Commitments and Contingencies).
(12) Not a vessel-owning subsidiary and only holds right to charter-in contracts.
(13) Vessels under the sale and leaseback transaction (see Note 22 — Leases).
(14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II (see Note 6 — Vessels, net).
(15) The vessels were acquired on September 30, 2020, from Navios Holdings (see Note 6 — Vessels, net).
(16) The vessel was sold on December 10, 2020 (see Note 6 — Vessels, net).

Recent Developments

Acquisitions of Vessels

On March 25, 2021, Navios Partners agreed to bareboat charter-in one Japanese newbuilding capesize vessel from an unrelated third party. The vessel has approximately 180,000 dwt and is being bareboat chartered-in for 15 years. Navios Partners has the option to acquire the vessel starting at the end of year four until the end of the charter period. Assuming exercise of the option at the end of the 15-year period, the implied fixed interest rate is 5.0%. The vessel is expected to be delivered into Navios Partners' fleet during the first half of 2023.

On March 23, 2021, Navios Partners agreed to acquire from Navios Holdings the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt. On March 30, 2021, Navios Partners completed the acquisition of the two vessels from Navios Holdings for a purchase price of $39.3 million, including working capital adjustments.

On March 23, 2021, Navios Partners agreed to acquire from an unrelated third party a newbuilding Panamax vessel for a purchase price of $31.6 million. The vessel has approximately 81,000 dwt and is expected to be delivered into Navios Partners' fleet during the second half of 2022.

On January 25, 2021, Navios Partners agreed to bareboat charter-in three Japanese newbuilding capesize vessels from an unrelated third party. Each vessel has approximately 180,000 dwt and is being bareboat chartered-in for 15 years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Assuming exercise of the option at the end of the 15-year period, the implied fixed interest rate is 4.4%. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2022.

Sales of Vessels

On March 25, 2021, Navios Partners completed the sale of the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sale price of $8.2 million.

On February 10, 2021, the Company completed the sale of the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sale price of $8.9 million.

On January 28, 2021, the Company completed the sale of the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sale price of $11.1 million.

On January 13, 2021, the Company completed the sale of the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sale price of $4.6 million.

Navios Containers merger

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company will acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the "Transaction"). Under the terms of the Transaction, public unitholders of Navios Containers will receive 0.39 of a common unit of the Company for each outstanding common unit of Navios Containers. The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The general partner of Navios Containers consented to the merger, and the Company voted the Navios Containers' common units it holds in favor of the Transaction. The Transaction is expected to close on or about March 31, 2021. The expenses of this transaction are included in the General and Administrative expenses, in the Consolidated Statements of Operations.

Our Charters

We generate revenues by charging our customers for the use of our vessels to transport their dry cargos. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to twelve years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered under long-term charters.

For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. For the year ended December 31, 2018, HMM represented approximately 24.5% of total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

Our revenues are driven by the number of vessels in the fleet, the number of days during which the vessels operate and our charter hire rates, which, in turn, are affected by a number of factors, including:

- the duration of the charters;
- the level of spot and long-term market rates at the time of charter;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in dry dock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels;
- the aggregate level of supply and demand in the dry cargo shipping industry; and
- the ongoing global outbreak of novel coronavirus (COVID-19) or other epidemics or pandemics.

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of global 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. We intend to operate our vessels in the long-term charter market. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand and many other factors that might be beyond our control.

We could lose a customer or the benefits of a charter if:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer exercises certain rights to terminate the charter of the vessel;
- the customer terminates the 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; or
- a prolonged force majeure event affecting the customer, including damage to or destruction of relevant production facilities, war or political unrest prevents us from performing services for that customer.

Under some of our time charters, either party may terminate the charter contract in the event of war in specified countries or in locations that would significantly disrupt the free trade of the vessel. Some of the time charters covering our vessels require us to return to the charterer, upon the loss of the

vessel, all advances paid by the charterer but not earned by us.

Vessel Operations

Under our charters, our vessel manager is generally responsible for commercial, technical, health and safety and other management services related to the vessels' operation, and the charterer is responsible for bunkering and substantially all of the vessel voyage costs, including canal tolls and port charges.

Under the management agreement we entered into with the Manager, the Manager bears all of our vessel operating expenses in exchange for the payment of fees. Under this agreement, the Manager is responsible for commercial, technical, health and safety and other management services related to the vessels' operation, including chartering, technical support, maintenance and insurance. Under the Management Agreement we have fixed the rates for ship management services until December 31, 2021 with an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise. Costs associated with special surveys, drydocking expenses and certain extraordinary items under this agreement are reimbursed by Navios Partners at cost at occurrence.

Payment of any extraordinary fees or expenses to the Manager could significantly increase our vessel operating expenses and impact our results of operations.

During the remaining term of the Management Agreement, we expect that we will reimburse the Manager for all of the actual operating costs and expenses it incurs in connection with the management of our fleet. Following the anticipated merger with Navios Containers, expected to be completed on, or about March 31, 2021, the Management Agreement shall cover the vessels acquired.

For more information on the Management Agreement, please read "Item 7. – Major Unitholders and Related Party Transactions - Management Agreement".

Administrative Services

Under the Administrative Services Agreement we entered into with the Manager, we reimburse the Manager for reasonable costs and expenses incurred in connection with the provision of the services under this agreement within 15 days after the Manager submits to us an invoice for such costs and expenses, together with any supporting detail that may be reasonably required. Under this agreement which expires on January 1, 2025, the Manager provides significant administrative, financial and other support services to us.

For more information on the Administrative Services Agreement, please read "Item 7. – Major Unitholders and Related Party Transactions - Administrative Services Agreement".

Trends and Factors Affecting Our Future Results of Operations

We believe the principal factors that will affect our 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 our vessels engage in business, such as the global impact of the COVID-19 pandemic. Other key factors that will be fundamental to our business, future financial condition and results of operations include:

- the demand for seaborne transportation services;
- the ability of the Manager's commercial and chartering operations to successfully employ our vessels at economically attractive rates, particularly as our fleet expands and our charters expire;
- the effective and efficient technical management of our vessels;
- The Manager's ability to satisfy technical, health, safety and compliance standards of major commodity traders; and
- the strength of and growth in the number of our customer relationships, especially with major commodity traders.

In addition to the factors discussed above, we believe certain specific factors will impact our combined and consolidated results of operations. These factors include:

- the charter hire earned by our vessels under our charters;
- our access to capital required to acquire additional vessels and/or to implement our business strategy;
- our ability to sell vessels at prices we deem satisfactory;
- our level of debt and the related interest expense and amortization of principal; and
- the level of any distribution on our common units.

Please read "Risk Factors" for a discussion of certain risks inherent in our business.

A. Operating results

Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019

The following table presents consolidated revenue and expense information for the years ended December 31, 2020 and 2019. This information was derived from the audited consolidated revenue and expense accounts of Navios Partners for the respective periods.

	Year Ended December 31, 2020	Year Ended December 31, 2019
Time charter and voyage revenues	$ 226,771	$ 219,379
Time charter and voyage expenses	(11,028)	(12,331)
Direct vessel expenses	(10,337)	(6,985)
Vessel operating expenses (management fees)	(93,732)	(68,188)
General and administrative expenses	(24,012)	(20,984)
Depreciation and amortization	(56,050)	(53,255)
Vessels impairment loss	(71,577)	(36,680)
Interest expense and finance cost, net	(24,159)	(45,254)
Interest income	639	6,172
Impairment of receivable in affiliated company	(6,900)	—
Other income	5,055	1,053
Other expense	(4,344)	(4,990)

Equity in net earnings/ (loss) of affiliated companies		1,133		(40,071)
Net loss	**$**	**(68,541)**	**$**	**(62,134)**

Time charter and voyage revenues: Time charter and voyage revenues for the year ended December 31, 2020 increased by $7.4 million, or 3.4%, to $226.8 million, as compared to $219.4 million for the same period in 2019. The increase in time charter and voyage revenues was mainly attributable to the increase in revenue following the acquisition of seven vessels in 2020 and nine vessels in December 2019. The above increase was partially mitigated by: (i) the decrease in revenue due to the sale of the Navios Soleil in December 2020 and Navios Galaxy I in April 2019; and (ii) the decrease in TCE rate to $12,497 per day for the year ended December 31, 2020 from $15,791 per day for the year ended December 31, 2019. The available days of the fleet increased to 17,430 days for the year ended December 31, 2020, as compared to 13,170 days for the year ended December 31, 2019, mainly due to the increased fleet.

Time charter and voyage expenses: Time charter and voyage expenses for the year ended December 31, 2020 decreased by $1.3 million, or 10.6%, to $11.0 million, as compared to $12.3 million for the year ended December 31, 2019. The decrease was mainly attributable to a: (i) $2.7 million decrease in bunkers expenses mainly due to shorter freight voyages in 2020; and (ii) $0.5 million decrease in port expenses. The decrease was partially mitigated by a: (i) $1.2 million increase in charter-in hire expense; (ii) $0.3 million increase in brokers' commissions; and (iii) $0.2 million increase in other voyage expenses.

Direct vessel expenses: Direct vessel expenses, comprising of the amortization of dry dock and special survey costs of certain vessels in our fleet, for the year ended December 31, 2020, increased by $3.4 million or 48.0%, to $10.3 million, as compared to $7.0 million for the year ended December 31, 2019.

Vessel operating expenses (management fees): Vessel operating expenses for the year ended December 31, 2020, increased by $25.5 million, or 37.5%, to $93.7 million, as compared to $68.2 million for the year ended December 31, 2019. The increase was mainly attributable to a: (i) $23.1 million increase in management fees paid to our Manager due to the increased number of available days in Navios Partners' fleet; and (ii) $2.7 million increase in management fees due to the increase in daily rate pursuant to the Management Agreement (as defined herein). The above increase was partially mitigated by a $0.5 million decrease in management fees due to the sale of the Navios Galaxy I in April 2019 and the Navios Soleil in December 2020.

General and administrative expenses: General and administrative expenses increased by $3.0 million, or 14.4%, to $24.0 million for the year ended December 31, 2020, as compared to $21.0 million for the year ended December 31, 2019. The increase was mainly due to a: (i) $3.3 million increase in administrative fees paid to the Manager due to the increased number of available days in Navios Partners' fleet; (ii) $0.5 million net increase in legal and professional fees, as well as audit fees and other administrative expenses; and (iii) $0.3 million increase in compensation to the directors and/or officers of the Company (see Note 9 — Accrued Expenses). The above increase was partially mitigated by a $1.1 million decrease in stock-based compensation.

Depreciation and amortization: Depreciation and amortization for the year ended December 31, 2020 increased by $2.8 million or 5.2%, to $56.1 million for the year ended December 31, 2020 compared to $53.3 million for the year ended December 31, 2019. The increase of $2.8 million was mainly attributable to a: (i) $3.8 million increase in depreciation expense due to the delivery of nine vessels in December 2019; (ii) $1.6 million increase in depreciation expense due to the delivery of seven vessels in 2020 and (iii) $0.7 million increase due to ballast water treatment system installation and exhaust gas cleaning system installation. The above increase was partially mitigated by a: (i) $0.5 million decrease in depreciation expense due to the sale of the Navios Galaxy I in April 2019 and the Navios Soleil in December 2020; and (ii) $2.9 million decrease in depreciation expense of one of our vessels as a result of the impairment test performed in the fourth quarter of the fiscal year 2019. Depreciation of vessels is calculated using an estimated useful life of 25 and 30 years for drybulk vessels and containerships, respectively, from the date the vessel was originally delivered from the shipyard.

Vessels impairment loss: During the year ended December 31, 2020, Navios Partners recognized: (i) an impairment loss of $6.8 million for three containerships as the undiscounted projected cash flows did not exceed the vessels' carrying value pursuant to the impairment assessment performed as of June 30, 2020; (ii) an impairment loss of $51.0 million for four drybulk vessels as the undiscounted projected cash flows did not exceed the vessels' carrying value pursuant to the impairment assessment performed as of December 31, 2020; (iii) an impairment loss of $1.8 million related to the sale of the Esperanza N which was completed on January 13, 2021; (iv) an impairment loss of $2.0 million related to the sale of the Castor N which was completed on February 10, 2021; and (v) an impairment loss of $10.0 million related to the sale of the Navios Soleil which was completed on December 10, 2020. During the year ended December 31, 2019, Navios Partners recognized: (i) an impairment loss of $7.3 million related to the sale of Navios Galaxy which was completed on April 23, 2019; and (ii) an impairment loss of $29.3 million for one of our vessels, as the undiscounted projected net operating cash flows did not exceed the vessel's carrying value pursuant to the impairment assessment performed as of December 31, 2019 (see Note 6— Vessels, net).

Interest expense and finance cost, net: Interest expense and finance cost, net for the year ended December 31, 2020 decreased by $21.1 million, or 46.6%, to $24.2 million, as compared to $45.3 million for the year ended December 31, 2019. The decrease was mainly due to a: (i) decrease of the weighted average interest rate for the year ended December 31, 2020 to 4.50% from 6.71% for the same period in 2019; (ii) $20.9 million decrease in interest expense related to the full repayment of the Term Loan B Facility as of December 31, 2019; and (iii) $9.9 million decrease of the deferred finance costs and debt discount related the full repayment of the Term Loan B Facility as of December 31, 2019. The above decrease was partially mitigated by: (i) a $1.4 million increase in interest expense and finance costs related to the Navios Partners' credit facilities entered into during the year ended December 31, 2020; and (ii) an $11.5 million increase in interest expense and finance costs related to the Navios Partners' credit facilities and financial liabilities entered into during the year ended December 31, 2019. Navios Partners' average loan balance amounted to $484.9 million for the year ended December 31, 2020 as compared to $484.7 million for the same period of 2019.

Interest income: Interest income decreased by $5.5 million to $0.6 million for the year ended December 31, 2020, as compared to $6.2 million for the year ended December 31, 2019. The decrease of $5.5 million was mainly attributable to a: (i) $4.8 million decrease of the interest income accrued under the loans granted to Navios Europe I and Navios Europe II resulting from their liquidation on December 13, 2019 and June 29, 2020, respectively; (ii) $0.3 million decrease of the 6.0% interest income related to the MSC Cristina note receivable (see Note 18 — Notes Receivable); and (iii) $0.3 million decrease of the interest income accrued under the long-term note receivable from Navios Holdings in relation to the transfer of its rights on the Navios Europe I Navios Term Loans I and Navios Revolving Loans I to Navios Partners (see Note 17 — Transactions with related parties and affiliates).

Impairment of receivable in affiliated company: Impairment of receivable in affiliated company for the year ended December 31, 2020 amounted to $6.9 million, related to the other-than- temporary impairment ("OTTI") recognized in Navios Partners' receivable from Navios Europe II. There was no impairment for the corresponding interim period of the previous year.

Other income: Other income for the year ended December 31, 2020 amounted to $5.1 million, as compared to $1.1 million for the year ended December 31, 2019. The increase was mainly attributable to $2.7 million related to the settlement of claims and recovery of other receivables of one of our vessels.

Other expense: Other expense for the year ended December 31, 2020 amounted to $4.3 million as compared to $5.0 million for the year ended December 31, 2019 mainly related to non-income tax expense.

Equity in net earnings/ (loss) of affiliated companies: Equity in net earnings of affiliated companies increased by $41.2 million to $1.1 million earnings for the year ended December 31, 2020, as compared to $40.1 million loss for the year ended December 31, 2019. The increase was mainly due to a $42.6

million OTTI loss related to the investment in Navios Containers recognized in the fourth quarter of 2019, partially mitigated by a $1.4 million decrease in equity method income relating to Navios Containers investment. (see Note 19 — Investment in Affiliates).

Net loss: Net loss for the year ended December 31, 2020 amounted to $68.5 million compared to $62.1 million for the year ended December 31, 2019. The increase in net loss of $6.4 million was due to the factors discussed above.

Operating surplus: Navios Partners generated an Operating Surplus for the year ended December 31, 2020 of $39.9 million, as compared to $58.8 million for the year ended December 31, 2019. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (see "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" contained herein).

Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

The following table presents consolidated revenue and expense information for the years ended December 31, 2019 and 2018. This information was derived from the audited consolidated revenue and expense accounts of Navios Partners for the respective periods.

	Year Ended December 31, 2019	Year Ended December 31, 2018
Time charter and voyage revenues	$ 219,379	$ 231,361
Time charter and voyage expenses	(12,331)	(10,024)
Direct vessel expenses	(6,985)	(6,180)
Vessel operating expenses (management fees)	(68,188)	(68,871)
General and administrative expenses	(20,984)	(18,458)
Depreciation and amortization	(53,255)	(58,334)
Vessels impairment loss	(36,680)	(44,344)
Interest expense and finance cost, net	(45,254)	(42,766)
Interest income	6,172	4,408
Other income	1,053	1,554
Other expense	(4,990)	(5,384)
Equity in net earnings of affiliated companies	(40,071)	3,957
Net loss	**$ (62,134)**	**$ (13,081)**

Time charter and voyage revenues: Time charter and voyage revenues for the year ended December 31, 2019 decreased by $12.0 million, or 5.2%, to $219.4 million, as compared to $231.4 million for the same period in 2018. The decrease in time charter and voyage revenues was mainly attributable to the decrease in the TCE rate, to $15,791 per day for the year ended December 31, 2019, from $16,458 per day for the year ended December 31, 2018. The available days of the fleet decreased to 13,170 days for the year ended December 31, 2019, as compared to 13,448 days for the year ended December 31, 2018.

Time charter and voyage expenses: Time charter and voyage expenses for the year ended December 31, 2019 increased by $2.3 million to $12.3 million, as compared to $10.0 million for the year ended December 31, 2018. The increase was mainly attributable to a: (i) $1.5 million increase in bunkers expenses; (ii) $1.0 million increase in charter-in expenses; and (iii) $0.5 million increase in other voyage expenses. The increase was partially mitigated by a $0.2 million decrease in brokerage commissions in line with reduced revenue and $0.5 million decrease in port expenses

Direct vessel expenses: Direct vessel expenses, comprising of the amortization of dry dock and special survey costs of certain vessels in our fleet, amounted to $7.0 million for the year ended December 31, 2019, as compared to $6.2 million for the year ended December 31, 2018, in total.

Vessel operating expenses (management fees): Vessel operating expenses for the year ended December 31, 2019, decreased by $0.7 million, or 1.0%, to $68.2 million, as compared to $68.9 million for the year ended December 31, 2018. The decrease was mainly attributable to a $5.7 million decrease in management fees due to the sale of four vessels in 2018 and $1.0 million decrease in management fees due to the sale of one vessel in 2019. The above decrease was partially mitigated by a $4.4 million increase in management fees due to the delivery of five vessels in 2018 and $1.6 million increase in management fees due to the delivery of 10 vessels in 2019.

General and administrative expenses: General and administrative expenses increased by $2.5 million, or 14%, to $21.0 million for the year ended December 31, 2019, as compared to $18.5 million for the year ended December 31, 2018. The increase was mainly due to a: (i) $1.1 million increase in administrative fees paid to the Manager mainly due to the increased number of owned vessels in Navios Partners' fleet; (ii) $1.2 million net increase in legal and professional fees, as well as audit fees and other administrative expenses; and (iii) $0.7 million increase in compensation to the directors and/ or officers of the Company (see Note 9—Accrued Expenses). The above increase was partially mitigated by a $0.4 million decrease in stock-based compensation.

Depreciation and amortization: Depreciation and amortization amounted to $53.3 million for the year ended December 31, 2019 compared to $58.3 million for the year ended December 31, 2018. The decrease of $5.1 million was mainly attributable to a: (i) $2.6 million decrease in amortization of the Navios Sagittarius favorable lease intangible which was fully amortized during the fourth quarter of 2018; (ii) $4.5 million decrease in depreciation expense due to the sale of four vessels in 2018; and (iii) $0.9 million decrease in depreciation expense due to the sale of one vessel in 2019. The above decrease was partially mitigated by a: (i) $2.7 million increase in depreciation expense due to the delivery of five vessels in 2018; and (ii) $0.2 million increase in depreciation expense due to the delivery of nine vessels in December 2019. Depreciation of vessels is calculated using an estimated useful life of 25 and 30 years for drybulk vessels and containerships, respectively, from the date the vessel was originally delivered from the shipyard. Intangible assets are amortized over the contract periods, which range from one to 12 years, at inception.

Vessels impairment loss: During the year ended December 31, 2019, Navios Partners recognized: (i) an impairment loss of $7.3 million related to the sale of Navios Galaxy which was completed on April 23, 2019; and (ii) an impairment loss of $29.3 million for one of our vessels, as the undiscounted projected net operating cash flows did not exceed the vessel's carrying value. During the year ended December 31, 2018, Navios Partners recognized: (i) an impairment loss of $37.9 million related to the sale of the YM Unity and the YM Utmost which was completed on July 2, 2018; (ii) an impairment loss of $5.3 million related to the sale of the Navios Felicity which was completed on December 4, 2018; and (iii) an impairment loss of $1.2 million related to the sale of the Navios Libra II which was completed on December 14, 2018 (see Note 6 — Vessels, net).

Interest expense and finance cost, net: Interest expense and finance cost, net for the year ended December 31, 2019 increased by $2.5 million, or 5.8%, to $45.3 million, as compared to $42.8 million for the year ended December 31, 2018. The increase was mainly due to a $6.1 million write-off of the deferred finance fees and debt discount following the prepayments of the Term Loan B Facility in 2019. The above increase was partially mitigated by a: (i) $1.2 million decrease in interest expense related to Navios Partners' credit facilities, mainly due to the decrease of the weighted average interest rate for the year ended December 31, 2019 to 6.71% from 6.85% for the same period in 2018; (ii) $2.0 million decrease in amortization of deferred finance fees and debt discount; and (iii) $0.4 million write-off of the deferred finance fees of the DVB Credit Facility in 2018. Navios Partners' average loan balance amounted to $484.7 million for the year ended December 31, 2019 as compared to $510.1 million for the same period of 2018.

Interest income: Interest income increased by $1.8 million to $6.2 million for the year ended December 31, 2019, as compared to $4.4 million for the year ended December 31, 2018.

Other income: Other income for the year ended December 31, 2019 amounted to $1.1 million, as compared to $1.6 million for the year ended December 31, 2018.

Other expense: Other expense for the year ended December 31, 2019 amounted to $5.0 million as compared to $5.4 million for the year ended December 31, 2018 mainly relating to non-income tax expense.

Equity in net earnings of affiliated companies: Equity in net earnings of affiliated companies decreased by $44.0 million to $40.1 million loss for the year ended December 31, 2019, as compared to $4.0 million earnings for the year ended December 31, 2018. The decrease was mainly due to a: (i) $42.6 million OTTI loss relating to the investment in Navios Containers, recognized in the fourth quarter of 2019; and (ii) $2.0 million decrease in equity method income relating to the Navios Containers investment. The above decrease was partially mitigated by a $0.6 million OTTI loss on dividend in kind recognized during 2018 (see Note 19 — Investment in Affiliates).

Net loss: Net loss for the year ended December 31, 2019 amounted to $62.1 million compared to $13.1 million for the year ended December 31, 2018. The increase in net loss of $49.1 million was due to the factors discussed above.

Operating surplus: Navios Partners generated an Operating Surplus for the year ended December 31, 2019 of $58.8 million, as compared to $77.9 million for the year ended December 31, 2018. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (see “Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus” contained herein).

B. Liquidity and Capital Resources

Credit facilities

As of December 31, 2020, the total borrowings, net of deferred finance costs under the Navios Partners' credit facilities were $486.9 million.

Term Loan B Facility: In June 2013, Navios Partners completed the issuance of the $250.0 million Term Loan B Facility. On October 31, 2013 and November 1, 2013, Navios Partners completed the issuance of a $189.5 million add-on to its existing Term Loan B Facility.

On March 14, 2017, Navios Partners completed the issuance of a new $405.0 million Term Loan B Facility. The new Term Loan B Facility bore an interest rate of LIBOR plus 500 bps, it was set to mature on September 14, 2020 and was repayable in equal quarterly installments of 1.25% of the initial principal amount. Navios Partners used the net proceeds of the Term Loan B Facility to: (i) refinance the existing Term Loan B; and (ii) pay fees and expenses related to the Term Loan B. On August 10, 2017, Navios Partners completed the issuance of a $53.0 million add-on to its existing Term Loan B Facility. The add-on to the Term Loan B Facility bore the same terms as the Term Loan B Facility. Navios Partners used the net proceeds to partially finance the acquisition of three vessels.

During the year ended December 31, 2018, four drybulk vessels were released from security of the Term Loan B Facility and in exchange, five drybulk vessels and $2.0 million in cash substituted the released vessels, as collateral to the Term Loan B Facility. In April and May 2019, Navios Partners prepaid $73.5 million and released five vessels from the collateral package of the Term Loan B Facility. In August 2019, Navios Partners prepaid $85.5 million and released five vessels from the collateral package of the Term Loan B Facility. On October 10, 2019, Navios Partners fully repaid the Term Loan B Credit Facility’s outstanding balance of $253.8 million, initially repayable on September 14, 2020. Following these prepayments an amount of $2.0 million and $4.1 million was written-off from the deferred finance fees and discount, respectively.

BNP Credit Facility: On June 26, 2017, Navios Partners entered into a new credit facility with BNP PARIBAS (the “BNP Credit Facility”) of up to $32.0 million (divided into two tranches) in order to partially finance the acquisition of the Navios Ace and the Navios Sol. On June 28, 2017, the first tranche of BNP Credit Facility of $17.0 million was drawn. On July 18, 2017, the second tranche of BNP Credit Facility of $15.0 million was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the first tranche in the amount of $15.1 million. Following this repayment, an amount of $0.1 million was written-off from the deferred finance fees. On April 9, 2019, Navios Partners amended the existing BNP Credit Facility, in order to refinance two vessels and replace the existing collateral under the BNP Credit Facility. As of December 31, 2020, the outstanding balance of the BNP Credit Facility was $8.5 million and is repayable in three equal consecutive quarterly installments of $0.6 million each, with a final balloon payment of $6.8 million to be repaid on the last repayment date. The facility matures in the third quarter of 2021 and bears interest at LIBOR plus 300 bps per annum.

DVB Credit Facilities: On June 28, 2017, Navios Partners entered into a new credit facility with DVB Bank S.E. (the “DVB $39m Credit Facility”) of up to $39.0 million (divided into four tranches) in order to refinance the Commerzbank/DVB Credit Facility dated July 2012 and an additional amount of $7.0 million to partially finance the acquisition of the Navios Prosperity I. The amounts of $7.0 million and $32.0 million were drawn on June 30, 2017 and November 3, 2017, respectively. On July 2, 2018, Navios Partners repaid the outstanding balance of the three tranches in the amount of $20.2 million. Following this repayment, an amount of $0.2 million was written-off from the deferred finance fees. On April 15, 2019, Navios Partners fully repaid the outstanding balance of $12.3 million. Following this repayment, an amount of $0.1 million was written-off from the deferred finance fees.

On July 31, 2018, Navios Partners entered into a new credit facility with DVB Bank S.E. (the “DVB $44m Credit Facility”) of up to $44.0 million (divided into two tranches) in order to finance the acquisition of the Navios Sphera and the Navios Mars. The amounts of $17.5 million and $26.5 million were drawn on August 30, 2018. As of December 31, 2020, the total outstanding balance of the DVB $44m Credit Facility was $36.8 million and is repayable in 11 equal consecutive quarterly installments of $0.8 million each, with a final balloon payment of $28.1 million to be repaid on the last repayment date. The facility matures in the third quarter of 2023 and bears interest at LIBOR plus 290 bps per annum.

On February 12, 2019, Navios Partners entered into a new credit facility with DVB Bank S.E. (the “DVB $66m Credit Facility”) of up to $66.0 million (divided into four tranches) in order to refinance the DVB Credit Facility dated June 28, 2017 and three Capesize vessels previously included in the Term Loan B collateral package. On April 15, 2019, Navios Partners drew the two tranches of $15.7 million each. On October 10, 2019, Navios Partners drew the two additional tranches of $14.8 million each. As of December 31, 2020, the total outstanding balance of the four tranches of the DVB $66m Credit Facility was $49.8 million and is repayable in two quarterly installments of $2.2 million each and 12 quarterly installments of $1.9 million each, with a

final balloon payment of $23.0 million, to be repaid on the last repayment date. The facility matures in the first quarter of 2024 and bears interest at LIBOR plus 260 bps per annum.

Nordea/Skandinaviska Enskilda/NIBC Credit Facility: On March 26, 2018, Navios Partners entered into a new credit facility with Nordea Bank AB, Skandinaviska Enskilda BanKen AB and NIBC Bank N.V. (the "Nordea Credit Facility") of up to $14.3 million (divided into two tranches) in order to partially finance the acquisition of the Navios Symmetry and the Navios Altair I. On May 18, 2018, the first tranche of the Nordea Credit Facility of $7.2 million was drawn. On June 1, 2018 the second tranche of the March 2018 Credit Facility of $7.2 million was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the second tranche in the amount of $6.6 million. Following this repayment, an amount of $0.1 million was written-off from the deferred finance fees. As of December 31, 2020, the outstanding balance of the Nordea Credit Facility was $4.2 million and is repayable in ten equal consecutive quarterly installments of $0.3 million each, with a final balloon payment of $1.2 million to be repaid on the last repayment date. The facility matures in the second quarter of 2023 and bears interest at LIBOR plus 300 bps per annum.

NIBC Credit Facility: On December 28, 2018, Navios Partners entered into a new credit facility with NIBC Bank N.V. (the "NIBC Credit Facility") of up to $28.5 million (divided into three tranches) in order to refinance three Ultra-Handymax vessels, previously included in the Term Loan B collateral package. On May 8, 2019, the first tranche of the NIBC Credit Facility of $11.9 million was drawn. On October 10, 2019, the two remaining tranches of the NIBC Credit Facility of $13.5 million in total were drawn. As of December 31, 2020, the outstanding balance of the NIBC Credit Facility was $21.9 million and is repayable in 12 consecutive quarterly installments of $0.8 million each, with a final balloon payment of $12.9 million to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 275 bps per annum. As of December 31, 2020, one Ultra-Handymax vessel was released from security of the NIBC Credit Facility and in exchange, $5.3 million in cash substituted the released vessel, as collateral to the NIBC Credit Facility. On January 26, 2021, one Ultra-Handymax vessel was accessioned in the security package of the NIBC Credit Facility and the $5.3 million cash collateral was released.

DNB Credit Facility: On April 5, 2019, Navios Partners entered into a new credit facility with DNB Bank ASA (the "DNB Credit Facility") of up to $40.0 million (divided into two tranches) in order to refinance two Capesize vessels, previously included in the Term Loan B collateral package. On October 10, 2019, the two tranches of the DNB Credit Facility of $34.4 million were drawn. As of December 31, 2020, the outstanding balance of the DNB Credit Facility was $30.5 million and is repayable in 14 consecutive quarterly installments of $1.0 million each, with a final balloon payment of $17.2 million to be repaid on the last repayment date. The facility matures in the second quarter of 2024 and bears interest at LIBOR plus 275 bps per annum.
CACIB Credit Facilities: On July 4, 2019, Navios Partners entered into a new credit facility with Credit Agricole Corporate and Investment Bank ("CACIB"), (the "CACIB $52.8m Credit Facility") of up to $52.8 million (divided into four tranches) in order to refinance three Capesize vessels and one Panamax vessel, previously included in the Term Loan B collateral package. In August 2019, the three tranches of the CACIB Credit Facility of $36.5 million, in total were drawn. In October 2019, the fourth tranche of the CACIB Credit Facility of $16.3 million was drawn. As of December 31, 2020, the total outstanding balance of the CACIB $52.8m Credit Facility was $43.4 million and is repayable in nine consecutive six-month installments of $3.2 million, with a final balloon payment of $15.0 million to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 275 bps per annum.

On September 28, 2020, the Company entered into a new credit facility with CACIB, (the "CACIB $33.0m Credit Facility") of up to $33.0 million in order to finance the acquisition of the two drybulk vessels acquired from Navios Holdings. As of December 31, 2020, the total outstanding balance of the CACIB $33.0m Credit Facility was $32.2 million and is repayable in 19 consecutive quarterly installments of $0.9 million with a final balloon payment of $16.0 million to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 325 bps per annum up to maturity date.
HCOB Credit Facility: On September 26, 2019, Navios Partners entered into a new credit facility with Hamburg Commercial Bank AG (the "HCOB Credit Facility") of up to $140.0 million in order to refinance eight drybulk vessels and five Containerships, previously included in the Term Loan B collateral package. On October 10, 2019, the amount of $140.0 million of HCOB Credit Facility was drawn. As of December 31, 2020, the outstanding balance of the HCOB Credit Facility was $118.5 million and is repayable in four consecutive quarterly installments of $5.4 million each, with a final balloon payment of $97.0 million to be repaid on the last repayment date. The facility matures in the third quarter of 2021 and bears interest at LIBOR plus 320 bps per annum.

ABN Credit Facilities: On December 12, 2019, the Company entered into a new credit facility with ABN Amro Bank N.V. (the "ABN $23.5m Credit Facility") of up to $23.5 million in order to finance the acquisition of the five container vessels from Navios Europe I which was subsequently refinanced pursuant to a new credit facility entered into with Hellenic Bank Public Company Limited in June 2020. On September 30, 2020, the Company entered into a second supplemental agreement with ABN Amro Bank N.V., to extend the terms of the then outstanding balance. As of December 31, 2020, the outstanding balance of the ABN $23.5m Credit Facility was $3.4 million and is repayable in two consecutive quarterly installments of $0.2 million with a final balloon payment of $3.0 million to be repaid on the last repayment date. The facility matures in the second quarter of 2021 and bears interest at LIBOR plus 400 bps per annum up to February 28, 2021 and 600 bps per annum up to maturity date. On January 13, 2021, Navios Partners fully repaid the outstanding balance of $3.4 million.

On June 26, 2020, the Company entered into a new credit facility with ABN Amro Bank N.V. (the "ABN $32.2m Credit Facility") of up to $32.2 million in order to finance the acquisition of the five drybulk vessels acquired from Navios Europe II. As of December 31, 2020, the total outstanding balance of the ABN $32.2m Credit Facility was $27.1 million and is repayable in two consecutive quarterly installments of $1.2 million, with a final balloon payment of $24.7 million to be repaid on the last repayment date. The facility matures in the second quarter of 2021 and bears interest at LIBOR plus 400 bps per annum up to December 31, 2020 and 425 bps per annum up to maturity date.
DORY Credit Facility: On December 16, 2019, the Company entered into a credit facility with Dory Funding DAC (the "Dory Credit Facility") of up to $37.0 million in order to finance the acquisition of four drybulk vessels. As of December 31, 2020, the total outstanding balance of the Dory Credit Facility was $35.2 million and is repayable in six consecutive quarterly installments of $0.9 million, with a final balloon payment of $29.6 million to be repaid on the last repayment date. The facility matures in the third quarter of 2022 and bears interest at LIBOR plus 475 bps per annum for the first twelve-month period after the utilization date, 600 bps for the following twelve-month period and 700 bps for the period commencing 24 months after the utilization date through the termination date. On January 26, 2021, Navios Partners prepaid $9.5 million and released one vessel from the collateral package of the Dory Credit Facility.

Hellenic Bank Credit Facility: On June 25, 2020, the Company entered into a new credit facility with Hellenic Bank Public Company Limited (the "Hellenic Credit Facility") in order to partially refinance the ABN $23.5m Credit Facility, relating to four of the containerships acquired from Navios Europe I, of up to $17.0 million. As of December 31, 2020, the total outstanding balance was $16.0 million and is repayable in two consecutive quarterly installments of $0.5 million and ten consecutive quarterly installments of $0.7 million, with a final balloon payment of $8.3 million to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 350 bps per annum.

Amounts drawn under the credit facilities are secured by first preferred mortgages on certain Navios Partners' vessels and other collateral and are guaranteed by the respective vessel-owning subsidiaries. The credit facilities contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners' vessels; changing the commercial and technical management of Navios Partners' vessels; selling or changing the beneficial ownership or control of Navios Partners' vessels; not maintaining Navios Holdings' (or its affiliates) ownership in Navios Partners of at least 15.0%; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the management agreement.

The credit facilities require compliance with a number of financial covenants, including: (i) maintain a required security amount ranging over 120% to 140%; (ii) minimum free consolidated liquidity in an amount equal to at least $0.5 million to $0.65 million per owned vessel; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in our credit facilities) ranging of less than 0.75; and (v) maintain a minimum net worth to $135.0 million.

As of December 31, 2020, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities.

It is an event of default under the credit facilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

The credit facilities prohibit us from paying distributions to our unitholders or making new investments if, before and after giving effect to such distribution or investment we are not in compliance with the financial covenants described above or upon the occurrence of an event of default. Events of default under our credit facilities include:

- failure to pay any principal, interest fees, expenses or other amounts when due;
- breach of certain undertakings, negative covenants and financial covenants contained in the credit facilities, any related security document or guarantee, including failure to maintain unencumbered title to any of the vessel-owning subsidiaries or any of the assets of the vessel-owning subsidiaries and failure to maintain proper insurance and in some cases subject to certain grace and due periods;
- default under other indebtedness;
- any representation, warranty or statement made by us in the credit facilities or any drawdown notice thereunder or related security document or guarantee is untrue or misleading when made;
- any of our or our subsidiaries' assets are subject to any form of execution, attachment, arrest, sequestration or distress in that is not discharged within a specified period of time;
- an event of insolvency or bankruptcy;
- a material adverse change in the financial position or prospects of us or our General Partner;
- unlawfulness, non-effectiveness or repudiation of any material provision of our credit facilities, of any of the related finance and guarantee documents;
- failure of effectiveness of security documents or guarantee;
- instability affecting a country where the vessels are flagged; and
- failure of Navios Holdings or its affiliates (as defined in the credit facilities agreements) to own at least 15% of us.

Financial Liabilities:

In December 2018, the Company entered into two sale and leaseback agreements of $25.0 million in total, with unrelated third parties for the Navios Fantastiks and the Navios Beaufiks. Navios Partners has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreements as a financial liability. Navios Partners is obligated to make 69 and 60 consecutive monthly payments, respectively, of approximately $0.16 million each, respectively, commencing as of December 2018. As of December 31, 2020, the outstanding balance under the sale and leaseback agreements of the Navios Fantastiks and the Navios Beaufiks was $20.8 million in total. The agreements mature in the third quarter of 2024 and fourth quarter of 2023, respectively, with a purchase obligation of $6.3 million per vessel on the last repayment date.

On April 5, 2019, the Company entered into a new sale and leaseback agreement of $20.0 million, with unrelated third parties for the Navios Sol, a 2009-built Capesize vessel of 180,274 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On April 11, 2019, the amount of $20.0 million was drawn. Navios Partners is obligated to make 120 consecutive monthly payments of approximately $0.2 million each, commencing as of April 2019. As of December 31, 2020, the outstanding balance under the sale and leaseback agreement of the Navios Sol was $18.1 million. The agreement matures in the second quarter of 2029, with a purchase obligation of $6.3 million on the last repayment date.

On June 7, 2019, the Company entered into a new sale and leaseback agreement of $7.5 million, with unrelated third parties for the Navios Sagittarius, a 2006-built Panamax vessel of 75,756 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2019, the amount of $7.5 million was drawn. Navios Partners is obligated to make 36 consecutive monthly payments of approximately $0.2 million each, commencing as of June 2019. As of December 31, 2020, the outstanding balance under the sale and leaseback agreement of the Navios Sagittarius was $4.7 million. The agreement matures in the second quarter of 2022, with a purchase obligation of $2.0 million on the last repayment date.

On July 2, 2019, the Company entered into a new sale and leaseback agreement of $22.0 million, with unrelated third parties for the Navios Ace, a 2011-built Capesize vessel of 179,016 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On July 24, 2019, the amount of $22.0 million was drawn. Navios Partners is obligated to make 132 consecutive monthly payments of approximately $0.2 million each, commencing as of

July 2019. As of December 31, 2020, the outstanding balance under the sale and leaseback agreement of the Navios Ace was $20.3 million. The agreement matures in the third quarter of 2030, with a purchase obligation of $6.3 million on the last repayment date.

The Financial Liabilities have no financial covenants.

Liquidity and Capital Resources

In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements including those under our credit facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. Expansion capital expenditures are primarily for the purchase or construction of vessels to the extent the expenditures increase the operating capacity of or revenue generated by our fleet, while maintenance capital expenditures primarily consist of drydocking expenditures and expenditures to replace vessels in order to maintain the operating capacity of or revenue generated by our fleet. Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures. We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from our equity offerings, operations, proceeds from asset sales, long-term bank borrowings and other debt raisings. As of December 31, 2020, Navios Partners' current assets totaled $60.8 million, while current liabilities totaled $253.3 million, resulting in a negative working capital position of $192.5 million, primarily related to balloon payments totaling $131.5 million due under its credit facilities in the second and third quarters of 2021 (see Note 10 — Borrowings). During the first quarter of 2021, Navios Partners sold four vessels for approximately $32.7 million. Part of the proceeds where used to settle respective upcoming balloon payments due in June 2021. In addition, Navios Partners is currently in advanced discussions with a commercial bank for a new credit facility of up to $115.0 million for the refinancing of its existing facility maturing in August 2021. The new facility is expected to mature in the second quarter of 2025 and bears interest at LIBOR plus 3% per annum. This transaction is expected to close in the second quarter of 2021, however it cannot be certain that a definitive agreement will be executed or that the refinancing will be consummated in whole or in part. The Company's vessels have an aggregate fair value significantly in excess of the outstanding debt which supports Managements' expectations that it is probable that the Company will be able to repay the above balloon payments either through refinancing with existing or new commercial banks and other financial institutions or sale of the vessels. Furthermore, the Company has a history of successfully refinancing its existing debt requirements and sourcing new funding. Navios Partners' cash forecast indicates that it will generate sufficient cash to make the required principal and interest payments on its indebtedness (excluding the balloon payments), provide for the normal working capital requirements of the business for a period of at least 12 months from the date of issuance of our consolidated financial statements.

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

Navios Partners may use funds to repurchase its outstanding common units and/or indebtedness from time to time. Repurchases may be made in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms Navios Partners deems appropriate and subject to its cash requirements for other purposes, compliance with the covenants under Navios Partners' credit facilities, and other factors management deems relevant.

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50.0 million of the Company's common units over a two year period. Common unit repurchases were made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program were determined by Navios Partners' management based upon market conditions and other factors. Repurchases were made pursuant to a program adopted under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The program did not require any minimum repurchase or any specific number of common units and could have been suspended or reinstated at any time in Navios Partners' discretion and without notice. Repurchases were subject to restrictions under Navios Partners' credit facilities. As of March 29, 2021, Navios Partners repurchased and cancelled 312,952 common units, for a total cost of approximately $4.5 million. There were no repurchases during the year ended December 31, 2020, and the program has expired in January 2021. The Company may in the future enact new repurchase programs if the Board of Directors deems it advisable for the Company.

On November 18, 2016, Navios Partners entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to $25.0 million. A further amended Sales Agreement was entered into on August 3, 2020. As of March 26, 2021, since the commencement of the amended Sales Agreement, Navios Partners has issued 578,971 units and received net proceeds of $7.8 million. Pursuant to the issuance of the common units, Navios Partners has issued 11,816 general partnership units to its General Partner in order to maintain its 2.0% general partner interest. The net proceeds from the issuance of the general partnership units are expected to be approximately $0.2 million.

Please See "Item 4.A - History and Development of the Partnership" for further discussion of Navios Partners' Liquidity and Capital Resources.

Cash flows for the year ended December 31, 2020 compared to the year ended December 31, 2019:

The following table presents cash flow information for the years ended December 31, 2020 and 2019. This information was derived from the audited Consolidated Statements of Cash Flows of Navios Partners for the respective periods.

	Year Ended December 31, 2020	Year Ended December 31, 2019
	(In thousands of U.S. dollars)	
Net cash provided by operating activities	$ 94,086	$ 70,395
Net cash used in investing activities	(83,854)	(17,034)
Net cash used in financing activities	(9,906)	(84,414)
Net increase/ (decrease) in cash, cash equivalents and restricted cash	**$ 326**	**$ (31,053)**

Cash provided by operating activities for the year ended December 31, 2020 as compared to the cash provided by operating activities for the year ended December 31, 2019:

Net cash provided by operating activities increased by $23.7 million to $94.1 million inflow for the year ended December 31, 2020, as compared to $70.4 million inflow for the same period in 2019.

The net cash inflow resulting from the change in operating assets and liabilities of $14.9 million for the year ended December 31, 2020 resulted from a $3.7 million decrease in prepaid expenses and other current assets, a $27.5 million increase in amounts due to related parties and a $20.6 million decrease in amounts due from related parties. This was partially mitigated by a $6.5 million increase in accounts receivable, a $2.3 million decrease in accounts

payable, a $1.7 million decrease in accrued expenses, a $1.3 million decrease in deferred revenue, a $24.0 million increase in payments for dry dock and special survey costs and a $1.0 million decrease in operating lease liabilities current and non-current.

The net cash outflow resulting from the changes in operating assets and liabilities of $4.8 million for the year ended December 31, 2019, resulted from a $6.3 million increase in prepaid expenses and other current assets, a $0.1 million decrease in accrued expenses, a $22.9 million increase in payments for drydock and special survey costs and a $0.4 million decrease in operating lease liabilities short-term and long-term. This was partially mitigated by a $4.6 million decrease in accounts receivable, a $2.5 million increase in accounts payable, a $0.2 million increase in deferred revenue and a $17.5 million decrease in amounts due from related parties.

Cash used in investing activities for the year ended December 31, 2020 as compared to the cash used in investing activities for the year ended December 31, 2019:

Net cash used in investing activities increased by $66.8 million to $83.9 million outflow for the year ended December 31, 2020, as compared to $17.0 million outflow for the same period in 2019.

Cash used in investing activities of $83.9 million for the year ended December 31, 2020 was mainly due to a: (i) $72.4 million related to vessel acquisitions and additions; (ii) $10.7 million related to deposits for the option to acquire two bareboat charter-in vessels and capitalized expenses; and (iii) $13.6 million repayment to Navios Holdings in relation to the seller's credit. This was partially mitigated by: (i) an $8.2 million of proceeds related to the sale of the Navios Soleil on December 10, 2020; and (ii) a $4.7 million of proceeds from the note receivable related to the sale of the MSC Cristina.

Cash used in investing activities of $17.0 million for the year ended December 31, 2019 was mainly due to a: (i) $23.7 million payments related to vessels acquisitions, additions, deposit to acquire a charter-in vessel and capitalized expenses of our fleet; and (ii) $4.0 million loan granted to Navios Europe I. This was partially mitigated by a $6.0 million of proceeds related to the sale of the Navios Galaxy I and $4.7 million of proceeds from the note receivable related to the sale of the MSC Cristina.

Cash used in financing activities for the year ended December 31, 2020 as compared to the cash used in financing activities for the year ended December 31, 2019:

Net cash used in financing activities decreased by $74.5 million to $9.9 million outflow for the year ended December 31, 2020, as compared to $84.4 million outflow for the same period in 2019.

Cash used in financing activities of $9.9 million for the year ended December 31, 2020 was mainly due to: (i) payment of a total cash distribution of $7.9 million; (ii) loans and financial liabilities repayments of $82.7 million; and (iii) a payment of $1.1 million of deferred finance costs related to the new credit facilities. This was partially offset by: (i) $79.5 million of proceeds from the from the ABN $32.2m Credit Facility, the Hellenic Credit Facility and the CACIB $33.0m Credit Facility; and (ii) $2.3 million of proceeds from the issuance of 357,508 common units and 7,298 additional general partner units related to the Continuous Offering Program Sales Agreement.

Cash used in financing activities of $84.4 million for the year ended December 31, 2019 was mainly due to: (i) payment of a total cash distribution of $13.6 million; (ii) loans and financial liabilities repayments of $448.2 million; (iii) payments of $4.7 million for deferred finance fees related to the new credit facilities and sale and leaseback agreements; and (iv) payments of $4.5 million in total for acquisition of treasury stock. This was partially offset by $386.5 million of proceeds from the NIBC Credit Facility, the DVB $66m Credit Facility, the CACIB Credit Facility, the DNB Credit Facility, the HCOB Credit Facility, the ABN Credit Facility and the financial liabilities of the Navios Sol, the Navios Sagittarius and the Navios Ace.

Cash flows for the year ended December 31, 2019 compared to the year ended December 31, 2018:

The following table presents cash flow information for the years ended December 31, 2019 and 2018. This information was derived from the audited Consolidated Statements of Cash Flows of Navios Partners for the respective periods.

	Year Ended December 31, 2019	Year Ended December 31, 2018
	(In thousands of U.S. dollars)	
Net cash provided by operating activities	$ 70,395	$ 68,319
Net cash used in investing activities	(17,034)	(67,888)
Net cash (used in)/ provided by financing activities	(84,414)	31,091
Net (decrease)/ increase in cash, cash equivalents and restricted cash	**$ (31,053)**	**$ 31,522**

Cash provided by operating activities for the year ended December 31, 2019 as compared to the cash provided by operating activities for the year ended December 31, 2018:

Net cash provided by operating activities increased by $2.1 million to $70.4 million inflow for the year ended December 31, 2019, as compared to $68.3 million inflow for the same period in 2018.

The net cash outflow resulting from the changes in operating assets and liabilities of $4.8 million for the year ended December 31, 2019, resulted from a $6.3 million increase in prepaid expenses and other current assets, a $0.1 million decrease in accrued expenses, a $22.9 million increase in payments for drydock and special survey costs and a $0.4 million decrease in operating lease liabilities short-term and long-term. This was partially mitigated by a $4.6 million decrease in accounts receivable, a $2.5 million increase in accounts payable, a $0.2 million increase in deferred revenue and a $17.5 million decrease in amounts due from related parties.

The net cash outflow resulting from the changes in operating assets and liabilities of $20.5 million for the year ended December 31, 2018, resulted from a $0.3 million increase in accounts receivable, $1.0 million increase in prepaid expenses and other current assets, a $3.8 million decrease in accrued expenses, a $12.3 million increase in amounts due from related parties, consisting of managements fees and drydocking expenses, including amounts needed for compliance with IMO regulations prepaid to the Manager in accordance with Management and Administrative Servises agreements and the Navios Holdings Guarantee (as defined in "Related Parties Transactions-Others") and a $4.3 million in payments for drydock and special survey costs. This was partially mitigated by a $1.1 million increase in accounts payable and a $0.2 million increase in deferred revenue.

Cash used in investing activities for the year ended December 31, 2019 as compared to the cash used in investing activities for the year ended December 31, 2018:

Net cash used in investing activities decreased by $50.9 million to $17.0 million outflow for the year ended December 31, 2019, as compared to $67.9 million outflow for the same period in 2018.

Cash used in investing activities of $17.0 million for the year ended December 31, 2019 was mainly due to a: (i) $23.7 million payments relating to vessels acquisitions, additions, deposit to acquire a charter-in vessel and capitalized expenses of our fleet; and (ii) $4.0 million loan granted to Navios Europe I. This was partially mitigated by a $6.0 million of proceeds from the sale of the Navios Galaxy I and $4.7 million of proceeds from the note receivable related to the sale of the MSC Cristina.

Cash used in investing activities of $67.9 million for the year ended December 31, 2018 was mainly due to: (i) $115.9 million paid for the acquisition of the Navios Mars, the Navios Sphera, the Navios Apollon I, the Navios Symmetry and the Navios Altair I, delivered during 2018; (ii) $5.6 million loan granted to Navios Europe II; (iii) $14.5 million investment in Navios Containers on March 13, 2018; (iv) a $10.0 million loan granted to Navios Europe I; and (v) a $2.9 million deposit and capital expenses for the option to acquire the newbuilding Panamax vessel delivered in July 2019. The above decrease was partially mitigated by $76.3 million of proceeds from the sale of the YM Unity, the YM Utmost, the Navios Felicity and the Navios Libra II within the year of 2018 and $4.7 million of proceeds from the note receivable related to the sale of the MSC Cristina.

Cash used in financing activities for the year ended December 31, 2019 as compared to the cash provided by financing activities for the year ended December 31, 2018:

Net cash (used in)/ provided by financing activities increased by $115.5 million to $84.4 million outflow for the year ended December 31, 2019, as compared to $31.1 million inflow for the same period in 2018.

Cash used in financing activities of $84.4 million for the year ended December 31, 2019 was due to: (i) payment of a total cash distribution of $13.6 million; (ii) loans and financial liabilities repayments of $448.2 million; (iii) payments of $4.7 million for deferred finance fees relating to the new credit facilities and sale and leaseback agreements; and (iv) payments of $4.5 million in total for acquisition of treasury stock. This was partially offset by $386.5 million of proceeds from the NIBC Credit Facility, the DVB $66m Credit Facility, the CACIB Credit Facility, the DNB Credit Facility, the HCOB Credit Facility, the ABN Credit Facility and the financial liabilities of the Navios Sol, the Navios Sagittarius and the Navios Ace.

Cash provided by financing activities of $31.1 million for the year ended December 31, 2018 was due to a: (i) $34.1 million of proceeds from the issuance of 1,228,133 common units and 25,064 additional general partner units, net of offering costs, related to the public offering in February 21, 2018; (ii) $0.1 million of proceeds from the issuance of 3,857 general partner units related to the issuance of 97,633 restricted common units in December 2018 and 91,336 restricted common units, in January 2018; (iii) $14.3 million of proceeds from the Nordea Credit Facility; (iv) $44.0 million of proceeds from the DVB $44m Credit Facility; and (v) $25.0 million proceeds from the sale and leaseback agreement. This overall increase was partially offset by: (i) loan and financial liability repayments of $74.9 million; (ii) a payment of a total cash distribution of $10.3 million; and (iii) a payment of $1.2 million of deferred finance fees relating to the March 2018 Credit Facility, the DVB $44m Credit Facility and the sale and leaseback transaction.

Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
	(In thousands of U.S. dollars)		
Net cash provided by operating activities	**$ 94,086**	**$ 70,395**	**$ 68,319**
Net increase in operating assets	7,261	11,069	19,926
(Increase)/ decrease in operating liabilities	(22,207)	(2,643)	2,542
Net interest cost	23,520	39,082	38,358
Amortization and write-off of deferred finance cost	(2,141)	(10,916)	(7,258)
Amortization of operating lease right-of-use asset	(956)	(378)	—
Non cash accrued interest income and amortization of deferred revenue	1,588	12,638	12,522
Stock-based compensation expense	(946)	(2,018)	(2,450)
Vessels impairment loss	(71,577)	(36,680)	(44,344)
Other than temporary impairment loss in Navios Containers investment	—	(42,603)	—
Non cash accrued interest income from receivable from affiliates	—	279	272
Impairment of receivable in affiliated company	(6,900)	—	—
Allowance for credit losses	(1,495)	—	—
Loss on vessel disposal	—	—	(53)
Change in estimated guarantee claim receivable	—	(3,638)	(2,000)
Equity in earnings of affiliates, net of dividends received	1,133	2,532	3,957
EBITDA[1]	**$ 21,366**	**$ 37,119**	**$ 89,791**
Equity compensation expense	—	—	2,450
Impairment of receivable in affiliated company	6,900	—	—
Vessels impairment loss	71,577	36,680	44,344
Other than temporary impairment on dividend in kind	—	—	560
Revision of estimated guarantee claim receivable	—	3,638	2,000
Other than temporary impairment loss in Navios Containers investment	—	42,603	—
Adjusted EBITDA	**$ 99,843**	**$ 120,040**	**$ 139,145**
Cash interest income	219	626	739
Cash interest paid	(23,717)	(32,869)	(35,244)
Maintenance and replacement capital expenditures	(36,455)	(29,039)	(26,787)
Operating Surplus	**$ 39,890**	**$ 58,758**	**$ 77,853**

(1)

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
	(In thousands of U.S. dollars)		
Net cash provided by operating activities	$ 94,086	$ 70,395	$ 68,319
Net cash used in investing activities	$ (83,854)	$ (17,034)	$ (67,888)
Net cash (used in)/ provided by financing activities	$ (9,906)	$ (84,414)	$ 31,091

EBITDA and Adjusted EBITDA

EBITDA represents net (loss)/ income attributable to Navios Partners' unitholders before interest and finance costs, before depreciation and amortization (including intangible accelerated amortization) and income taxes. Adjusted EBITDA represents EBITDA before impairment losses and change in estimated guarantee claim receivable. Navios Partners uses Adjusted EBITDA as a liquidity measure and reconciles EBITDA and Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA in this document 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) amortization and write-off of deferred finance cost; (v) equity in net earnings of affiliated companies; (vi) impairment charges; (vii) non-cash accrued interest income and amortization of deferred revenue; (viii) equity compensation expense; (ix) non-cash accrued interest income from receivable from affiliates; and (x) amortization of operating lease right-of-use asset. Navios Partners believes that

EBITDA and Adjusted EBITDA are each the basis upon which liquidity can be assessed and presents useful information to investors regarding Navios Partners' ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and make cash distributions. Navios Partners also believes that EBITDA and Adjusted EBITDA are used: (i) by potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

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

EBITDA for the year ended December 31, 2020 was negatively affected by the accounting effect of a: (i) $6.9 million loss related to the other-than-temporary impairment recognized in the Navios Partners' receivable from Navios Europe II; (ii) $6.8 million impairment loss related to three containerships; (iii) $1.8 million impairment loss of related to the sale of the Esperanza N; (iv) $2.0 million impairment loss related to the sale of the Castor N; (v) $10.0 million impairment loss related to the sale of the Navios Soleil; and (vi) $51.0 million impairment loss related to four of our vessels. EBITDA for the year ended December 31, 2019 was negatively affected by the accounting effect of a: (i) $7.3 million impairment loss related to the sale of the Navios Galaxy I; (ii) $3.6 million revision of the estimated guarantee claim receivable; (iii) $29.3 million impairment loss related to one of our vessels; and (iv) $42.6 million OTTI loss in Navios Containers investment. Excluding these items, Adjusted EBITDA decreased by $20.2 million to $99.8 million for the year ended December 31, 2020, as compared to $120.0 million for the same period in 2019. The decrease in Adjusted EBITDA was primarily due to a: (i) $25.5 million increase in vessel operating expenses, mainly due to the increased fleet; (ii) $3.0 million increase in general and administrative expenses, mainly due to the increased fleet; (iii) $2.9 million increase in other expenses; and (iv) $1.4 million decrease in equity in net earnings of affiliated companies. The above decrease was partially mitigated by a: (i) $7.4 million increase in time charter and voyage revenues; (ii) $1.3 million decrease in time charter and voyage expenses; and (iii) $4.0 million increase in other income.

EBITDA for the year ended December 31, 2019 was negatively affected by the accounting effect of a: (i) $7.3 million impairment loss related to the sale of the Navios Galaxy I; (ii) $3.6 million change in estimated guarantee claim receivable; (iii) $29.3 million impairment loss related to one of our vessels; and (iv) $42.6 million OTTI loss in Navios Containers investment. EBITDA for the year ended December 31, 2018 was negatively affected by the accounting effect of a: (i) $37.9 million impairment loss related to the sale of the YM Unity and the YM Utmost; (ii) $5.3 million impairment loss related to the sale of the Navios Felicity; (iii) $2.5 million equity compensation expense; (iv) $2.0 million change in estimated guarantee claim receivable; (v) $1.2 million impairment loss related to the sale of the Navios Libra II; and (vi) $0.6 million other than temporary impairment on dividend in kind. Excluding these items, Adjusted EBITDA decreased by $19.1 million to $120.0 million for the year ended December 31, 2019, as compared to $139.1 million for the same period in 2018. The decrease in Adjusted EBITDA was primarily due to a: (i) $12.0 million decrease in time charter and voyage revenues; (ii) $2.3 million increase in time charter and voyage expenses; (iii) $5.0 million increase in general and administrative expenses; (iv) $2.0 million decrease in equity in net earnings of affiliated companies; and (v) $0.5 million decrease in other income. The above decrease was partially mitigated by a: (i) $0.7 million decrease in vessel operating expenses; and (ii) $2.0 million decrease in other expenses.

Operating Surplus

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

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

Borrowings

Navios Partners' long-term third party borrowings are presented under the captions “Long-term financial liabilities, net”, “Long-term debt, net”, “Current portion of financial liabilities, net” and “Current portion of long-term debt, net”. As of December 31, 2020 and December 31, 2019, total borrowings, net amounted to $486.9 million and $489.0 million, respectively. The current portion of long-term borrowings, net amounted to $201.8 million at December 31, 2020 and $59.8 million at December 31, 2019.

Capital Expenditures

Navios Partners finances its capital expenditures with cash flow from operations, equity raisings, long-term bank borrowings and other debt raisings. Capital expenditures for the years ended December 31, 2020, 2019 and 2018 amounted to $83.1 million, $23.7 million and $118.8 million, respectively.

For the year ended December 31, 2020, expansion capital expenditures of $83.1 million related to: (i) $10.7 million representing deposits for the option to acquire two Panamax bareboat charter-in vessels expected to be delivered by the first half of 2021; and (ii) $72.4 million relating to vessel acquisitions, additions and capitalized expenses to our fleet.

For the year ended December 31, 2019, expansion capital expenditures of $23.7 million related to: (i) $2.5 million representing a deposit for the option to acquire a Panamax bareboat charter-in vessel expected to be delivered by the first half of 2021; and (ii) $21.2 million relating to vessel acquisitions, additions and capitalized expenses to our fleet.

For the year ended December 31, 2018, expansion capital expenditures of $118.8 million related to: (i) $2.9 million representing the second deposit for the option to acquire the Navios Libra, a Panamax vessel, delivered in July 2019; and (ii) $115.9 million paid for the acquisition of the five drybulk vessels in 2018.

Maintenance for our vessels and expenses related to drydocking expenses are reimbursed at cost by Navios Partners to our Manager under the Management Agreement. In each of October 2013, August 2014, February 2015, February 2016 and November 2017, Navios Partners amended its existing Management Agreement with the Manager to fix the fees for ship management services of its owned fleet, excluding drydocking expenses, which are reimbursed at cost by Navios Partners at: (a) $4,225 daily rate per Ultra-Handymax vessel; (b) $4,325 daily rate per Panamax vessel; (c) $5,250 daily rate per Capesize vessel; (d) $6,700 daily rate per Container vessel of TEU 6,800; (e) $7,400 daily rate per Container vessel of more than TEU 8,000; and (f) $8,750 daily rate per very large Containers vessel of more than TEU 13,000 through December 31, 2019.

In August 2019, Navios Partners extended the duration of its existing Management Agreement with the Manager until January 1, 2025. Management fees are fixed for two years commencing from January 1, 2020 at: (a) $4,350 daily per Ultra-Handymax Vessel; (b) $4,450 daily per Panamax Vessel; (c) $5,410 daily per Capesize Vessel; and (d) $6,900 daily per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% commencing January 1, 2022 unless agreed otherwise.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships and following the liquidation of Navios Europe II, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax vessels, As per the Management Agreement, as amended in December 2019, management fees are fixed for two years commencing from January 1, 2020 at $6,100 daily per Sub-Panamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% commencing January 1, 2022 for the remaining period unless agreed otherwise. Drydocking expenses are reimbursed at cost for all vessels.

Maintenance and Replacement Capital Expenditures Reserve

Our annual maintenance and replacement capital expenditures reserve for the years ended December 31, 2020 and 2019 was $36.5 million and $29.0 million, respectively, for replacing our vessels at the end of their useful lives.

The amount for estimated replacement capital expenditures attributable to future vessel replacement was based on the following assumptions: (i) current market price to purchase a five year old vessel of similar size and specifications; (ii) a 25-year useful life for drybulk vessels and a 30-year useful life for containerships; and (iii) a relative net investment rate.

The amount for estimated maintenance capital expenditures attributable to future vessel drydocking and special survey was based on certain assumptions including the remaining useful life of the owned vessels of our fleet, market costs of drydocking and special survey and a relative net investment rate.

Our Board of Directors, with the approval of the Conflicts Committee, may determine that one or more of our assumptions should be revised, which could cause our Board of Directors to increase or decrease the amount of estimated maintenance and replacement capital expenditures. The actual cost of replacing the vessels in our fleet will depend on a number of factors, including prevailing market conditions, charter hire rates and the availability and cost of financing at the time of replacement. We may elect to finance some or all of our maintenance and replacement capital expenditures through the issuance of additional common units which could be dilutive to existing unitholders.

Vessels to be delivered

Pursuant to the anticipated merger with Navios Containers, our fleet will consist of 27 Panamax vessels, 18 Capesize vessels, four Ultra-Handymax vessels and 36 Containerships, including two Panamax bareboat charter-in vessels, which are expected to be delivered by the first half of 2021; three Capesize bareboat charter-in vessels which are expected to be delivered by the second half of 2022; two Panamax vessels acquired on March 30, 2021 and one Panamax vessel expected to be delivered by the second half of 2022, excluding one Capesize bareboat charter-in vessel which is expected to be delivered by the first half of 2023.

On March 25, 2021, Navios Partners agreed to enter into a 15-year bareboat charter-in for one newbuilding Capesize vessel of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of the fourth year for the remaining period of the bareboat charter. The vessel is expected to be delivered by the first half of 2023.

On March 23, 2021, Navios Partners agreed to acquire from Navios Holdings the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt. On March 30, 2021, Navios Partners completed the acquisition of the two vessels from Navios Holdings for a purchase price of $39.3 million, including working capital adjustments.

On March 23, 2021, Navios Partners agreed to acquire from an unrelated third party a newbuilding Panamax vessel for a purchase price of $31.6 million. The vessel has approximately 81,000 dwt and is expected to be delivered into Navios Partners' fleet during the second half of 2022.

On January 25, 2021, Navios Partners agreed to enter into a 15-year bareboat charter-in for three newbuilding Capesize vessels of approximately 180,000 dwt each, subject to completion of documentation. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charter. The vessels are expected to be delivered by the second half of 2022.

On October 18, 2019, Navios Partners entered into a ten-year bareboat charter-in agreement for two newbuilding Panamax vessels of approximately 81,000 dwt each. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charter. The vessels are expected to be delivered by the first half of 2021.

Although we do not currently have in place any other agreements relating to acquisitions of other vessels, other than the anticipated merger with Navios Containers, we assess potential acquisition opportunities on a regular basis. Pursuant to our Omnibus Agreement with Navios Holdings, as amended in June 2009, we will have the opportunity to purchase additional drybulk vessels from Navios Holdings when those vessels are fixed under charters of three or more years upon their expiration of their current charters or upon completion of their construction. Subject to the terms of our loan agreements, we could elect to fund any future acquisitions with equity or debt or cash on hand or a combination of these forms of consideration. Any debt incurred for this purpose could make us more leveraged and increase our debt service obligations or could subject us to additional operational or financial restrictive covenants.

C. Research and development, patents and licenses, etc.

Not applicable.

D. Trend information

Our results of operations depend primarily on the charter hire rates that we are able to realize for our vessels, which depend on the demand and supply dynamics characterizing the drybulk market at any given time. For other trends affecting our business please see other discussions in "Item 5 - Operating and Financial Review and Prospects".

E. Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

F. Contractual Obligations and Contingencies

The following table summarizes our long-term contractual obligations as of December 31, 2020:

	Payments due by period [4] (Unaudited)				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	(In thousands of U.S. dollars)				
Loan obligations[1]	$ 197,008	$ 138,090	$ 92,189	$ —	$ 427,287
Financial liabilities[2]	$ 6,585	$ 19,219	$ 12,901	$ 25,177	$ 63,882
Operating lease obligations (Time Charters) for bareboat charter-in	$ 4,525	$ 13,206	$ 12,884	$ 30,184	$ 60,799

vessels[3] [4]									
Total contractual obligations	**$**	**208,118**	**$**	**170,515**	**$**	**117,974**	**$**	**55,361**	**$ 551,968**

(1) Represents principal payments and repayments on amounts drawn on our credit facilities that bear interest at applicable fixed interest rates ranging from 2.60% to 7.00% plus LIBOR per annum. The amounts in the table exclude expected interest payments of $12.4 million (less than 1 year), $12.0 million (1-3 years), and $2.2 million (3-5 years). Expected interest payments are based on outstanding principal amounts, applicable currently effective interest rates and margins as of December 31, 2020, timing of scheduled payments and the term of the debt obligations.

(2) Represents principal payments and repayments on amounts drawn under the financial liabilities and exclude interest payments of $4.2 million (less than 1 year), $6.9 million (1-3 years), $4.1 million (3-5 years) and $4.9 million (more than 5 years).

(3) In November 2017, Navios Partners agreed to charter-in, under a ten-year bareboat contract, from an unrelated third party, the Navios Libra, a newbuilding Panamax vessel of 82,011 dwt, delivered on July 24, 2019. Navios Partners had agreed to pay in total $5.54 million, representing a deposit for the option to acquire the vessel after the end of the fourth year, of which the first half of $2.77 million was paid during the year ended December 31, 2017 and the second half of $2.77 million was paid during the year ended December 31, 2018, both presented under the caption "Other long-term assets" in the Consolidated Balance Sheets as of December 31, 2020.

(4) On October 18, 2019, Navios Partners agreed to charter-in, under a ten-year bareboat contract, from an unrelated third party, two newbuilding Panamax vessels of approximately 81,000 dwt each, expected to be delivered by the first half of 2021. Navios Partners had agreed to pay in total $12.3 million, representing a deposit for the option to acquire the vessels after the end of the fourth year, of which $1.4 million was paid during the year ended December 31, 2019, $4.3 million was paid in the first quarter of 2020 and $5.7 million was paid in the third quarter of 2020, all presented under the caption "Other long-term assets" in the Consolidated Balance Sheets as of December 31, 2020. The remaining amount of $0.9 million will be paid upon the delivery of the vessels. The table above excludes the deposits payable of $0.9 million in 2021.

Navios Partners leases office space in Monaco pursuant to a five year lease agreement dated July 1, 2018 that expires in June 2023, for a monthly rent of approximately $0.01 million.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates in the application of our accounting policies based on the best assumptions, judgments and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. For a description of all of our significant accounting policies, please refer to Note 2 — Summary of significant accounting policies to the notes to the consolidated financial statements, included elsewhere in this Annual Report.

Fair Value of Vessels: As of December 31, 2020, Navios Partners owned a fleet of 51 vessels, with an aggregate carrying value of $1,080.2 million, including the carrying value of the unamortized value of the intangible assets (i.e. charter attached), if any, and the carrying value of the unamortized portion of deferred drydock and special survey costs. On a vessel-by-vessel basis, as of December 31, 2020, the carrying value of 48 of Navios Partners' vessels exceeded the estimated fair value of those same vessels (including the estimated fair value of the time charter, if any, on the specified vessel) by approximately $297.8 million in the aggregate (the unrealized loss).

A vessel-by-vessel summary as of December 31, 2020, follows (with an * indicating those individual vessels whose carrying value exceeds its estimated fair value, including the related time charter, if any):

Vessel name	Date of Acquisition	Purchase Price/Fair Value at initial recognition[1]	Carrying Value as of December 31, 2020[1]
		(In millions of U.S. dollars)	
Navios Alegria[2]	11/16/2007	38.9	9.0*
Navios Hope	07/01/2008	80.0	14.1*
Navios Fantastiks	05/02/2008	87.7	21.0*
Navios Sagittarius	01/12/2010	59.4	17.9*
Navios Hyperion[2]	01/08/2010	63.0	9.0*
Navios Aurora II	03/18/2010	110.3	44.2*
Navios Pollux[2]	05/21/2010	110.0	22.2*
Navios Melodia	11/15/2010	78.8	45.6*
Navios Fulvia	11/15/2010	98.2	47.0*
Navios Luz	05/19/2011	78.0	37.4*
Navios Orbiter[2]	05/19/2011	52.0	9.2*
Navios Buena Ventura	06/15/2012	67.5	33.7*
Navios Helios	07/27/2012	21.1	13.4*
Navios Joy	09/11/2013	47.5	36.8*
Navios Harmony	10/11/2013	18.0	12.6*
Hyundai Hongkong	12/04/2013	55.2	42.7*
Hyundai Tokyo	12/10/2013	55.1	43.1*
Hyundai Singapore	12/04/2013	55.2	42.8*
Hyundai Shanghai	12/13/2013	55.2	43.0*
Hyundai Busan	12/16/2013	55.8	43.2*
Navios La Paix	01/08/2014	28.5	23.0*
Navios Sun	01/17/2014	16.2	11.3*
Navios Beaufiks	12/30/2016	15.4	14.3*
Navios Prosperity I	06/07/2017	13.7	12.2*
Navios Ace	06/09/2017	31.4	27.5*
Navios Libertas	07/10/2017	13.7	11.7*

Navios Sol	07/17/2017	28.6	26.6*
Navios Christine B	08/11/2017	14.0	13.6*
Navios Aster	08/21/2017	28.9	27.3*
Navios Symphony	09/20/2017	28.0	25.3*
Navios Apollon I	05/09/2018	13.4	13.0*
Navios Symmetry	05/21/2018	11.8	10.5*
Navios Altair I	06/07/2018	11.8	10.6*
Navios Sphera	08/31/2018	30.0	27.6*
Navios Mars	08/31/2018	49.0	45.0*
Navios Camelia	12/16/2019	10.9	10.6*
Navios Amaryllis	12/16/2019	10.5	10.1*
Navios Anthos	12/16/2019	9.4	10.4*
Navios Azalea	12/16/2019	9.5	10.0*
Protostar N(3)	12/13/2019	12.0	10.1*
Harmony N(3)	12/13/2019	11.7	9.9*
Esperanza N(3)	12/13/2019	10.4	4.4
Castor N	12/13/2019	11.3	8.9*
Solar N	12/13/2019	10.7	10.4*
Odysseus N	06/29/2020	12.1	13.6*
Joie N	06/29/2020	10.0	9.7*
Serenitas N	06/29/2020	10.0	9.7*
Unity N	06/29/2020	12.1	12.8*
Copernicus N	06/29/2020	11.9	11.8*
Navios Gem	09/30/2020	33.0	32.7
Navios Victory	09/30/2020	18.0	17.8
Totals		**$ 1,824.8**	**$ 1,080.2**

(1) All amounts include related time charter, if any. Although the aforementioned excess of carrying value over fair value represents an estimate of the loss that Navios Partners would sustain on a hypothetical disposition of those vessels as of December 31, 2020, the recognition of the unrealized loss absent a disposition (i.e., as an impairment) would require, among other things, that a triggering event had occurred and that the undiscounted cash flows attributable to the vessel for its remaining useful life are also less than the carrying value of the vessel (including the carrying value of the time charter and the unamortized portion of deferred drydock and special survey costs, if any, on the specified vessel).

(2) As of December 31, 2020, we recorded an impairment loss of $51.0 million for the Navios Alegria, the Navios Hyperion, the Navios Pollux and the Navios Orbiter.

(3) As of June 30, 2020, we recorded an impairment loss of $6.8 million for the Protostar N, the Harmony N and the Esperanza N.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets and scrap value expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, provisions for legal disputes, and contingencies and the valuation estimates inherent in the deconsolidation gain. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions. As of December 31, 2020, the impact of the COVID-19 pandemic continues to unfold and may continue to affect our business, financial performance and the results of our operations, including due to decreased demand for global seaborne dry bulk and container trade and dry bulk and containership charter rates, the extent of which will depend largely on future developments. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods.

Stock-based compensation: In February 2019, December 2019 and December 2018, Navios Partners granted restricted common units to its directors and officers, which are based solely on service conditions and vest over four years each, respectively. The fair value of restricted common units is determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2020, 2019 and 2018. As of December 31, 2020, 285,763 restricted common units were vested, cumulatively.

Impairment of Long Lived Assets: Vessels, other fixed assets and other long lived assets held and used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Partners' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel or the carrying value of deposits for newbuildings. Within the shipping industry, vessels are customarily bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to then current market rates. The loss recognized either on impairment (or on disposition) will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

During the fourth quarter of fiscal year 2020, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' long-lived assets may exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on our future operations. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Company determined the undiscounted projected net operating cash flows for each vessel and compared it to the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel and the carrying value of the related intangible assets, if applicable.

The significant factors and assumptions the Company used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (Navios Partners' remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates for the first year and ten-year average historical one-year time charter rates for the remaining period), over the remaining economic life of each vessel, net of brokerage and address commissions, and excluding days of scheduled off-hires, management fees as determined by the Management Agreement in effect until December 2024 and thereafter assuming an increase of 3.0% every second year and utilization rate of 98.6% based on the fleet's historical performance.

Where the undiscounted projected net operating cash flows do not exceed the carrying value of an asset group, management proceeds to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determines fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations from independent ship brokers performed on an individual vessel basis. The significant factors and assumptions used by management in determining fair value of vessels included those in developing the projected net operating cash flows over the remaining economic life of each vessel and the discount rate.

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for certain of our vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $51.0 million for four of our vessels, being the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 6 — Vessels, net).

As of December 31, 2019, our assessment concluded that step two of the impairment analysis was required for certain of our vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $29.3 million for one vessel, being the difference between the fair value and the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 6 — Vessels, net).

As of December 31, 2018, our assessment concluded that step two of the impairment analysis was not required for our vessels held and used, as the undiscounted projected net operating cash flows exceeded the carrying value.

As of June 30, 2020, we concluded that events and circumstances triggered the existence of potential impairment of our containerships. These indicators included volatility in the charter market and market values for containerships. As a result, we performed step one of the impairment assessment of our containerships by comparing the undiscounted projected net operating cash flows for each vessel to its carrying value. As of June 30, 2020, our assessment concluded that step two of the impairment analysis was required for three containerships held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $6.8 million for these vessels, being the difference between the fair value and the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

As of December 31, 2020, the 10-year historical average rates for its vessels (which naturally vary by type of vessel) used in determining future cash flows for purposes of its impairment analysis were 4.4% higher than the Company's average daily time charter equivalent rate achieved in fiscal year 2020 of $12,497 per day.

In addition, the Company compared the 10-year historical average (of the one-year charter rate for similar vessels), with the five-year, three-year and one-year historical averages (of the one-year charter rate for similar vessels). The table below compares the 10-year historical average (of the one-year charter rate) and the five-year, three-year and one-year historical averages (of the one-year charter rate for similar vessels), each as of December 31, 2020:

	Historical Average of One-year Charter Rates (over Various Periods) vs. the 10-year Historical Average (of the One-Year Charter Rate)		
	Five-Year Average	Three-Year Average	One-Year Average
	(% above (below) the 10-year average)		
Ultra-Handymax	(4.1%)	7.6%	(5.3%)
Panamax	2.5%	16.9%	5.5%
Capesize	(3.5%)	10.7%	(4.1%)
Container 6,800 TEU	(17.6%)	(8.4%)	(5.1%)
Container 2,500 TEU	1.8%	15.5%	14.8%

If testing for impairment using the five-year, three-year and one-year historical averages (of the one-year charter rate for similar vessels) in lieu of the 10-year historical average (of the one-year charter rate for similar vessels), Navios Partners estimates that 4, 0 and 3 of its vessels, respectively, would have carrying values in excess of their projected undiscounted future cash flows. As disclosed elsewhere, as of December 31, 2020, the Company's fleet includes 48 vessels for which the carrying value (including the carrying value of the time charter, if any, on the specified vessel) exceeds the estimated fair value of those same vessels (including the estimated fair value of the time charter and the unamortized portion of deferred drydock and special survey costs, if any, on the specified vessel) by approximately $297.8 million in the aggregate (the unrealized loss).

In connection with its annual impairment testing on its vessels as of December 31, 2020, the Company performs sensitivity analysis on the most sensitive and/or subjective assumptions that have the potential to affect the outcome of the test, principally the projected charter rate used to forecast future cash flows for unfixed days. In that regard, there would continue to be no impairment required to be recognized on any of the Company's vessels when assuming a decline in the 10-year average (of the one-year charter rate for similar vessels), which is the rate that the Company uses to forecast future cash flows for unfixed days, ranging from 2.3% to 87.9% (depending on the vessel).

During the years ended December 31, 2020, 2019 and 2018, an impairment loss of $13.8 million, $7.3 million and $44.3 million, respectively, was also recognized in connection with the committed sales of the Navios Soleil in December 2020, the Esperanza N in January 2021, the Castor N in February 2021, the Navios Galaxy in April 2019, the YM Unity and the YM Utmost in July 2018, the Navios Felicity and the Navios Libra II in December 2018, as the carrying amount of each asset group was not recoverable and exceeded its fair value less costs to sell (see Note 6 — Vessels, net).

The total impairment loss recognized amounted to $71.6 million, $36.7 million and $44.3 million for the years ended December 31, 2020, 2019 and 2018, respectively, and was presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

Vessels, Net: Vessels are stated at historical cost, which consists of the contract price and any material expenses incurred upon acquisition (improvements and delivery expenses). Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. Subsequent expenditures for major

improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying Consolidated Statements of Operations.

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of our drybulk and containerships based on a scrap value cost of steel times the weight of the ship noted in lightweight ton (“LWT”). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods. The management after considering current market trends for scrap rates and 10-year average historical scrap rates of the residual values of the Company's vessels, estimates scrap value at a rate of $340 per LWT.

Management estimates the useful life of our vessels to be 25 and 30 years from the drybulk and containership's original construction, respectively. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

Deferred Drydock and Special Survey Costs: Navios Partners' vessels are subject to regularly scheduled drydocking and special surveys which are generally carried out every 30 or 60 months, depending on the vessels' ages to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. The cost of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period.

***Revenue and Expense Recognition*:** On January 1, 2018, the Company adopted the provisions of ASC 606 “Revenue from Contracts with Customers” using the modified retrospective approach. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers control of the promised goods or services to its customers. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company's contract revenues from time chartering and pooling arrangements are governed by ASU 2016-02 (ASC 842) “Leases”. Upon adoption of ASC 606 and ASC 842, the timing and recognition of earnings from the pool arrangements and time charter contracts to which the Company is party did not change from previous practice. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease components will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. As a result of the adoption of these standards, there was no effect on the Company's retained earnings, as at January 1, 2018.

Revenue from time chartering

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

Revenue from voyage contracts

The Company's revenues earned under voyage contracts (revenues for the transportation of cargo) were previously recognized ratably over the estimated relative transit time of each voyage. A voyage was deemed to commence when a vessel was available for loading and was deemed to end upon the completion of the discharge of the current cargo. Estimated losses on voyages are provided for in full at the time such losses become evident. Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. Upon adoption of ASC 606, the Company recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of “costs to fulfill a contract” and relate directly to the contract. During 2017, no freight voyage existed and therefore, there was no impact on the Company's retained earnings as at January 1, 2018.

Pooling arrangements

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel's age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report.

Revenue from profit-sharing

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer's average daily income (calculated on a quarterly or half-yearly basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive) on services rendered by the

Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Investment in Equity Securities: Navios Partners evaluates its investment in Navios Containers for other than temporary impairment ("OTTI") on a quarterly basis. Consideration is given to: (i) the length of time and the extent to which the fair value has been less than the carrying value; (ii) the financial condition and near-term prospects of Navios Containers; and (iii) the intent and ability of the Company to retain its investment in Navios Containers, for a period of time sufficient to allow for any anticipated recovery in fair value (see Note 19 — Investment in affiliates and Note 23— Subsequent events).

Recent Accounting Pronouncements:

Please refer to Note 2 — Summary of significant accounting policies to the notes to the consolidated financial statements, included elsewhere in this Annual Report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our current directors and senior management:

Name	Age	Position
Angeliki Frangou	56	Chairman of the Board, Chief Executive Officer and Director
Efstratios Desypris	48	Chief Financial Officer
George Achniotis	56	Executive Vice President-Business Development and Director
Shunji Sasada	63	Director
Serafeim Kriempardis	73	Director (Class III)
Orthodoxia Zisimatou	58	Director (Class II)
Kunihide Akizawa	61	Director (Class I)
Alexander Kalafatides	57	Director (Class I)
Vasiliki Papaefthymiou	52	Secretary

Biographical information with respect to each of our current directors and our executive officers is set forth below. The business address for our directors and executive officers is 7 Avenue de Grande Bretagne, Monte Carlo, MC 98000 Monaco. Each of Ms. Frangou, Mr. Achniotis and Mr. Sasada were appointed as directors by our general partner, pursuant to our partnership agreement.

Angeliki Frangou has been our Chairman of the Board of Directors and Chief Executive Officer since our inception. Ms. Frangou has also been Chairman and Chief Executive Officer of Navios Holdings (NYSE: NM) since August 2005. In addition, Ms. Frangou has been the Chairman and Chief Executive Officer of Navios Acquisition (NYSE: NNA), an affiliated corporation, since March 2008 and Chairman and Chief Executive Officer of Navios Containers (Nasdaq: NMCI), an affiliated limited partnership, since April 2017. Ms. Frangou has been the Chairman of the Board of Directors of Navios South American Logistics Inc. since its inception in December 2007. Ms. Frangou is the non-executive Chairman of IRF European Finance Investments Ltd. and is also a Member of the Board of the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. Since 2015, she has also been a Board Member of the Union of Greek Shipowners, as well as on the Board of Trustees of Fairleigh Dickinson University. Ms. Frangou also acts as Vice Chairman of the China Classification Society Mediterranean Committee, and is a member of the International General Committee and of the Hellenic and Black Sea Committee of Bureau Veritas, and is also a member of the Greek Committee of Nippon Kaiji Kyokai. Ms. Frangou received a Bachelor's degree in Mechanical Engineering, summa cum laude, from Fairleigh Dickinson University and a Master's degree in Mechanical Engineering from Columbia University.

Efstratios Desypris has been the Chief Financial Officer of Navios Partners since January 2010. In addition, Mr. Desypris is the Chief Financial Controller of Navios Holdings, Navios Partners' sponsor, since May 2006 and the Chief Financial Officer of N Shipmanagement Acquisition since September 2019. Mr. Desypris has also been a Director of Navios Containers since November 2018. He also serves as a Director and the SVP-Strategic Planning of Navios South American Logistics Inc. and as a Director of Navios Europe. Before joining Navios Holdings, Mr. Desypris worked in the accounting profession, most recently as manager of the audit department at Ernst & Young in Greece. Mr. Desypris started his career as an auditor with Arthur Andersen & Co. in 1997. He holds a Bachelor of Science degree in Economics from the University of Piraeus.

George Achniotis was appointed to our Board of Directors in August 2007 and he has been our Executive Vice President-Business Development since February 2008. Mr. Achniotis has been Navios Holdings' Chief Financial Officer since April 12, 2007. Prior to being appointed Chief Financial Officer of Navios Holdings, Mr. Achniotis served as Senior Vice President - Business Development of Navios Holdings from August 2006 to April 2007. Prior to joining Navios Holdings, Mr. Achniotis was a partner at PricewaterhouseCoopers from 1999 to August 2006. Mr. Achniotis holds a Bachelor of Science degree in engineering from the University of Manchester and he is a member of the institute of chartered accountants in England and Wales. Mr. Achniotis is also a member of the institute of certified accountants in Cyprus.

Shunji Sasada was appointed to our Board of Directors in August 2007. Mr. Sasada has also served as a director of Navios Holdings and President of Navios Corporation since January 2015. Mr. Sasada started his shipping career in 1981 in Japan with Mitsui O.S.K. Lines, Ltd..In 1991, Mr. Sasada joined Trinity Bulk Carriers as its chartering manager as well as subsidiary board member representing Mitsui O.S.K. Lines Ltd. as one of the shareholders. After an assignment in Norway, Mr. Sasada moved to London and started Mitsui O.S.K. Lines Ltd.'s own Ultra Handymax operation as its General Manager. Mr. Sasada joined Navios Holdings in May 1997. Mr. Sasada was Senior Vice President - Fleet Development of Navios Holdings from October 1, 2005 to July 2007 and Chief Operating Officer until December 2014. Mr. Sasada has been a member of the North American Committee of Nippon Kaiji Kyokai since inception. Mr. Sasada is a graduate of Keio University, Tokyo, with a B.A. degree in business and he is a member of Board of Trustees of Keio Academy of New York.

Serafeim Kriempardis was appointed to our Board of Directors in December 2009. Mr. Kriempardis previously served as the Head of Shipping of Piraeus Bank from 2007 to 2009 and as the Head of Shipping of Emporiki Bank of Greece from 1999 to 2007. Prior to serving as Head of Shipping at Emporiki Bank, Mr. Kriempardis served in the Project Finance and Corporate and Feasibility departments of the bank. Mr. Kriempardis is an accountant by training and holds a Bachelor's degree in Economics from the Athens University of Economics and Business and a Diploma in Management from the McGill University of Canada. Mr. Kriempardis also serves as chairman of the Audit Committee, chairman of the Compensation Committee and as a member of our Conflicts Committee,is an independent director.

Orthodoxia Zisimatou was appointed to our Board of Directors in June 2017. Mrs. Zisimatou has been a practicing maritime lawyer since 1988, focusing on S&P contracts and contracts of affreightment. She has been a member of the Permanent Committee of Maritime Policy, Security and Protection of the Environment and of the Legal Committee of the Hellenic Chamber of Shipping since 2007. She has also served as a Maritime Arbitrator for the Hellenic Chamber of Shipping since 2007. Since 2009, Mrs. Zisimatou has acted as the Secretary General of the Union of Piraeus Shipping Lawyers. She earned a bachelor's degree in Law from the faculty of Law of the University of Athens. Mrs. Zisimatou also serves on our Audit, Compensation and Conflicts Committees and is an independent director.

Kunihide Akizawa was appointed to our Board of Directors in July 2018. He has over 35 years of experience in shipping and logistics. Mr. Akizawa started his shipping career in 1982 in Japan with Mitsui O.S.K. Lines, Ltd. He worked in the accounting department, the export department focusing on the Red Sea and Mediterranean areas, the bulk department, and a chartering manager of Skaarup Shipping International Corporation, which was a joint-venture company with Mitsui O.S.K. Lines, Ltd. In 1995, Mr. Akizawa joined ITOCHU Corporation in the logistics division. From 2016 to 2020 he was President

of IMECS Co., Ltd, the ship-owning arm of ITOCHU. From April 2020 he is responsible for special project at IMECS. Mr. Akizawa is a graduate of Gakushuin University, Tokyo with a B.A. degree in Economics.

Alexander Kalafatides has been a member of our board of directors since 2019. Mr. Kalafatides has nearly 40 years of experience in general management and marketing. Mr. Kalafatides holds the position of global sales and marketing director of IUC International LLC, a designer and importer of consumer products, and he also serves as an adjunct professor in International Business at Drexel University. He has been involved in considerable turnarounds in various sectors including the marine sector, where he served as Partner and Vice President of CCSI, Inc., a company acting as the sales agent of the Chevron/Texaco joint venture. Following its successful turnaround, the company was acquired by the Chevron/Texaco group. Mr. Kalafatides received his M.B.A. in marketing and international business from the New York University, his B.S.E. in computer engineering & science at the University of Pennsylvania and a Certificate of Director Education from Drexel University's Gupta Governance Institute. Mr. Kalafatides serves as chairman of the Conflicts Committee and as a member of the Audit Committee, is an independent director.

Vasiliki Papaefthymiou was appointed our Secretary in August 2007. Ms. Papaefthymiou has been Executive Vice President - Legal and a member of Navios Holdings' board of directors since August 25, 2005, and prior to that was a member of the board of directors of ISE. Ms. Papaefthymiou has served as general counsel for Maritime Enterprises Management S.A. since October 2001, where she has advised the company on shipping, corporate and finance legal matters. Ms. Papaefthymiou provided similar services as general counsel to Franser Shipping from October 1991 to September 2001. Ms. Papaefthymiou received her undergraduate degree from the Law School of the University of Athens and a Master degree in Maritime Law from Southampton University in the United Kingdom. Ms. Papaefthymiou is admitted to practice law before the Bar in Piraeus, Greece.

B. Compensation

Reimbursement of Expenses of Our General Partner

Our General Partner does not receive any management fee or other compensation for services from us, although it will be entitled to reimbursement for expenses incurred on our behalf. These expenses include all expenses necessary or appropriate for the conduct of our business and allocable to us, as determined by our General Partner. For the years ended December 31, 2020, 2019 and 2018 no amounts were paid to the General Partner.

Officers' Compensation

We were formed in August 2007. Because our officers, including our Chief Executive Officer and our Chief Financial Officer, are employees of the Manager, their compensation is set and paid by the Manager, and we reimburse the Manager for time they spend on the Company's matters pursuant to the Administrative Services Agreement. Under the terms of the Administrative Services Agreement, we reimburse the Manager for the actual costs and expenses it incurs in providing administrative support services to us. The amount of our reimbursements to the Manager for the time of our officers depends on an estimate of the percentage of time our officers spent on our business and is based on a percentage of the salary and benefits that the Manager pays to such officers. For the years ended December 31, 2020, 2019 and 2018, the fees charged by the Manager for administrative services, was $13.7 million, $10.4 million and $9.3 million, respectively.

Compensation of Directors

Our officers and directors who are also employees of the Managers do not receive additional compensation for their service as directors, other than Ms. Frangou who receives, a fee of $0.15 million per year for acting as a director and as our Chairman of the Board. Each non-management director receives compensation for attending meetings of our board of directors, as well as committee meetings. Non-management directors receive a director fee of $0.05 million per year. The Chairman of our Audit Committee, our Conflicts Committee and our Compensation Committee receives an additional fee of $0.04 million per year. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings of the board of directors or committees. Each director is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law.

For the year ended December 31, 2020, the aggregate annual fees paid to our non-management directors were $0.22 million and $0.15 million was paid to Ms. Frangou for acting as a director and as our Chairman of the Board.

In December 2020, the Compensation Committee of Navios Partners authorized and approved a cash payment of $2.5 million to our officers and directors for which all service conditions had been met as of December 31, 2020. Also, the Compensation Committee of Navios Partners authorized and approved an additional $2.5 million cash payment to the directors and officers of the Company subject to fulfillment of certain service conditions in 2021.

In December 2019, February 2019 and December 2018, Navios Partners authorized the granting of 4,000, 25,396 and 97,633 restricted common units, respectively, which were issued on December 18, 2019, February 1, 2019 and December 24, 2018, respectively, to its directors and officers. These awards of restricted common units are based solely on service conditions and vest ratably over a period of four years each, respectively. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2020, 2019 and 2018. As of December 31, 2020, 285,763 restricted common units were vested, cumulatively.

C. Board Practices

Our partnership agreement provides that our General Partner has delegated to our board of directors the authority to oversee and direct our operations, management and policies on an exclusive basis and such delegation will be binding on any successor general partner of the partnership. Our executive officers manage our day-to-day activities consistent with the policies and procedures adopted by our board of directors. All of our executive officers and three of our directors also are executive officers and/or directors of Navios Holdings and our Chief Executive Officer is also the Chairman and Chief Executive Officer of Navios Acquisition, Navios Containers and Navios Holdings.

Following our first annual meeting of unitholders in 2008, our board of directors consisted of seven members, three persons who were appointed by our General Partner in its sole discretion and four who were elected by the common unitholders. Directors appointed by our general partner serve as directors for terms determined by our general partner. Directors elected by our common unitholders are divided into three classes serving staggered three-year terms. Two of the four directors elected by our common unitholders were designated as our Class I elected directors and will serve until our annual meeting of unitholders in 2021; one director was designated as the Class II elected director and will serve until our annual meeting of unitholders in 2022; and one director was designated as the Class III elected director and will serve until our annual meeting of unitholders in 2023. At each subsequent annual meeting of unitholders, directors will be elected to succeed the class of directors whose terms have expired by a plurality of the votes of the common unitholders. Directors elected by our common unitholders will be nominated by the board of directors or by any limited partner or group of limited partners that holds at least 10% of the outstanding common units and complies with the requirements in our partnership agreement.

With respect to our corporate governance, there are several significant differences between us and a domestic issuer in that the New York Stock Exchange does not require a listed limited partnership like us to have a majority of independent directors on our board of directors or to establish a Compensation Committee, although we meet both requirements, or a nominating/corporate governance committee.

We have three committees: an Audit Committee, a Conflicts Committee and a Compensation Committee. Three independent members of our board of directors serve on a Conflicts Committee to review specific matters that the board believes may involve potential conflicts of interest. The Conflicts Committee determines if the resolution of the conflict of interest is fair and reasonable to us. The members of the Conflicts Committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, and must meet the independence standards established by the New York Stock Exchange to serve on an Audit Committee of a board of directors and certain other requirements. Any matters approved by the Conflicts Committee are conclusively deemed to be fair and reasonable to us, approved by all of our partners, and not a breach by our directors, our general partner

or its affiliates of any duties any of them may owe us or our unitholders. The members of our Conflicts Committee are Messrs. Alexander Kalafatides and Serafeim Kriempardis and Mrs. Orthodoxia Zisimatou.

In addition, we have an Audit Committee of three independent directors. One of the members of the Audit Committee is an "audit committee financial expert" for purposes of SEC rules and regulations. The Audit Committee, among other things, reviews our external financial reporting, engages our external auditors and oversees our internal audit activities and procedures and the adequacy of our internal accounting controls. Our Audit Committee is comprised of Messrs. Serafeim Kriempardis and Alexander Kalafatides and Mrs. Orthodoxia Zisimatou, and our Audit Committee financial expert is Mr. Serafeim Kriempardis.

Lastly, we have a Compensation Committee consisting of two independent directors, Mrs. Orthodoxia Zisimatou and Mr. Serafeim Kriempardis. The Compensation Committee is governed by a written charter, which was approved by our board of directors. The Compensation Committee is responsible for reviewing and approving the compensation of the Company's executive officers and for establishing, reviewing and evaluating the long-term strategy of our compensation plan.

Employees of the Manager, provide assistance to us and our operating subsidiaries pursuant to the Management Agreement and the Administrative Services Agreement.

Our Chief Executive Officer, Ms. Angeliki Frangou, and our Chief Financial Officer, Mr. Efstratios Desypris, our Secretary, Vasiliki Papaefthymiou, and our Executive Vice President-Business Development, George Achniotis, allocate their time between managing our business and affairs and the business and affairs of Navios Holdings, and our Chief Executive Officer is also the Chief Executive Officer of Navios Acquisition and Navios Holdings. As such these individuals have fiduciary duties to Navios Holdings and Navios Acquisition which may cause them to pursue business strategies that disproportionately benefit Navios Holdings and Navios Acquisition or which otherwise are not in our best interests or those of our unitholders. While the amount of time each of them allocate between our business and the business of Navios Holdings, Navios Acquisition varies from time to time depending on various circumstances and the respective needs of the business, such as their relative levels of strategic activities, we anticipate that each of them will allocate approximately one quarter of their time to our business. Our Chief Executive Officer has been the Chief Executive Officer of Navios Containers, which is under merger process with the Company.

Our officers and other individuals providing services to us or our subsidiaries may face a conflict regarding the allocation of their time between our business and the other business interests of Navios Containers, Navios Holdings and Navios Acquisition. While the amount of time each of them allocate between our business and the business of Navios Holdings, Navios Acquisition and Navios Containers varies from time to time depending on various circumstances and the respective needs of the business, such as their relative levels of strategic activities, we anticipate that each of them will allocate approximately one quarter of their time to our business. We intend, however, to cause our officers to devote as much time to the management of our business and affairs as is necessary for the proper conduct of our business and affairs.

Whenever our General Partner makes a determination or takes or declines to take an action in its individual capacity rather than in its capacity as our General Partner, it is entitled to make such determination or to take or decline to take such other action free of any fiduciary duty or obligation whatsoever to us or any limited partner, and is not required to act in good faith or pursuant to any other standard imposed by our partnership agreement or under the Marshall Islands Act or any other law. Specifically, our General Partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the partnership, appoints any directors or votes for the appointment of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units, or general partner interest or votes upon the dissolution of the partnership. Actions of our General Partner, which are made in its individual capacity, are made by Olympos Maritime Ltd.

D. Employees

Employees of the Manager provide assistance to us and our operating subsidiaries pursuant to the Management Agreement and the Administrative Services Agreement.

The Manager crews its vessels primarily with Ukrainian, Polish, Filipino, Russian, Indian, Georgian, Romanian and officers and Filipino, Georgian, Ethiopian, Indian and Ukrainian seamen. For these nationalities, officers and seamen are referred to the Manager by local crewing agencies. The crewing agencies handle each seaman's training while the Manager handles their travel and payroll. The Manager requires that all of its seamen have the qualifications and licenses required to comply with international regulations and shipping conventions.

The Manager also provides on-shore advisory, operational and administrative support to us pursuant to service agreements. Please see "Item 7. - Major Unitholders and Related Party Transactions".

E. Unit Ownership

The following table sets forth certain information regarding beneficial ownership, as of March 24, 2021, of our units by each of our officers and directors and by all of our directors and officers as a group. The information is not necessarily indicative of beneficial ownership for any other purposes. Under SEC rules, a person or entity beneficially owns any units that the person or entity has the right to acquire as of May 23, 2021 (60 days after March 24, 2021) through the exercise of any unit option or other right. The percentage disclosed below is based on all outstanding common units (11,345,187), not including general partner units (237,822). Unless otherwise indicated, each person or entity has sole voting and investment power (or shares such powers with his or her spouse) with respect to the units set forth in the following table. Information for certain holders is based on information delivered to us.

Identity of Person or Group

	Common Units Owned	Percentage of Common Units Owned
Angeliki Frangou[1]	347,636	3.1%
Efstratios Desypris	—	—
George Achniotis	*	*
Shunji Sasada	*	*
Serafeim Kriempardis	*	*
Kunihide Akizawa	*	*
Alexander Kalafatides	—	—
Orthodoxia Zisimatou	*	*
Vasiliki Papaefthymiou	—	—
All directors and officers as a group (9 persons)[2]	358,637	3.2%

* Less than 1%

(1) Excludes units owned by Navios Holdings, on the board of which our Chief Executive Officer, Angeliki Frangou and our Secretary Vasiliki Papaefthymiou, as well as one of our directors, Shunji Sasada, all serve. In addition, Ms. Frangou is Navios Holdings' Chairman and Chief Executive Officer, Ms. Papaefthymiou is Navios Holdings' Executive Vice President Legal and Mr. Achniotis is Navios Holdings' Chief Financial Officer.

(2) Each director, executive officer and key employee beneficially owns less than one percent of the outstanding common units, other than Angeliki Frangou.

Item 7. Major Unitholders and Related Party Transaction

A. Major Unitholders

The following table sets forth the beneficial ownership as of March 24, 2021, of our common units by each person we know to beneficially own more than 5% of the common units. The number of units beneficially owned by each person is determined under SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose. Under SEC rules, a person beneficially owns any units as to which the person has or shares voting or investment power. In addition, a person beneficially owns any units that the person or entity has the right to acquire as of May 23, 2021 (60 days after March 24, 2021) through the exercise of any unit option or other right. The percentage disclosed under "Common Units Beneficially Owned" is based on all outstanding units of 11,345,187 common units. There are also 237,822 general partner units outstanding which are not included in the ownership table below. The general partner units are held by Olympos Maritime Ltd., which holds a 2.1% interest in Navios Partners based on all outstanding common units and general partner units. For more information on our general partner, please read "Item 7. B. Unitholders and Related Party Transactions".

	Common Units Beneficially Owned	
	Number	**Percentage**
Name of Beneficial Owner		
Navios Holdings[(1)(2)]	2,070,216	18.2%

(1) The number of common units beneficially owned is based on the information disclosed on the Schedule 13D/A filed with the SEC on September 5, 2019 and includes 175,467 shares directly owned by Navios Holdings and over which it has sole voting and dispositive power and 1,894,749 shares directly owned by Alpha Merit Corporation, a wholly-owned subsidiary of Navios Holdings, over which Navios Holdings has shared voting and dispositive power.

(2) Navios Holdings is a public company controlled by its board of directors, which consists of the following seven members: Angeliki Frangou, Vasiliki Papaefthymiou, Shunji Sasada, Spyridon Magoulas, John Stratakis, George Malanga and Efstathios Loizos.

Our majority unitholders have the same voting rights as our other unitholders except as follows: each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to be exempt from U.S. federal income tax under Section 883 of the Code, if at any time, any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other unitholders holding less than 4.9% of the voting power of such class of units. Our General Partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

As of March 25, 2021, we had at least 13 common unit holders of record, 5 of which were located in the United States and held an aggregate of 9,679,821 of our common units, representing approximately 80% of our outstanding common units. However, one of the U.S. common unit holders of record is CEDE & CO., a nominee of The Depository Trust Company, which held 9,567,508 of our common units as of that date. Accordingly, we believe that the shares held by CEDE & CO. include common units beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

B. Related Party Transactions

As of December 31, 2020, there were 11,345,187 outstanding common units and 237,822 general partnership units. Navios Holdings currently owns 2,070,216 common units, which represents an 18.2% limited partner interest in us based on the currently outstanding common units of 11,345,187. In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interests in Navios Partners to an entity affiliated with the Company's Chairman and Chief Executive Officer. Thereafter, Olympos Maritime Ltd., an entity affiliated with our Chairman and Chief Executive Officer, holds the general partner interest which represents a 2.1% interest in us based on all outstanding common units and general partner units. Our general partner's ability, to control the appointment of three of the seven members of our board of directors and to approve certain significant actions we may take, means that our Chairman and Chief Executive Officer, together with her affiliates, has the ability to exercise influence regarding our management.

Navios Europe I

Navios Holdings, Navios Acquisition and Navios Partners had made available to Navios Europe I revolving loans up to $24.1 million to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the amount of funds available under the Navios Revolving Loans I was increased by $30.0 million. In February 2019, Navios Partners was required to fund the amount of $4.0 million under Navios Europe I's Revolving Loan (see Note 19 — Investment in Affiliates).

On November 22, 2019, an agreement was reached to liquidate Navios Europe I before its original expiring date. On November 26, 2019 a Share Purchase Agreement was entered between Navios Europe Inc. and Navios Maritime Operating LLC (a wholly owned subsidiary of Navios Partners). The transaction was completed on December 13, 2019.

As a result of the Europe I liquidation, Navios Partners acquired 100% of the stock of the five vessels owning Companies owning the containerships of Navios Europe I with a fair value of $56.1 million, and working capital balances of $14.4 million including cash at banks of $12.9 million, in satisfaction of its receivable balances in the amount of (i) approximately $19.0 million representing the Revolving Loan, term loan and accrued interest thereof directly

owned to Navios Partners, previously presented under the captions “Investments in affiliates”, “Due/to from related parties” and “Loans receivable from affiliates”; and (ii) approximately $34.2 million representing the previously transferred rights of Navios Holdings to the Navios Europe I's term loans and Navios Revolving Loans I (including the respective accrued receivable interest), of which $4.8 million was presented under “Notes receivable from affiliates” and $29.4 million presented contra equity. Furthermore, Navios Partners has assumed $17.2 million of Navios Europe I senior loan.

Following the liquidation of Navios Europe I, the balance due from Navios Europe I as of each of December 31, 2020 and 2019 was $0.

Navios Europe II

Navios Holdings, Navios Acquisition and Navios Partners previously made available to Navios Europe II revolving loans of up to $43.5 million to fund working capital requirements (collectively, the “Navios Revolving Loans II”). In March 2017, the availability under the Navios Revolving Loans II was increased by $14.0 million (see Note 19 — Investment in Affiliates).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for $5.0 million. Navios Europe II owned seven container vessels and seven dry bulk vessels. Navios Partners had a net receivable of approximately $17.3 million from Navios Europe II.

As of March 31, 2020, the decline in the fair value of the investment was considered as other-than-temporary and, therefore, an aggregate loss of $6.9 million was recognized and included in the accompanying Consolidated Statements of Operations for the year ended December 31, 2020, as “Impairment of receivable in affiliated company”. The fair value of the Company’s investment was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiring date. The transaction was completed on June 29, 2020.

As a result of the Europe II liquidation, Navios Partners acquired 100% of the stock of the five vessels owning Companies owning the dry bulk vessels of Navios Europe II with a fair value of $56.1 million and working capital balances of $(2.7) million. The acquisition was funded through a new credit facility (Note 10—Borrowings) and cash on hand for total of $36.1 million and the satisfaction of its receivable balances in the amount of approximately $17.3 million representing the Revolving Loan, term loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions “Amounts due from related parties” and “Loans receivable from affiliates”.

Following the liquidation of Navios Europe II, there was no balance due from Navios Europe II as of December 31, 2020. As of December 31, 2019, Navios Partners’ portion of the outstanding amount relating to the portion of the investment in Navios Europe II (5.0% of the $14.0 million) was $0.7 million, under the caption “Investment in affiliates” and the outstanding amount relating to the Navios Revolving Loans II capital was $15.4 million, under the caption “Loans receivable from affiliates”. The accrued interest income earned under the Navios Revolving Loans II was $7.3 million under the caption “Amounts due from related parties” and the accrued interest income earned under the term loans was $0.8 million under the caption “Loans receivable from affiliates”.

Navios Containers

On June 8, 2017, Navios Containers closed its private placement and issued 10,057,645 shares for $50.3 million of gross proceeds at a subscription price of $5.00 per share. Navios Partners invested $30.0 million and received 6,000,000 shares, and Navios Holdings invested $5.0 million and received 1,000,000 shares. Each of Navios Partners and Navios Holdings also received warrants, with a five-year term, for 6.8% and 1.7% of the equity, respectively. On August 29, 2017, Navios Containers closed aprivate placement and issued 10,000,000 shares for $50.0 million of gross proceeds at a subscription price of $5.00 per share. Navios Partners invested $10.0 million and received 2,000,000 shares. Navios Partners also received warrants, with a five-year term, for 6.8% of the equity. On November 9, 2017, Navios Containers closed a private placement of 9,090,909 shares at a subscription price of $5.50 per share, resulting in gross proceeds of approximately $50.0 million. Navios Partners invested $10.0 million and received 1,818,182 shares. Navios Partners also received warrants, with a five-year term, for 6.8% of the newly issued equity. On March 13, 2018, Navios Containers closed a private placement of 5,454,546 shares at a subscription price of $5.50 per share, resulting in gross proceeds of approximately $30.0 million. Navios Partners invested $14.5 million and received 2,629,095 shares and Navios Holdings invested $0.5 million and received 90,909 shares. Navios Partners and Navios Holdings also received 9,273 warrants, with a five-year term, respectively.

On November 30, 2018, Navios Containers was converted into a limited partnership. All of the warrants described above issued to Navios Partners and Navios Holdings expired. On December 3, 2018, Navios Partners distributed 855,001 units of Navios Containers to the unitholders of Navios Partners, approximately 2.5% of the Navios Containers' outstanding equity. In connection with this transaction, Navios Partners recognized an OTTI impairment of $0.6 million on the units distributed, which was presented under the caption “Equity in net earnings of affiliated companies” in the Consolidated Statements of Operations for the year ended December 31, 2018. The amount of the distribution was $4.2 million based on the last trading price of Navios Containers' shares in the Norwegian over-the-countermarket as of November 23, 2018. Following the distribution, Navios Partners owns approximately 33.5% of the equity in Navios Containers.

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company will acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company. Under the terms of the Transaction, public unitholders of Navios Containers will receive 0.39 of a common unit of the Company for each outstanding common unit of Navios Containers. The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The general partner of Navios Containers consented to the merger, and the Company voted the Navios Containers’ common units it holds in favor of the Transaction. The Transaction is expected to close on or about March 31, 2021. The expenses of this transaction are included in the General and Administrative expenses, in the Consolidated Statements of Operations.

As of December 31, 2020 and 2019, Navios Partners held 11,592,276 common units, representing an ownership interest in Navios Containers of 35.7% and 33.5% respectively. Based on the Company's evaluation of the duration and magnitude of the fair value decline for approximately twelve months as of December 31, 2019, the Company concluded that the decline in the fair value of its investment below its carrying value was not temporary and therefore, an OTTI loss of $42.6 million was recognized as of December 31, 2019 presented under the caption “Equity in net Earnings of affiliates”, in the Consolidated Statement of Operations, being the difference between the fair value of $25.0 million and the carrying value of the investment of $67.6 million. Total pre-OTTI equity method investment income of $1.1 million, $2.5 million and $4.0 million was recognized for the years ended December 31, 2020, 2019 and 2018, respectively.

The fair value of Navios Partners' equity investment in Navios Containers is based on unadjusted quoted prices in active markets for Navios Containers' common units. The fair value of Navios Partners' equity investment in Navios Containers as at December 31, 2020 was $47.5 million compared with its

carrying value of $26.2 million.

Registration Rights Agreements

On February 4, 2015, we completed a private placement to Navios Holdings of 74,703 common units and 1,526 general partner units, raising gross proceeds of $15.0 million and in connection with such private placement, we entered into a registration rights agreement with Navios Holdings pursuant to which we provide Navios Holdings with certain rights relating to the registration of the common units.

Omnibus Agreement

At the closing of the IPO, we entered into the Omnibus Agreement with Navios Holdings. The following discussion describes certain provisions of the Omnibus Agreement.

Noncompetition

Under the Omnibus Agreement, Navios Holdings agreed, and caused its controlled affiliates (other than us and our subsidiaries) to agree, not to acquire or own Panamax or Capesize drybulk carriers under charter for three or more years. This restriction does not prevent Navios Holdings or any of its controlled affiliates (other than us and our subsidiaries) from:

(1) acquiring or owning Panamax or Capesize drybulk carriers under charters for less than three years;

(2) acquiring a Panamax or Capesize drybulk carrier under charter for three or more years after the closing of the IPO if Navios Holdings offers to sell to us the vessel for fair market value or putting a Panamax or Capesize drybulk carrier that Navios Holdings owns under charter for three or more years if Navios Holdings offers to sell the vessel to us for fair market value at the time it is chartered for three or more years and, in each case, at each renewal or extension of that charter for three or more years;

(3) acquiring a Panamax or Capesize drybulk carrier under charter for three or more years as part of the acquisition of a controlling interest in a business or package of assets and owning those vessels; provided, however, that:

(a) if less than a majority of the value of the total assets or business acquired is attributable to those Panamax or Capesize drybulk carriers and related charters, as determined in good faith by the board of directors of Navios Holdings, Navios Holdings must offer to sell such Panamax or Capesize drybulk carriers and related charters to us for their fair market value plus any additional tax or other similar costs to Navios Holdings that would be required to transfer the Panamax and Capesize drybulk carriers and related charters to us separately from the acquired business; and

(b) if a majority or more of the value of the total assets or business acquired is attributable to the Panamax or Capesize drybulk carriers and related charters, as determined in good faith by the board of directors of Navios Holdings, Navios Holdings shall notify us in writing of the proposed acquisition. We shall, not later than the 15th calendar day following receipt of such notice, notify Navios Holdings if we wish to acquire such Panamax or Capesize drybulk carriers and related charters forming part of the business or package of assets in cooperation and simultaneously with Navios Holdings acquiring the non-Panamax or non-Capesize drybulk carriers and related charters forming part of that business or package of assets. If we do not notify Navios Holdings of our intent to pursue the acquisition within 15 calendar days, Navios Holdings may proceed with the acquisition as provided in (a) above; (4) acquiring a non-controlling interest in any company, business or pool of assets;

(5) acquiring or owning any Panamax or Capesize drybulk carrier and related charter if we do not fulfill our obligation, under any existing or future written agreement, to purchase such vessel in accordance with the terms of any such agreement;

(6) acquiring or owning Panamax or Capesize drybulk carriers under charter for three or more years subject to the offers to us described in paragraphs (2) and (3) above pending our determination whether to accept such offers and pending the closing of any offers we accept;

(7) providing ship management services relating to any vessel whatsoever, including to Panamax or Capesize drybulk carriers owned by the controlled affiliates of Navios Holdings; or

(8) acquiring or owning Panamax or Capesize drybulk carriers under charter for three or more years if we have previously advised Navios Holdings that we consent to such acquisition, operation or charter.

Under the Omnibus Agreement, Navios Holdings will not be prohibited from operating chartered-in Panamax or Capesize drybulk carriers under charter-out contracts for three or more years, so long as immediately prior to the time such vessel is proposed to be put under such charter-out contract, Navios Holdings offers such charter-out opportunity to us in the event that (i) we have a Panamax or Capesize drybulk carrier that is available and comparable to Navios Holdings' chartered-in vessel and (ii) it is acceptable to the charter customer.

If Navios Holdings or any of its controlled affiliates (other than us or our subsidiaries) acquires or owns Panamax or Capesize drybulk carriers pursuant to any of the exceptions described above, it may not subsequently expand that portion of its business other than pursuant to those exceptions.

In addition, under the Omnibus Agreement we agreed, and caused our subsidiaries to agree, to acquire, own, operate or charter Panamax or Capesize drybulk carriers with charters of three or more years only (any vessels that are not Panamax or Capesize drybulk carriers will in the following be referred to as the “Non-Panamax and Non-Capesize Drybulk Carriers”). This restriction will not:

(1) prevent us or any of our subsidiaries from acquiring a Non-Panamax or Non-Capesize Drybulk Carrier and any related charters as part of the acquisition of a controlling interest in a business or package of assets and owning and operating or chartering those vessels, provided, however, that:

(a) if less than a majority of the value of the total assets or business acquired is attributable to a Non-Panamax or Non-Capesize Drybulk Carrier and related charter, as determined in good faith by us; we must offer to sell such Non-Panamax or Non-Capesize Drybulk Carrier and related charter to Navios Holdings for their fair market value plus any additional tax or other similar costs to us that would be required to transfer the Non-Panamax and Non-Capesize Drybulk Carrier and related charter to Navios Holdings separately from the acquired business; and

(b) if a majority or more of the value of the total assets or business acquired is attributable to a Non-Panamax or Non-Capesize Drybulk Carrier and related charter, as determined in good faith by us; we shall notify Navios Holdings in writing of the proposed acquisition. Navios Holdings shall, not later than the 15th calendar day following receipt of such notice, notify us if it wishes to acquire the Non-Panamax or Non-Capesize Drybulk Carrier forming part of the business or package of assets in cooperation and simultaneously with us acquiring the Panamax or Capesize Drybulk Carrier under charter for three or more years forming part of that business or package of assets. If Navios Holdings does not notify us of its intent to pursue the acquisition within 15 calendar days, we may proceed with the acquisition as provided in (a) above;

(2) prevent us or any of our subsidiaries from owning, operating or chartering a Non-Panamax or Non-Capesize Drybulk Carrier subject to the offer to Navios Holdings described in paragraph (1) above, pending its determination whether to accept such offer and pending the closing of any offer it accepts; or

(3) prevent us or any of our subsidiaries from acquiring, operating or chartering a Non-Panamax or Non-Capesize Drybulk Carrier if Navios Holdings has previously advised us that it consents to such acquisition, operation or charter.

If we or any of our subsidiaries owns, operates and charters Non-Panamax or Non-Capesize Drybulk Carriers pursuant to any of the exceptions described above, neither we nor such subsidiary may subsequently expand that portion of our business other than pursuant to those exceptions.

Upon a change of control of us or our General Partner, the noncompetition provisions of the Omnibus Agreement will terminate immediately. Upon a change of control of Navios Holdings, the noncompetition provisions of the Omnibus Agreement will terminate at the time that is the later of one year following the change of control and the date on which all of our outstanding subordinated units have converted to common units; provided, however, that in no event will the noncompetition provisions of the Omnibus Agreement terminate upon a change of control of Navios Holdings prior to the date that is four years following the date of the Omnibus Agreement.

On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel the Navios Bonavis upon its delivery to Navios Holdings. Navios Holdings was released from the Omnibus Agreement restrictions for two years until June 29, 2011 in connection with acquiring vessels from third parties (but not from the requirement to offer to sell to Navios Partners qualifying vessels in Navios Holdings' existing fleet). Pursuant to our release from the Omnibus Agreement restrictions, in June 2009, we waived our rights of first refusal with Navios Acquisition with respect to an acquisition opportunity until the earlier of: (a) the consummation of a business combination by Navios Acquisition; (b) the liquidation of Navios Acquisition; and (c) June 2011.

In addition, concurrently with the successful consummation of the initial business combination by Navios Acquisition, on May 28, 2010, because of the overlap between Navios Acquisition, Navios Holdings and us, with respect to possible acquisitions under the terms of our Omnibus Agreement, we entered into a business opportunity right of first refusal agreement which provides the types of business opportunities in the marine transportation and logistics industries, we, Navios Holdings and Navios Acquisition must share with each other.

Rights of First Offer

Under the Omnibus Agreement, we and our subsidiaries will grant to Navios Holdings a right of first offer on any proposed sale, transfer or other disposition of any of our Panamax or Capesize drybulk carriers and related charters or any Non-Panamax or Non-Capesize Drybulk Carriers and related charters owned or acquired by us. Likewise, Navios Holdings agreed (and caused its subsidiaries to agree) to grant a similar right of first offer to us for any Panamax or Capesize drybulk carrier under charter for three or more years it might own. These rights of first offer do not apply to a (a) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a charter party or (b) merger with or into, or sale of substantially all of the assets to, an unaffiliated third-party.

Prior to engaging in any negotiation regarding any vessel disposition with respect to a Panamax or Capesize drybulk carrier under charter for three or more years with a non-affiliated third-party or any Non-Panamax or Non-Capesize Drybulk Carrier and related charter, we or Navios Holdings, as the case may be, will deliver a written notice to the other party setting forth the material terms and conditions of the proposed transaction. During the 15-day period after the delivery of such notice, we and Navios Holdings will negotiate in good faith to reach an agreement on the transaction. If we do not reach an agreement within such 15-day period, we or Navios Holdings, as the case may be, will be able within the next 180 calendar days to sell, transfer, dispose or re-charter the vessel to a third party (or to agree in writing to undertake such transaction with a third party) on terms generally no less favorable to us or Navios Holdings, as the case may be, than those offered pursuant to the written notice.

Upon a change of control of us or our general partner, the right of first offer provisions of the Omnibus Agreement will terminate immediately. Upon a change of control of Navios Holdings, the right of first offer provisions of the Omnibus Agreement will terminate at the time that is the later of one year following the change of control and the date on which all of our outstanding subordinated units have converted to common units; provided, however, that in no event will the right of first offer provisions of the Omnibus Agreement terminate upon a change of control of Navios Holdings prior to the date that is four years following the date of the Omnibus Agreement.

Indemnification

Navios Holdings will also indemnify us for liabilities related to certain income tax liabilities attributable to the operation of the assets contributed to us prior to the time they were contributed.

Amendments

The Omnibus Agreement may not be amended without the prior approval of the Conflicts Committee of our board of directors if the proposed amendment will, in the reasonable discretion of our board of directors, adversely affect holders of our common units.

The Acquisition Omnibus Agreement

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

The Navios Midstream Omnibus Agreement

In connection with the Navios Midstream initial public offering and effective November 18, 2014, Navios Partners entered into the Omnibus Agreement with Navios Midstream, Navios Acquisition and Navios Holdings pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

The Navios Containers Omnibus Agreement

In connection with the Navios Containers private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Partners entered into an omnibus agreement with Navios Containers, Navios Holdings, Navios Acquisition and Navios Midstream, pursuant to which Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream have granted to Navios Containers a right of first refusal over any containerships to

be sold or acquired in the future. The omnibus agreement contains significant exceptions that will allow Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream to compete with Navios Containers under specified circumstances.

Management Agreement

At the closing of the IPO, we entered into a management agreement, as amended, with the Manager, pursuant to which the Manager has agreed to provide certain commercial and technical management services to us. These services are provided in a commercially reasonable manner in accordance with customary ship management practice and under our direction. The Manager provides these services to us directly but may subcontract for certain of these services with other entities.

The commercial and technical management services include:

- *the commercial and technical management of the vessel*: managing day-to-day vessel operations including negotiating charters and other employment contracts with respect to the vessels and monitoring payments thereunder, ensuring regulatory compliance, arranging for the vetting of vessels, procuring and arranging for port entrance and clearance, appointing counsel and negotiating the settlement of all claims in connection with the operation of each vessel, appointing adjusters and surveyors and technical consultants as necessary, and providing technical support,

- *vessel maintenance and crewing*: including supervising the maintenance and general efficiency of vessels, and ensuring the vessels are in seaworthy and good operating condition, arranging our hire of qualified officers and crew, arranging for all transportation, board and lodging of the crew, negotiating the settlement and payment of all wages, and

- *purchasing and insurance*: purchasing stores, supplies and parts for vessels, arranging insurance for vessels (including marine hull and machinery insurance, protection and indemnity insurance and war risk and oil pollution insurance).

In November 2017, Navios Partners extended the duration of its existing Management Agreement with the Manager until December 31, 2022 and the fixed rate for ship management services of its owned fleet through December 31, 2019, effective from January 1, 2018. The management fees, excluding drydocking expenses were: (a) $4,225 daily rate per Ultra-Handymax vessel; (b) $4,325 daily rate per Panamax vessel; (c) $5,250 daily rate per Capesize vessel; (d) $6,700 daily rate per Container vessel of TEU 6,800; (e) $7,400 daily rate per Container vessel of more than TEU 8,000; and (f) $8,750 daily rate per very large Containers vessel of more than TEU 13,000. Drydocking expenses under this agreement are reimbursed by Navios Partners at cost at occurrence.

In August 2019, Navios Partners extended the duration of its existing Management Agreement with the Manager until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party, and provides for payment of a termination fee equal to the fees charged for the full calendar year preceding the termination date by Navios Partners, in the event the Management Agreement is terminated on or before December 31, 2024. Following a subsequent amendment to the Management Agreement on December 13, 2019, the management fees agreed were: (a) Until December 31, 2019, a fixed daily fee of (i) $4,325 per owned Panamax Vessel, (ii) $4,225 per Ultra-Handymax Vessel, (iii) $5,250 per owned Capesize Vessel, (iv) $6,700 per owned 6,800TEU container vessel, (v) $6,100 per owned container vessel of 1,000TEU to 3,400TEU, payable on the last day of each month; (b) commencing from January 1, 2020, a fixed daily fee of (i) $4,450 per owned Panamax Vessel, (ii) $4,350 per Ultra-Handymax Vessel, (iii) $5,410 per owned Capesize Vessel, (iv) $6,900 per owned 6,800TEU Container Vessel, (v) $6,100 per owned container vessel of 1,000TEU to 3,400TEU, payable on the last day of each month for two years (months one to twenty-four), (the "Fixed Daily Fee"). The Management Agreement also provides for a technical and commercial management daily fee of $50 per vessel and an annual increase of 3% of the Fixed Daily Fee per vessel, unless otherwise agreed, commencing from January 1, 2022. Drydocking expenses are reimbursed at cost for all vessels.

The Management Agreement may be terminated, prior to the end of its term by us upon 120 days' notice if there is a change of control of the Manager, or by the Manager upon 120 days' notice if there is a change of control of us or our general partner. In addition, the Management Agreement may be terminated by us or by the Manager upon 120 days' notice if:

- the other party breaches the agreement;

- a receiver is appointed for all or substantially all of the property of the other party;

- an order is made to wind up the other party;

- a final judgment or order that materially and adversely affects the other party's ability to perform the management agreement is obtained or entered and not vacated or discharged; or

- the other party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or liquidation or commences any reorganization proceedings.

Furthermore, at any time after the first anniversary of the Management Agreement, the Management Agreement may be terminated prior to the end of its term by us or by the Manager upon 365 days' notice for any reason other than those described above.

In addition to the Fixed Daily Fees payable under the Management Agreement, the Management Agreement provides that the Manager is entitled to reasonable supplementary remuneration for extraordinary fees and costs resulting from:

- time spent on insurance and salvage claims;

- time spent vetting and pre-vetting the vessels by any charterers in excess of 10 days per vessel per year;

- the deductible of any insurance claims relating to the vessels or for any claims that are within such deductible range;

- the significant increase in insurance premiums which are due to factors such as "acts of God" outside the control of the Manager;

- repairs, refurbishment or modifications, including those not covered by the guarantee of the shipbuilder or by the insurance covering the vessels, resulting from maritime accidents, collisions, other accidental damage or unforeseen events (except to the extent that such accidents, collisions, damage or events are due to the fraud, gross negligence or willful misconduct of the Manager, its employees or its agents, unless and to the extent otherwise covered by insurance);

- expenses imposed due to any improvement, upgrade or modification to, structural changes with respect to the installation of new equipment aboard any vessel that results from a change in, an introduction of new, or a change in the interpretation of, applicable laws, at the recommendation of the classification society for that vessel or otherwise;

- costs associated with increases in crew employment expenses resulting from an introduction of new, or a change in the interpretation of, applicable laws or resulting from the early termination of the charter of any vessel;

- any taxes, dues or fines imposed on the vessels or the Manager due to the operation of the vessels;

- expenses incurred in connection with the sale or acquisition of a vessel such as inspections and technical assistance; and

- any similar costs, liabilities and expenses that were not reasonably contemplated by us and the Manager as being encompassed by or a component of the fixed daily fees at the time the fixed daily fees were determined.

Under the Management Agreement, neither we nor the Manager are liable for failure to perform any of our or its obligations, respectively, under the Management Agreement by reason of any cause beyond our or its reasonable control.

In addition, the Manager has no liability for any loss arising in the course of the performance of the commercial and technical management services under the Management Agreement unless and to the extent that such loss is proved to have resulted solely from the fraud, gross negligence or willful misconduct of the Manager or its employees, in which case (except where such loss has resulted from the Manager's intentional personal act or omission and with knowledge that such loss would probably result) the Manager's liability is limited to $3.0 million for each incident or series of related incidents.

Further, under our Management Agreement, we have agreed to indemnify the Manager and its employees and agents against all actions which may be brought against them under the Management Agreement including, without limitation, all actions brought under the environmental laws of any jurisdiction, or otherwise relating to pollution or the environment, and against and in respect of all costs and expenses they may suffer or incur due to defending or settling such action; provided, however that such indemnity excludes any or all losses which may be caused by or due to the fraud, gross negligence or willful misconduct of the Manager or its employees or agents, or any breach of the Management Agreement by the Manager.

Administrative Services Agreement

At the closing of the IPO, we entered into the Administrative Services Agreement, as amended, with the Manager, pursuant to which the Manager has agreed to provide certain administrative management services to us. The Administrative Service Agreement expires on January 1, 2025 and shall be automatically renewed for a period of an additional five (5) years.

The Administrative Services Agreement may be terminated prior to the end of its term by us upon 120 days' notice if there is a change of control of the Manager or by the Manager upon 120 days' notice if there is a change of control of us or our General Partner. In addition, the Administrative Services Agreement may be terminated by us or by the Manager upon 120 days' notice if:

- the other party breaches the agreement;
- a receiver is appointed for all or substantially all of the property of the other party;
- an order is made to wind up the other party;
- a final judgment or order that materially and adversely affects the other party's ability to perform the management agreement is obtained or entered and not vacated or discharged; or
- the other party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or liquidation or commences any reorganization proceedings.

Furthermore, the administrative services agreement may be terminated by us or by the Manager upon 365 days' notice for any reason other than those described above.

The administrative services include:

- *bookkeeping, audit and accounting services:* assistance with the maintenance of our corporate books and records, assistance with the preparation of our tax returns and arranging for the provision of audit and accounting services;
- *legal and insurance services:* arranging for the provision of legal, insurance and other professional services and maintaining our existence and good standing in necessary jurisdictions;
- *administrative and clerical services:* assistance with office space, arranging meetings for our common unitholders pursuant to the partnership agreement, arranging the provision of IT services, providing all administrative services required for subsequent debt and equity financings and attending to all other administrative matters necessary to ensure the professional management of our business;
- *banking and financial services*: providing cash management including assistance with preparation of budgets, overseeing banking services and bank accounts, arranging for the deposit of funds, negotiating loan and credit terms with lenders and monitoring and maintaining compliance therewith;
- *advisory services*: assistance in complying with United States and other relevant securities laws;
- *client and investor relations:* arranging for the provision of, advisory, clerical and investor relations services to assist and support us in our communications with our common unitholders;
- integration of any acquired businesses; and
- client and investor relations.

We reimburse the Manager for reasonable costs and expenses incurred in connection with the provision of these services within 15 days after the Manager submits to us an invoice for such costs and expenses, together with any supporting detail that may be reasonably required.

Under the Administrative Services Agreement, we have agreed to indemnify the Manager and its employees against all actions which may be brought against them under the Administrative Services Agreement including, without limitation, all actions brought under the environmental laws of any jurisdiction, and against and in respect of all costs and expenses they may suffer or incur due to defending or settling such actions; provided, however that such indemnity excludes any or all losses which may be caused by or due to the fraud, gross negligence or willful misconduct of the Manager or its employees or agents.

General and Administrative Expenses

We have entered into an administrative services agreement with the Manager, pursuant to which the Manager has agreed to provide certain administrative management services to us. Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager pursuant to the same terms, until January 1, 2025. Total general and administrative expenses for the years ended December 31, 2020, 2019 and 2018, amounted to $13.7 million, $10.4 million and $9.3 million, respectively.

Vessel Operating Expenses (Management Fees)

Pursuant to the Management Agreement dated November 16, 2007, which was revised in October 2009 and 2011, the Manager, provided commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) $4,500 daily rate per owned Ultra-Handymax vessel; (b) $4,400 daily rate per owned Panamax vessel; and (c) $5,500 daily rate per owned Capesize vessel until November 16, 2011. In October 2011, Navios Partners extended the duration of its existing Management Agreement with the Manager until December 31, 2017 and fixed the rate for shipmanagement services of its owned fleet through December 31, 2013. The management fees, including drydocking expenses were: (a) $4,650 daily rate per Ultra-Handymax vessel; (b) $4,550

daily rate per Panamax vessel; and (c) $5,650 daily rate per Capesize vessel. In each of October 2013, August 2014, February 2015 and February 2016, Navios Partners amended its existing management agreement with the Manager to fix the fees for ship management services of its owned fleet at: (a) $4,100 daily rate per Ultra-Handymax vessel; (b) $4,200 daily rate per Panamax vessel; (c) $5,250 daily rate per Capesize vessel; (d) $6,700 daily rate per Container vessel of TEU 6,800; (e) $7,400 daily rate per Container vessel of more than TEU 8,000; and (f) $8,750 daily rate per very large Container vessel of more than TEU 13,000 through December 31, 2017. In November 2017, Navios Partners extended the duration of its existing Management Agreement with the Manager until December 31, 2022 and the fixed rate for ship management services of its owned fleet through December 31, 2019, effective from January 1, 2018. The management fees, excluding drydocking expenses were: (a) $4,225 daily rate per Ultra-Handymax vessel; (b) $4,325 daily rate per Panamax vessel; (c) $5,250 daily rate per Capesize vessel; (d) $6,700 daily rate per Container vessel of TEU 6,800; (e) $7,400 daily rate per Container vessel of more than TEU 8,000; and (f) $8,750 daily rate per very large Containers vessel of more than TEU 13,000.

In August 2019, Navios Partners extended the duration of its Management Agreement with the Manager until January 1, 2025. In addition, management fees are fixed for two years commencing from January 1, 2020 at: (a) $4,450 daily per Panamax Vessel; (b) $4,350 daily per Ultra-Handymax Vessel; (c) $5,410 daily per Capesize Vessel; (d) $6,100 daily per Panamax and Sub-Panamax Containership and (e) $6,900 daily per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships and following the liquidation of Navios Europe II, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax vessels. As per the Management Agreement, as amended in December 2019, management fees are fixed for two years commencing from January 1, 2020 at $6,100 daily per SubPanamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Drydocking expenses are reimbursed at cost for all vessels.

Total vessel operating expenses for the years ended December 31, 2020, 2019 and 2018, amounted to $93.7 million, $68.2 million and $68.9 million, respectively.

Other

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20.0 million. In October 2020, Navios Holdings paid an amount of $5.0 million to Navios Partners. As of December 31, 2020, the outstanding claim receivable amounted to $5.0 million. The final settlement of the amount from Navios Holdings will take place at a specific date, in accordance with a signed letter of agreement between the parties. The guarantee claim receivable presented under the caption “Amounts due from related parties-short term” in the Consolidated Balance Sheets.

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company will acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the “Transaction”). Under the terms of the Transaction, public unitholders of Navios Containers will receive 0.39 of a common unit of the Company for each outstanding common unit of Navios Containers. The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The General Partner of Navios Containers has consented to the merger, and the Company voted the Navios Containers’ common units it holds in favor of the Transaction. The Transaction is expected to close on or about March 31, 2021. The expenses of this transaction are included in the General and Administrative expenses, in the Consolidated Statements of Operations.

Navios Partners intends to account for the merger “as a business combination achieved in stages,” which will result in the application of the “acquisition method,” as defined under ASC 805, Business Combinations. Navios Partners’ previously held equity interest in Navios Containers will be remeasured to its fair value at the date the controlling interest is acquired and the resulting gain/(loss) will be recognized in earnings. Under the acquisition method, the fair value of the consideration paid by Navios Partners in connection with the transaction will be allocated to Navios Containers’ net assets based on their estimated fair values at the date of the completion of the merger. The purchase price allocation is subject to finalization as Navios Partners completes the valuation of the assets acquired and liabilities assumed. The assets and liabilities and results of operations of Navios Containers will be included in Navios Partners’ consolidated results of operations from and only for periods subsequent to the closing of the acquisition.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements: See Item 18.

Legal Proceedings

On March 13, 2020, two purported holders of the Navios Conainers’s common units commenced a lawsuit in the United States District Court for the Southern District of New York captioned The Mangrove Partners Master Fund, Ltd. et al v. Navios Containers, Case No. 1:20-cv-02290-LJL. In the suit, the plaintiffs allege that Navios Containers breached its’ limited partnership agreement and the Marshall Islands Limited Partnership Act, in each case based on an alleged refusal by Navios Containers to provide to the plaintiffs certain non-public books and records of Navios Containers. On July 20, 2020, the plaintiffs amended their complaint to add Navios Containers’ CEO as a named defendant, and added two additional causes of actions; one for alleged violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and one for common law fraud, and the plaintiffs sought, among other things, damages, fees, expenses, rescission, and an order requiring Navios Containers to furnish the requested records to the plaintiffs. On September 25, 2020, the named defendants moved to dismiss the amended complaint, which resulted in plaintiffs filing a second amended complaint that further added two additional causes of actions (one for fraudulent inducement and one for negligent misrepresentation) and sought the same relief as requested in the first amended complaint. The named defendants moved to dismiss the second amended complaint on January 15, 2021, and briefing was completed on March 2, 2021. Navios Containers believes the plaintiffs’ claims to be entirely without merit and will vigorously defend against these claims.

On August 31, 2016, Hanjin Shipping Co. (“Hanjin”) filed for rehabilitation. We had two Capesize vessels chartered to Hanjin at a net rate of $29,356 per day until December 2020. In September 2016, both vessels were redelivered to our commercial management and were rechartered to third parties. We had filed claims to the Seoul Central District Court for the lost revenues in accordance with the rehabilitation process. Rehabilitation proceedings were cancelled on February 2, 2017 and Hanjin entered into liquidation on February 17, 2017. Our claims were registered in the rehabilitation proceedings on October 24, 2016 and would be assessed during the bankruptcy proceedings. In October 2020, we were advised that the bankruptcy claim regarding vessel Navios Buena Ventura was dismissed by the bankruptcy Court. The relevant court is still assessing the claim regarding the Navios Luz. We have fully provided for these amounts in our books (see Note 2(f) — Summary of Significant Accounting Policies).

We are not involved in any other legal proceedings or aware of any proceedings against us, or contemplated to be brought against us that we believe would have a material adverse effect on our business, financial position, results of operations and liquidity.

From time to time, we may be subject to legal proceedings and claims arising out of our operations in the normal course of business. We maintain insurance policies with insurers in amounts and with coverage and deductibles as our board of directors believes are reasonable and prudent. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Cash Distribution Policy

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that unitholders will receive quarterly distributions from us and beginning with the quarter ending December 31, 2015, our Board of Directors elected to suspend distributions on our common units in order to preserve cash and improve our liquidity. In March 2018, the Company's Board of Directors announced a new distribution policy under which it paid quarterly cash distributions in the amount of $0.30 per unit, or $1.20 annually. In July 2020, the Company amended its distribution policy under which it intends to pay quarterly cash distributions in the amount of $0.05 per unit, or $0.20 annually.

Our distribution policy is subject to certain restrictions and may be changed at any time, including:

- Our unitholders have no contractual or other legal right to receive distributions other than the obligation under our partnership agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of our board of directors to establish reserves and other limitations.
- While our partnership agreement requires us to distribute all of our available cash, our partnership agreement, including provisions requiring us to make cash distributions contained therein, may be amended. Although during the subordination period, with certain exceptions, our partnership agreement could not be amended without the approval of non-affiliated common unitholders, our partnership agreement can be amended with the approval of a majority of the outstanding common units after the subordination period has ended. Upon the closing of the IPO, Navios Holdings did not own any of our outstanding common units and owned 100.0% of our outstanding subordinated units.
- Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement.
- Under Section 51 of the Marshall Islands Limited Partnership Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets.
- We may lack sufficient cash to pay distributions to our unitholders due to decreases in net revenues or increases in operating expenses, principal and interest payments on outstanding debt, tax expenses, working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs.
- Our distribution policy is affected by restrictions on distributions under our credit facilities or other debt instruments. Specifically, our credit facilities contain material financial tests that must be satisfied and we will not pay any distributions that will cause us to violate our credit facilities or other debt instruments. Should we be unable to satisfy these restrictions included in our credit facilities or if we are otherwise in default under our credit facilities, our ability to make cash distributions to unitholders, notwithstanding our cash distribution policy, would be materially adversely affected.
- If we make distributions out of capital surplus, as opposed to operating surplus, such distributions will constitute a return of capital and will result in a reduction in the minimum quarterly distribution and the target distribution levels. We do not anticipate that we will make any distributions from capital surplus.

Our ability to make distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws and other laws and regulations.

Quarterly Distribution

There is no guarantee that we will pay the quarterly distribution on the common units in any quarter. The amount of distributions paid under our policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement. We are prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under our existing credit facilities.

Quarterly distributions were paid by the Company through September 2015. For the quarter ended December 31, 2015, the Company's board of directors determined to suspend payment of the Company's quarterly distributions in order to preserve cash and improve our liquidity. In March 2018, the Company's board of directors announced a new distribution policy under which it paid quarterly cash distributions in the amount of $0.30 per unit, or $1.20 annually. In July 2020, the Company amended its distribution policy under which it intends to pay quarterly cash distributions in the amount of $0.05 per unit, or $0.20 annually.

In April 2018, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2018 of $0.30 per unit. The distribution was paid on May 14, 2018 to all unitholders of common and general partner units of record as of May 10, 2018. The aggregate amount of the declared distribution was $3.4 million.

In July 2018, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2018 of $0.30 per unit. The distribution was paid on August 10, 2018 to all unitholders of common and general partner units of record as of August 7, 2018. The aggregate amount of the declared distribution was $3.4 million.

In October 2018, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2018 of $0.30 per unit. The distribution was paid on November 14, 2018 to all unitholders of common and general partner units of record as of November 7, 2018. The aggregate amount of the declared distribution was $3.4 million.

In January 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2018 of $0.30 per unit. The distribution was paid on February 14, 2019 to all unitholders of common and general partner units of record as of February 11, 2019. The aggregate amount of the declared distribution was $3.5 million.

In April 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2019 of $0.30 per unit. The distribution was paid on May 14, 2019 to all unitholders of common and general partner units of record as of May 10, 2019. The aggregate amount of the declared distribution was $3.4 million.

In July 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2019 of $0.30 per unit. The distribution was paid on August 9, 2019 to all unitholders of common and general partner units of record as of August 6, 2019. The aggregate amount of the declared distribution was $3.4 million.

In October 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2019 of $0.30 per unit. The distribution was payable on November 14, 2019 to all unitholders of common and general partner units of record as of November 7, 2019. The aggregate amount of the declared distribution was $3.4 million.

In January 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2019 of $0.30 per unit. The distribution was payable on February 13, 2020 to all unitholders of common and general partner units of record as of February 11, 2020. The aggregate amount of the declared distribution was $3.4 million.

In April 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2020 of $0.30 per unit. The distribution was paid on May 14, 2020 to all unitholders of common units and general partner units of record as of May 11, 2020. The aggregate amount of the declared distribution was $3.4 million.

In July 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2020 of $0.05 per unit. The distribution was paid on August 13, 2020 to all unitholders of common units and general partner units of record as of August 10, 2020. The aggregate amount of the declared distribution was $0.6 million.

In October 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2020 of $0.05 per unit. The distribution was paid on November 13, 2020 to all unitholders of common units and general partner units of record as of November 9, 2020. The aggregate amount of the declared distribution was $0.6 million.

In January 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2020 of $0.05 per unit. The distribution was paid on February 12, 2021 to all unitholders of common units and general partner units of record as of February 9, 2021. The aggregate amount of the declared distribution was $0.6 million.

During the years ended December 31, 2020, 2019 and 2018 the aggregate amount of cash distribution paid was $7.9 million, $13.6 million and $10.3 million, respectively.

Incentive Distribution Rights

The following description of our incentive distribution rights reflects such rights and the indicated levels are achieved, of which there can be no assurance. Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from Operating Surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Navios GP L.L.C. currently holds the incentive distribution rights, but may transfer these rights, provided the transferee agrees to be bound by the terms if the partnership agreement. As of December 31, 2017, the holder of incentive distribution rights may transfer any or all of its Incentive Distribution Rights without unitholder approval.

The following table illustrates the percentage allocations of the additional available cash from Operating Surplus among the unitholders our general partner and the holder of our incentive distribution rights up to the various target distribution levels. The amounts set forth under “Marginal Percentage Interest in Distributions” are the percentage interests of the unitholders in any available cash from Operating Surplus we distribute up to and including the corresponding amount in the column “Total Quarterly Distribution Target Amount,” until available cash from Operating Surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for our general partner assume that our general partner maintains its 2.0% general partner interest.

		Marginal Percentage Interest in Distributions		
	Total Quarterly Distribution Target Amount	**Common Unitholders**	**Incentive Distribution Right Holder**	**General Partner**
Minimum Quarterly Distribution	up to $5.25	98 %	—	2 %
First Target Distribution	up to $6.0375	98 %	—	2 %
Second Target Distribution	above $ 6.0375 up to $6.5625	85 %	13 %	2 %
Third Target Distribution	above $6.5625 up to $7.875	75 %	23 %	2 %
Thereafter	above $7.875	50 %	48 %	2 %

In August 2019, Navios Holdings sold the general partnership interests in the Company to N Shipmanagement Acquisition Corp. and related entities, an entity affiliated with the Company's Chairman and Chief Executive Officer. The incentive distribution rights remained with Navios GP L.L.C.

B. Significant Changes

Navios Containers merger

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company will acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the “Transaction”). Under the terms of the Transaction, public unitholders of Navios Containers will receive 0.39 of a common unit of the Company for each outstanding common unit of Navios Containers. The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The general partner of Navios Containers consented to the merger, and the Company voted the Navios Containers’ common units it holds in favor of the Transaction. The Transaction is expected to close on or about March 31, 2021. The expenses of this transaction are included in the General and Administrative expenses, in the Consolidated Statements of Operations.

Apart from the above, no other significant changes have occurred since the date of the annual financial statements included herein.

Item 9. The Offer and Listing

Our common units are traded on the New York Stock Exchange (or “NYSE”) under the symbol “NMM”.

On March 13, 2019, we were notified by the NYSE that we were no longer in compliance with the NYSE's continued listing standards because the average closing price of our common stock over a consecutive 30 trading-day period was less than $1.00 per unit. We responded to the NYSE confirming our intent to cure this deficiency within the prescribed timeframe set out in the NYSE's Listed Company Manual. Following a 1-for-15 reverse stock split of the issued and outstanding common units and general partner units, effective on May 21, 2019, we cured this deficiency within the prescribed timeframe set out in the NYSE's Listed Company Manual.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under Item 10.B is incorporated by reference to the following sections of the prospectus included in our Registration Statement on Form F-1 filed with the SEC on November 14, 2007: “The Partnership Agreement,” “Description of the Common Units - The Units”, “Conflicts of Interest and Fiduciary Duties”, “How we make Cash Distributions” and “Our Cash Distribution Policy and Restrictions on Distributions.”

On June 10, 2009, we executed the Second Amended and Restated Agreement of Limited Partnership of Navios Partners. The Second Amended and Restated Agreement of Limited Partnership designated a new series of subordinated units as Subordinated Series A Units (the “Series A Units”).

On March 12, 2015, we executed the Third Amended and Restated Agreement of Limited Partnership of Navios Partners in order to reflect the conversion of the Subordinated Units and the Subordinated Series A Units into Common Units.

On March 19, 2018, we executed the Fourth Amended and Restated Agreement of Limited Partnership of Navios Partners in order to reflect the recent process to clarify the quorum necessary to conduct business at any adjourned meeting.

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the two years immediately preceding the date of this Annual Report, each of which is included in the list of exhibits in Item 19. Please read “Item 5. Operating and Financial Review and Prospects - Trends and Factors Affecting Our Future Results of Operations - Liquidity and Capital Resources - credit facilities” for a summary of certain contract terms.

- Loan Agreement for a $32.0 million term loan, dated June 26, 2017, among Finian Navigation Co., Casual ShipHolding Co., BNP Paribas and the Banks and Financial Institutions listed therein.
- Deed of Accession, Amendment, Release and Restatement, dated April 9, 2019, relating to the Loan Agreement, dated June 26, 2017, by and among Casual Shipholding Co., Wave Shipping Corp. and Ammos Shipping Corp., Navios Maritime Partners L.P., Navios Maritime Operating L.L.C., Navios ShipManagement Inc., and BNP Paribas and BNP Paribas (Suisse) SA.
- Loan Agreeement for a $44.0 million term loan, dated July 31, 2018, among Navios Partners and DVB Bank S.E.
- Loan Agreement, dated March 26, 2018, by and among Goldie Services Company and Seymour Trading Limited; Nordea Bank AB (Publ), Filial I. Norge Skandinaviska Enskilda Banken AB (Publ) and NIBC Bank N.V.
- Omnibus Agreement, dated as of November 16, 2007, among Navios Holdings, Navios GP LLC, Navios Maritime Operating LLC., and Navios Partners. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment to Omnibus Agreement, dated as of June 29, 2009, among Navios Holdings, Navios GP LLC, Navios Maritime Operating LLC., and Navios Partners, relating to the Omnibus Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Acquisition Omnibus Agreement, dated as of May 28, 2010, among Navios Partners, Navios Acquisition and Navios Holdings. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Navios Midstream Omnibus Agreement, dated as of November 18, 2014, among Navios Holdings, Navios Maritime Midstream Partners L.P., Navios Maritime Midstream GP LLC, Navios Maritime Midstream Operating LLC., Navios Maritime Acquisition Corporation and Navios Partners. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Omnibus Agreement, effective as of June 7, 2017, among Navios Maritime Acquisition Corporation, Navios Maritime Holdings Inc., Navios Maritime Partners L.P., Navios Maritime Midstream Partners L.P., Navios Maritime Containers Inc. and Navios Partners Containers Finance Inc.
- Management Agreement dated November 16, 2007, between Navios Partners and Navios ShipManagement. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment to Management Agreement dated October 29, 2009, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 2 to Management Agreement dated October 21, 2011, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 3 to Management Agreement dated October 30, 2013, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 4 to Management Agreement dated August 29, 2014, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 5 to Management Agreement dated February 10, 2015, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a

summary of certain contract terms.

- Amendment No. 6 to Management Agreement dated May 4, 2015, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 7 to Management Agreement dated February 4, 2016, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 8, to Management Agreement dated November 14, 2017, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 9 to Management Agreement dated August 28, 2019, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 10 to Management Agreement dated December 13, 2019, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Administrative Services Agreement, dated as of November 16, 2007, between Navios Partners and Navios ShipManagement. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 1, dated October 21, 2011, to the Administrative Services Agreement, dated as of November 16, 2007, between Navios Partners and Navios ShipManagement. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 2 to Administrative Services Agreement, dated November 14, 2017, between Navios Maritime Partners and Navios ShipManagement. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Amendment No. 3 to Administrative Services Agreement, dated August 28, 2019, between Navios Maritime Partners and Navios ShipManagement. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Registration Rights Agreement dated April 30, 2008. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Waiver to Right of First Refusal and Corporate Opportunities Agreement, dated June 29, 2009, by Navios Partners. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Continuous Offering Program Sales Agreement, dated November 18, 2016, between Navios Partners and S. Goldman Capital LLC. Please read “Item 5. Operating and Financial Review and Prospects” for a summary of certain contract terms.
- Amendment No. 1 to Continuous Offering Program Sales Agreement, dated June 2, 2017, with S. Goldman Capital LLC.
- Amendment No. 2 to Continuous Offering Program Sales Agreement, dated August 3, 2020, with S. Goldman Capital LLC.
- Loan Agreement, dated December 28, 2018, relating to a $28.5 million term loan facility, by and among Velvet Shipping Corporation, Golem Navigation Limited and Coasters Ventures Ltd., as joint and several borrowers; the Banks and Financial Institutions listed in Schedule 1 therein, as Lenders; NIBC Bank N.V., as Mandated Lead Arranger; and NIBC Bank N.V., as Agent and Security Trustee.
- Facility Agreement, dated February 12, 2019, by and among Kohylia ShipManagement S.A., Floral Marine Ltd., Ianthe Maritime S.A., and Customized Development S.A., as joint and several Borrowers; guaranteed by Navios Maritime Partners L.P., as Guarantor; arranged by DVB Bank SE, as Arranger; with DVB Bank SE, acting as Facility Agent; DVB Bank SE, acting as Security Agent; and DVB Bank SE, acting as Account Bank.
- Facility Agreement, dated April 5, 2019, by and among Joy Shipping Corporation, Avery Shipping Corporation, DNB Bank ASA and the Bank and Insitutions listed therein.
- Facility Agreement, dated July 4, 2019, by and among Chilali Corp., Surf Maritime Co., Pandora Marine Inc., Micaela Shipping Corporation and Credit Agricole Corporate Investment Bank
- Facility Agreement, dated September 26, 2019, by and among Alegria Shipping Corporation, Andromeda Shiptrade Limited, Aurora Shipping Enterprises Ltd., Beryl Shipping Corporation, Cheryl Shipping Corporation, Christal Shipping Corporation, Hyperion Enterprises Inc., Kymata Shipping Co., Orbiter Shipping Corp., Pearl Shipping Corporation, Rubina Shipping Corporation, Seymour Trading Limited, Topaz Shipping Corporation, Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee, and the banks and financial institutions listed therein.
- Facility Agreement, dated December 12, 2019, by and among Oceanus Shipping Corporation, Cronus Shipping Corporation, Leto Shipping Corporation, Dionysus Shipping Corporation, Prometheus Shipping Corporation, and ABN Amro Bank N.V. as agent and security trustee, and the Banks and Institutions listed therein.
- Supplemental Agreement, dated July 2, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein.
- Second Supplemental Agreement, dated September 30, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein.• Form of Amended and restated Facility Agreement, dated December 16, 2019, by and among Camelia Shipping Inc., Amaryllis Shipping Inc., Azalea Shipping Inc., Anthos Shipping Inc., and Dory Funding DAC as agent and security agent, and the financial institutions listed therein.
- Facility Agreement, dated June 25, 2020, by and among Cronus Shipping Corporation, Dionysus Shipping Corporation, Oceanus Shipping Corporation and Prometheus Shipping Corporation, and Hellenic Bank Public Company Limited as lender, arranger, agent, and security trustee.
- Facility Agreement, dated June 26, 2020, by and among Navios Partners and ABN Amro Bank N.V. as Agent and as Security Trustee and the financial institutions listed therein.

- Facility Agreement, dated September 28, 2020, by and among Emery Shipping Corporation and Rondine Management Corp., and Crédit Agricole Corporate and Investment Bank as lender, arranger, agent, and security trustee.
- Bareboat Charter and Memorandum of Agreement, dated December 12, 2018, among Seven Shipping S.A. and Shichifuki Gumi Co., Ltd., being subsidiaries of Itochu Corporation, and Perigiali Navigation Limited, being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Beaufiks.
- Bareboat Charter and Memorandum of Agreement, dated April 5, 2019, among Hinode Kaiun Co., Ltd., Mansei Kaiun Co., Ltd., and Sunmarine Maritime S.A., being subsidiaries of Itochu Corporation, and Casual Shipholding Co., being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Sol.
- Bareboat Charter and Memorandum of Agreement, dated June 7, 2019, among Tachibana Kaiun Co., Ltd. and Sakae Shipping S.A., being subsidiaries of MC Shipping Ltd., and Sagittarius Shipping Corporation, being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Sagittarius.
- Bareboat Charter and Memorandum of Agreement, dated July 2, 2019, between Takanawa Line Inc., being a subsidiary of Itochu Corporation, and Finian Navigation Co., being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Ace.
- Bareboat Charter and Memorandum of Agreement, dated December 10, 2018, between Sansha Shipping S.A., being a subsidiary of Itochu Corporation, and Fantastiks Shipping Corporation, being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Fantastiks.
- Agreement and Plan of Merger, dated December 31, 2020, by and among Navios Maritime Partners L.P., NMM Merger Sub LLC, Navios Maritime Containers L.P. and Navios Maritime Containers GP LLC. Please read “Item 7. Major Unitholders and Related Party Transactions” for a summary of certain contract terms.
- Facility Agreement, for a term loan facility, dated March 23,2021, by and among Emery Shipping Corporation, Mandora Shipping Ltd., Rondine Management Corp. and Solagne Shipping Ltd. as borrowers and Credit Agricole Corporate and Investment Bank as lender, arranger, agent and account bank trustee.

D. Exchange controls

We are not aware of any governmental laws, decrees or regulations, including foreign exchange controls, in the Marshall Islands, Liberia, Malta, the countries of incorporation of Navios Partners and its subsidiaries that restrict the export or import of capital, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our securities imposed by the laws of the Republic of the Marshall Islands or our Certificate of Formation and Limited Partnership Agreement.

E. Taxation of Holders

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of the material U.S. federal income tax considerations that may be relevant to beneficial owners of our common units and, unless otherwise noted in the following discussion, is the opinion of Thompson Hine LLP, our U.S. counsel, insofar as it relates to matters of U.S. federal income tax law and legal conclusions with respect to those matters. The opinion of our counsel is dependent on the accuracy of representations made by us to them, including descriptions of our operations contained herein.

This discussion is based upon provisions of the Internal Revenue Code (the “Code”), U.S. Treasury Regulations, and administrative rulings and court decisions, all as in effect or in existence on the date of this filing and all of which are subject to change or differing interpretations by the Internal Revenue Service (“IRS”) or a court, possibly with retroactive effect. Changes in these authorities may cause the tax consequences of ownership of our common units to vary substantially from the consequences described below. Unless the context otherwise requires, references in this section to “we,” “our” or “us” are references to Navios Maritime Partners L.P.

The following discussion applies only to beneficial owners of common units that own the common units as “capital assets” (generally, property held for investment purposes). The following discussion does not address all aspects of U.S. federal income taxation that may be important to particular beneficial owners of common units in light of their individual circumstances, such as (i) beneficial owners of common units subject to special tax rules (*e.g*., banks or other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, broker-dealers, traders that elect to mark-to-market for U.S. federal income tax purposes, tax-exempt organizations and retirement plans, individual retirement accounts and tax-deferred accounts, or former citizens or long-term residents of the United States), beneficial owners that will hold the common units as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or beneficial owners that are accrual method taxpayers for U.S. federal income tax purposes and are required to accelerate the recognition of any item of gross income with respect to the common units as a result of such income being recognized on an applicable financial statement (ii) partnerships or other entities classified as partnerships for U.S. federal income tax purposes or their partners, (iii) U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar or (iv) beneficial owners of common units that own 2.0% or more (by vote or value) of our common units (including beneficial owners entitled to a “participation exemption” with respect to our common units), all of whom may be subject to tax rules that differ significantly from those summarized below. If a partnership or other entity classified as a partnership for U.S. federal income tax purposes holds our common units, the tax treatment of its partners generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner in a partnership holding our common units, you should consult your own tax advisor regarding the tax consequences to you of the partnership's ownership of our common units.

No ruling has been obtained or will be requested from the IRS, regarding any matter affecting us or holders of our common units. The opinions and statements made herein may be challenged by the IRS and, if so challenged, may not be sustained upon review in a court.

This discussion does not contain information regarding any state or local, estate, gift or alternative minimum tax considerations concerning the ownership or disposition of common units.

Each beneficial owner of our common units should consult its own tax advisor regarding the U.S. federal, state, local, and other tax consequences of the ownership or disposition of common units.

Election to Be Treated as a Corporation

We have elected to be treated as a corporation for U.S. federal income tax purposes. Consequently, among other things, U.S. Holders (as defined below) will not directly be subject to U.S. federal income tax on their shares of our income, but rather will be subject to U.S. federal income tax on distributions received from us and dispositions of common units as described below.

U.S. Federal Income Taxation of U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of our common units that:

- is an individual U.S. citizen or resident (as determined for U.S. federal income tax purposes),
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) organized under the laws of the United States or any of its political subdivisions,
- an estate the income of which is subject to U.S. federal income taxation regardless of its source, or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more “United States persons” (as defined in the Code) have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under current U.S. Treasury Regulations to be treated as a “United States person.”

Distributions

Subject to the discussion below of the rules applicable to a passive foreign investment company (a “PFIC”), any distributions to a U.S. Holder made by us with respect to our common units generally will constitute dividends, which will be taxable as ordinary income or “qualified dividend income” as described in more detail below, to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in its common units on a dollar-for-dollar basis, and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. Holder held the common units for more than one year. U.S. Holders that are corporations generally will not be entitled to claim a dividend received deduction with respect to distributions they receive from us. Dividends received with respect to the common units will be treated as foreign source income and generally will be treated as “passive category income” for U.S. foreign tax credit purposes.

Dividends received with respect to our common units by a U.S. Holder who is an individual, trust or estate (a “non-corporate U.S. Holder”) generally will be treated as “qualified dividend income” that is taxable to such non-corporate U.S. Holder at preferential capital gain tax rates, provided that: (i) subject to the possibility that our common units may be delisted by a qualifying exchange, our common units are traded on an “established securities market” in the United States (such as the NYSE where our common units are traded) and are “readily tradeable” on such an exchange; (ii) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are, have been or will be, as discussed below); (iii) the non-corporate U.S. Holder has owned the common units for more than 60 days during the 121-day period beginning 60 days before the date on which the common units become ex-dividend (and has not entered into certain risk limiting transactions with respect to such common units); and (iv) the non-corporate U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. Any dividends paid on our common units that are not eligible for these preferential rates will be taxed as ordinary income to a non-corporate U.S. Holder. In addition, a 3.8% tax may apply to certain investment income. *See “Medicare Tax”* below.

Special rules may apply to any amounts received in respect of our common units that are treated as “extraordinary dividends.” In general, an extraordinary dividend is a dividend with respect to a common unit that is equal to or in excess of 10.0% of a U.S. Holder's adjusted tax basis (or fair market value upon the U.S. Holder's election) in such common unit. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20.0% of a U.S. Holder's adjusted tax basis (or fair market value) in a common unit. If we pay an “extraordinary dividend” on our common units that is treated as “qualified dividend income,” then any loss recognized by a U.S. Individual Holder from the sale or exchange of such common units will be treated as long-term capital loss to the extent of the amount of such dividend.

Sale, Exchange or Other Disposition of Common Units

Subject to the discussion of PFICs below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our common units in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's adjusted tax basis in such units. The U.S. Holder's initial tax basis in the common units generally will be the U.S. Holder's purchase price for the common units and that tax basis will be reduced (but not below zero) by the amount of any distributions on the common units that are treated as non-taxable returns of capital (as discussed under “Distributions” above). Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition.

A corporate U.S. Holder's capital gains, long-term and short-term, are taxed at ordinary income tax rates. If a corporate U.S. Holder recognizes a loss upon the disposition of our common units, such U.S. Holder is limited to using the loss to offset other capital gain. If a corporate U.S. Holder has no other capital gain in the tax year of the loss, it may carry the capital loss back three years and forward five years.

Long-term capital gains of non-corporate U.S. Holders are subject to the favorable tax rate of a maximum of 20%. In addition, a 3.8% tax may apply to certain investment income. See *“Medicare Tax”* below. A non-corporate U.S. Holder may deduct a capital loss resulting from a disposition of our common units to the extent of capital gains plus up to $3,000 ($1,500 for married individuals filing separate tax returns) annually and may carry forward a capital loss indefinitely.

PFIC Status and Significant Tax Consequences

In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which the holder held our common units, either:

- at least 75.0% of our gross income (including the gross income of our vessel-owning subsidiaries) for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business), or
- at least 50.0% of the average value of the assets held by us (including the assets of our vessel-owning subsidiaries) during such taxable year produce, or are held for the production of, passive income.

Income earned, or deemed earned, by us in connection with the performance of services would not constitute passive income. By contrast, rental income generally would constitute “passive income” unless we were treated as deriving our rental income in the active conduct of a trade or business under the applicable rules.

Based on our current and projected methods of operations, and an opinion of counsel, we believe that we will not be a PFIC with respect to any taxable year. Our U.S. counsel, Thompson Hine LLP, is of the opinion that (1) the income we receive from the time chartering activities and assets engaged in generating such income should not be treated as passive income or assets, respectively, and (2) so long as our income from time charters exceeds 25.0% of our gross income for each taxable year after our initial taxable year and the value of our vessels contracted under time charters exceeds 50.0% of the average value of our assets for each taxable year after our initial taxable year, we should not be a PFIC. This opinion is based on representations and

projections provided to our counsel by us regarding our assets, income and charters, and its validity is conditioned on the accuracy of such representations and projections.

Our counsel's opinion is based principally on their conclusion that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time chartering activities of our wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that we or our subsidiaries own and operate in connection with the production of such income, in particular, the vessels we or our subsidiaries own that are subject to time charters, should not constitute passive assets for purposes of determining whether we are or have been a PFIC. We expect that all of the vessels in our fleet will be engaged in time chartering activities and intend to treat our income from those activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes.

Our counsel has advised us that there is a significant amount of legal authority consisting of the Code, legislative history, IRS pronouncements and rulings supporting our position that the income from our time chartering activities constitutes services income (rather than rental income). There is, however, no direct legal authority under the PFIC rules addressing whether income from time chartering activities is services income or rental income. Moreover, in a case not interpreting the PFIC rules, *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), the Fifth Circuit held that the vessel time charters at issue generated predominantly rental income rather than services income. However, the IRS stated in an Action on Decision (AOD 2010-001) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS's AOD, however, is an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers.

The opinion of our counsel is not binding on the IRS or any court. Thus, while we have received an opinion of our counsel in support of our position, there is a possibility that the IRS or a court could disagree with this position and the opinion of our counsel. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year in which a U.S. Holder owned our common units, the U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which we refer to as a "QEF election." As an alternative to making a QEF election, the U.S. Holder may be able to make a "mark-to-market" election with respect to our common units, as discussed below. In addition, if we were treated as a PFIC for any taxable year in which a U.S. Holder owned our common units, the U.S. Holder would be required to file IRS Form 8621 with the U.S. Holder's U.S. federal income tax return for each year to report the U.S. Holder's ownership of such common units. In the event a U.S. Holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year will not close before the date that is three years after the date on which such report is filed.

It should also be noted that, if we were treated as a PFIC for any taxable year in which a U.S. Holder owned our common units and any of our non-U.S. subsidiaries were also a PFIC, the U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules.

Taxation of U.S. Holders Making a Timely QEF Election

If we were to be treated as a PFIC for any taxable year, and a U.S. Holder makes a timely QEF election (any such U.S. Holder, an "Electing Holder"), the Electing Holder must report for U.S. federal income tax purposes its pro rata share of our ordinary earnings and net capital gain, if any, for our taxable year that ends with or within the Electing Holder's taxable year, regardless of whether or not the Electing Holder received any distributions from us in that year. Such income inclusions would not be eligible for the preferential tax rates applicable to "qualified dividend income." The Electing Holder's adjusted tax basis in our common units will be increased to reflect taxed but undistributed earnings and profits. Distributions to the Electing Holder of our earnings and profits that were previously taxed will result in a corresponding reduction in the Electing Holder's adjusted tax basis in our common units and will not be taxed again once distributed. The Electing Holder would not, however, be entitled to a deduction for its pro rata share of any losses that we incur with respect to any year. An Electing Holder generally will recognize capital gain or loss on the sale, exchange or other disposition of our common units.

Even if a U.S. Holder makes a QEF election for one of our taxable years, if we were a PFIC for a prior taxable year during which the U.S. Holder owned our common units and for which the U.S. Holder did not make a timely QEF election, the U.S. Holder would also be subject to the more adverse rules described below under "*Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election.*" However, under certain circumstances, a U.S. Holder may be permitted to make a retroactive QEF election with respect to us for any open taxable years in the U.S. Holder's holding period for our common units in which we are treated as a PFIC. Additionally, to the extent that any of our subsidiaries is a PFIC, a U.S. Holder's QEF election with respect to us would not be effective with respect to the U.S. Holder's deemed ownership of the stock of such subsidiary and a separate QEF election with respect to such subsidiary would be required.

A U.S. Holder makes a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with the U.S. Holder's U.S. federal income tax return. If, contrary to our expectations, we were to determine that we are treated as a PFIC for any taxable year, we would notify all U.S. Holders and would provide all necessary information to any U.S. Holder that requests such information in order to make the QEF election described above with respect to us and the relevant subsidiaries. A QEF election would not apply to any taxable year for which we are not a PFIC, but would remain in effect with respect to any subsequent taxable year for which we are a PFIC, unless the IRS consents to the revocation of the election.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

If we were to be treated as a PFIC for any taxable year and, subject to the possibility that our common units may be delisted by a qualifying exchange, our common units were treated as "marketable stock," then, as an alternative to making a QEF election, a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our common units, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the U.S. Holder's common units at the end of the taxable year over the holder's adjusted tax basis in the common units. The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the common units over the fair market value thereof at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in the U.S. Holder's common units would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our common units would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of the common units would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. A mark-to-market election would not apply to our common units owned by a U.S. Holder in any taxable year during which we are not a PFIC, but would remain in effect with respect to any subsequent taxable year for which we are a PFIC, unless our common units are no longer treated as "marketable stock" or the IRS consents to the revocation of the election.

Even if a U.S. Holder makes a "mark-to-market" election for one of our taxable years, if we were a PFIC for a prior taxable during which the U.S. Holder owned our common units and for which the U.S. Holder did not make a timely mark-to-market election, the U.S. Holder would also be subject to the more adverse rules described below under "*Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election.*" Additionally, to the extent that

any of our subsidiaries is a PFIC, a "mark-to-market" election with respect to our common units would not apply to the U.S. Holder's deemed ownership of the stock of such subsidiary.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

If we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a timely QEF election or a timely "mark-to-market" election for that year (i.e., the taxable year in which the U.S. Holder's holding period commences), whom we refer to as a "Non-Electing Holder," would be subject to special rules resulting in increased tax liability with respect to (1) any excess distribution (*i.e.* the portion of any distributions received by the Non-Electing Holder on our common units in a taxable year in excess of 125.0% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common units), and (2) any gain realized on the sale, exchange or other disposition of our common units. Under these special rules:

- the excess distribution and any gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common units;
- the amount allocated to the current taxable year and any year prior to the year we were first treated as a PFIC with respect to the Non-Electing Holder would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

If we were treated as a PFIC for any taxable year and a Non-Electing Holder who is an individual dies while owning our common units, such holder's successor generally would not receive a step-up in tax basis with respect to such common units. Additionally, to the extent that any of our subsidiaries is a PFIC, the foregoing consequences would apply to the U.S. Holder's deemed receipt of any excess distribution on, or gain deemed realized on the disposition of, the stock of such subsidiary deemed owned by the U.S. Holder.

Controlled Foreign Corporation

Although we believe that Navios Partners was not a controlled foreign corporation (a "CFC") as of December 31, 2020, or at any time during 2020, tax rules enacted by the 2017 Tax Cuts and Jobs Act, including the imposition of so-called "downward attribution" for purposes of determining whether a non-U.S. corporation is a CFC, may result in Navios Partners being treated as a CFC for U.S. federal income tax purposes in the future. As of December 31, 2020, Navios Holdings owned 18.2% of our common units indirectly through Alpha Merit Corporation. Olympos Maritime Ltd. holds the general partner interest of 2.1%. Through downward attribution, U.S. subsidiaries of Navios Holdings are treated as constructive owners of these equity interests for purposes of determining whether we are a CFC. If, in the future, U.S. Holders (including U.S. subsidiaries of Navios Holdings, as discussed above) that each own 10% or more of our equity (by vote or value) would own in the aggregate more than 50% of our equity (by vote or value), in each case, directly, indirectly or constructively, we would become a CFC.

The U.S. federal income tax consequences of U.S. holders who at all times own less than 10% of our equity, directly, indirectly, and constructively, should not be affected were we to become a CFC. However, were we to become a CFC, any U.S. Holder who owns 10% or more of our equity (by vote or value), directly, indirectly, or constructively (but not through downward attribution), should be subject to U.S. federal income tax on its pro rata share of our so-called "subpart F" income and should be subject to U.S. federal income tax reporting requirements. Income from our time chartering activities could constitute subpart F income if it were derived from passive rental activities. But, Thompson Hine's opinion that the income we earn from our time chartering activities should not be treated as passive income is based principally on their conclusion that such income should constitute services income, rather than rental income (*see U.S. Federal Income Taxation of U.S. Holders - PFIC Status and Significant Tax Consequences*). So, we believe that the income we earn from our time chartering activities should not be treated as subpart F income and thus no such U.S. Holder should be subject to U.S. federal income tax on such income, regardless of whether IRS's position that the Section 883 exemption does not apply to subpart F income is correct. If, contrary, to our belief discussed above, the income we earn from our time chartering activities were treated as subpart F income, it is unclear whether such income would nonetheless be exempted from U.S. federal income tax for so long as we qualify for the Section 883 exemption (*see Item 4.B. Business Overview - Taxation of the Partnership - The Section 883 Exemption)*. In this regard, the IRS has taken the position in Revenue Ruling 87-15 that the Section 883 exemption does not cause subpart F income to be exempted from U.S. federal income tax. Any U.S. Holder of Navios Partners that owns 10% or more (by vote or value), directly, indirectly, or constructively, of the equity of Navios Partners should consult its own tax advisor regarding U.S. federal tax consequences that may result from Navios Partners being treated as a CFC.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over $200,000 ($250,000 in the case of joint filers). For these purposes, "net investment income" will generally include dividends paid with respect to our common units and net gain attributable to the disposition of our common units not held in connection with certain trades or businesses, but will be reduced by any deductions properly allocable to such income or net gain.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our common units (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is a "Non-U.S. Holder".

Distributions

Distributions we pay to a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax if the Non-U.S. Holder is not engaged in a U.S. trade or business. If the Non-U.S. Holder is engaged in a U.S. trade or business, our distributions will be subject to U.S. federal income tax to the extent they constitute income effectively connected with the Non-U.S. Holder's U.S. trade or business (and a corporate Non-U.S. Holder may also be subject to U.S. federal branch profits tax). However, distributions paid to a Non-U.S. Holder who is engaged in a trade or business may be exempt from taxation under an income tax treaty if the income arising from the distribution is not attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder.

Disposition of Units

In general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on any gain resulting from the disposition of our common units provided the Non-U.S. Holder is not engaged in a U.S. trade or business. A Non-U.S. Holder that is engaged in a U.S. trade or business will be subject to U.S. federal income tax in the event the gain from the disposition of units is effectively connected with the conduct of such U.S. trade or business (provided, in the case of a Non-U.S. Holder entitled to the benefits of an income tax treaty with the United States, such gain also is attributable to a U.S. permanent establishment). However, even if not engaged in a U.S. trade or business, individual Non-U.S. Holders may be subject to tax on gain resulting from the disposition of our common units if they are present in the United States for 183 days or more during the taxable year in which those units are disposed and meet certain other requirements.

Backup Withholding and Information Reporting

In general, payments to a non-corporate U.S. Holder of distributions or the proceeds of a disposition of common units may be subject to information reporting. These payments to a non-corporate U.S. Holder also may be subject to backup withholding (currently at a rate of 24%), if the non-corporate U.S. Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he has failed to report all interest or corporate distributions required to be reported on his U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

A U.S. Holder generally is required to certify its compliance with the backup withholding rules on IRS Form W-9.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.

Backup withholding is not an additional tax. Rather, a unitholder generally may obtain a credit for any amount withheld against his liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by filing a U.S. federal income tax return with the IRS.

Individual U.S. Holders (and to the extent specified in applicable U.S. Treasury Regulations, certain individual Non-U.S. Holders and certain U.S. Holders that are entities) that hold "specified foreign financial assets," including our common units, whose aggregate value exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year (or such higher amounts as prescribed by applicable Treasury Regulations) are required to file a report on IRS Form 8938 with information relating to the assets for each such taxable year. Specified foreign financial assets would include, among other things, our common units, unless such common units are held in an account maintained by a U.S. "financial institution" (as defined). Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable Treasury Regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders should consult their own tax advisors regarding their reporting obligations.

NON-UNITED STATES TAX CONSIDERATIONS

Marshall Islands Tax Consequences

The following discussion is based upon the opinion of Reeder & Simpson P.C., our counsel as to matters of the laws of the Republic of the Marshall Islands, and the current laws of the Republic of the Marshall Islands applicable to persons who do not reside in, maintain offices in or engage in business in the Republic of the Marshall Islands.

Because we and our subsidiaries do not and do not expect to conduct business or operations in the Republic of the Marshall Islands, under current Marshall Islands law you will not be subject to Marshall Islands taxation or withholding on distributions, including upon distribution treated as a return of capital, we make to you as a unitholder. In addition, you will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of common units, and you will not be required by the Republic of the Marshall Islands to file a tax return relating to your ownership of common units.

EACH UNITHOLDER IS URGED TO CONSULT HIS OWN TAX, LEGAL AND OTHER ADVISORS REGARDING THE CONSEQUENCES OF OWNERSHIP OF COMMON UNITS UNDER THE UNITHOLDER'S PARTICULAR CIRCUMSTANCES.

F. Dividends and paying agents

Not applicable.

G. Statements by experts

Not applicable.

H. Documents on display

We file reports and other information with the SEC. These materials, including this annual report and the accompanying exhibits, are available from the SEC's website http://www.sec.gov.

I. Subsidiary information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risks

Foreign Exchange Risk

Our functional and reporting currency is the U.S. dollar. We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar denominated. Transactions in currencies other than the U.S. dollar are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated are recognized. Expenses incurred in foreign currencies against which the U.S. Dollar falls in value can increase such expenses, thereby decreasing our income or vice versa if the U.S. dollar increases in value. For example, as of December 31, 2020, the value of the U.S. dollar as compared to the Euro decreased by approximately 8.5% compared with the respective value as of December 31, 2019.

Interest Rate Risk

Bank borrowings under our credit facilities bear interest at a rate based on a premium over U.S. LIBOR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the years ended December 31, 2020, 2019 and 2018, we paid interest on our outstanding debt at a weighted average interest rate of 4.5%, 6.7% and 6.8%, respectively. A 1% increase in LIBOR would have increased our interest expense for the years ended December 31, 2020, 2019 and 2018 by $4.3 million, $4.4 million and $5.2 million, respectively.

Concentration of Credit Risk

Financial instruments, which potentially subject us to significant concentrations of credit risk, consist principally of trade accounts receivable. We closely monitor our exposure to customers for credit risk. We have policies in place to ensure that we trade with customers with an appropriate credit history.

For the year ended December 31, 2020, HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. For the year ended December 31, 2018, HMM represented approximately 24.5% of total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20.0 million. In October 2020, Navios Holdings paid an amount of $5.0 million to Navios Partners. As of December 31, 2020, the outstanding claim receivable amounted to $5.0 million. The final settlement of the amount from Navios Holdings will take place at a specific date, in accordance with a signed letter of agreement between the parties. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets.

If we lose a charter, we may be unable to re-deploy the related vessel on terms as favorable to us due to the long-term nature of most charters and the cyclical nature of the industry or we may be forced to charter the vessel on the spot market at then market rates which may be less favorable than the charter that has been terminated. If we are unable to re-deploy a vessel for which the charter has been terminated, we will not receive any revenues from that vessel, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition. If we lose a vessel, any replacement or newbuilding would not generate revenues during its construction acquisition period, and we may be unable to charter any replacement vessel on terms as favorable to us as those of the terminated charter.

Even if we successfully charter our vessels in the future, our charterers may go bankrupt or fail to perform their obligations under the charter agreements, they may delay payments or suspend payments altogether, they may terminate the charter agreements prior to the agreed-upon expiration date or they may attempt to renegotiate the terms of the charters. The permanent loss of a customer, time charter or vessel, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions in the event we are unable to replace such customer, time charter or vessel.

Inflation

Inflation has had a minimal impact on vessel operating expenses, drydocking expenses and general and administrative expenses. Our management does not consider inflation to be a significant risk to direct expenses in the current and foreseeable economic environment.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Unitholders and Use of Proceeds

None.

Item 15. Controls and Procedures

A. Disclosure Controls and Procedures

The management of Navios Partners, with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation, pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the effectiveness of our disclosure controls and procedures as of December 31, 2020. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2020.

Disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

B. Management's annual report on internal control over financial reporting

The management of Navios Partners is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act. Navios Partners' internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States ("GAAP").

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Navios Partners' management assessed the effectiveness of Navios Partners' internal control over financial reporting as of December 31, 2020. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on its assessment, management concluded that, as of December 31, 2020, Navios Partners' internal control over financial reporting was effective based on those criteria.

Navios Partners' independent registered public accounting firm has issued an attestation report on Navios Partners' internal control over financial reporting.

C. Attestation report of the registered public accounting firm

Navios Partners' independent registered public accounting firm has issued an audit report on Navios Partners' internal control over financial reporting. This report appears on Page F-2 of the consolidated financial statements.

D. Changes in internal control over financial reporting

There have been no changes in internal controls over financial reporting (identified in connection with management's evaluation of such internal control over financial reporting) that occurred during the year covered by this annual report that have materially affected, or are reasonably likely to materially affect, Navios Partners' internal controls over financial reporting.

Item 16A. Audit Committee Financial Expert

Navios Partners' Audit Committee consists of three independent directors, Orthodoxia Zisimatou, Serafeim Kriempardis and Alexander Kalafatides. The Board of Directors has determined that Serafeim Kriempardis qualifies as "an audit committee financial expert" as defined in the instructions of Item 16A of Form 20-F. Mr. Kriempardis is independent under applicable NYSE and SEC standards.

Item 16B. Code of Ethics

Navios Partners has adopted a code of ethics applicable to officers, directors and employees that complies with applicable guidelines issued by the SEC. The Navios Partners Code of Corporate Conduct and Ethics is available for review on Navios Partners' website at www.navios-mlp.com.

Item 16C. Principal Accountant Fees and Services

Audit Fees

Our principal Accountants for fiscal years 2020 and 2019 were PricewaterhouseCoopers S.A. The audit fees for each of the audit of the years ended December 31, 2020 and 2019 were $0.3 million and $0.2 million, respectively.

Audit-Related Fees

There were no audit-related fees billed in 2020 and 2019.

Tax Fees

There were no tax fees billed in 2020 and 2019.

Other Fees

There were no other fees billed in 2020 and 2019.

Audit Committee

The Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of the independent auditors. As part of this responsibility, the Audit Committee pre-approves the audit and non-audit services performed by the independent auditors in order to assure that they do not impair the auditors' independence from Navios Partners. The Audit Committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors may be pre-approved.

The Audit Committee separately pre-approved all engagements and fees paid to our principal accountant in 2020.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Units by the Issuer and Affiliated Purchasers

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50.0 million of the Company's common units over a two year period. Common unit repurchases were made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program were determined by Navios Partners' management based upon market conditions and other factors. Repurchases were made pursuant to a program adopted under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The program did not require any minimum repurchase or any specific number of common units and could have been suspended or reinstated at any time in Navios Partners' discretion and without notice. Repurchases were subject to restrictions under Navios Partners' credit facilities. As of March 29, 2021, Navios Partners repurchased and cancelled 312,952 common units, for a total cost of approximately $4.5 million. There were no repurchases during the year ended December 31, 2020, and the program has expired in January 2021. The Company may in the future enact new repurchase programs if the Board of Directors deems it advisable for the Company.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Pursuant to an exception for foreign private issuers, we are not required to comply with the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, we have voluntarily adopted all of the NYSE required practices, except we do not have (i) a nominating/governance committee consisting of independent directors or (ii) a nominating/governance committee charter specifying the purpose and responsibilities of the nominating/governance committee. Instead, all nomination/governance decisions, other than those nominating decisions dictated by our Partnership Agreement, are currently made by a majority of our independent board members.

Item 16H. Mine Safety Disclosures

Not applicable.

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The financial information required by this Item together with the related report of PricewaterhouseCoopers S.A., Independent Registered Public Accounting Firm, thereon is filed as part of this annual report on Pages F-1 through F-41.

Item 19. Exhibits

1.1	Certificate of Limited Partnership of Navios Maritime Partners L.P.(1)
1.2	Fourth Amended and Restated Agreement of Limited Partnership of Navios Maritime Partners L.P.(43)
1.3	Certificate of Formation of Navios GP L.L.C.(1)

1.4	Limited Liability Company Agreement of Navios GP L.L.C.[1]
1.5	Certificate of Formation of Navios Maritime Operating L.L.C.[1]
1.6	Amended and Restated Limited Liability Company Agreement of Navios GP L.L.C.[1]
1.7	Limited Liability Company Agreement of Navios Maritime Operating L.L.C.[1]
2.1	Description of the rights of each class of securities registered under Section 12 of the Exchange Act*
4.1	Omnibus Agreement, among Navios Maritime Holdings Inc., Navios GP L.L.C., Navios Maritime Operating L.L.C. and Navios Maritime Partners L.P.[1]
4.2	Management Agreement with Navios ShipManagement Inc.[1]
4.3	Administrative Services Agreement with Navios Shipmanagement Inc.[1]
4.4	Form of First Contribution and Conveyance Agreement[1]
4.5	Form of Second Contribution and Conveyance Agreement[1]
4.6	Form of Share Purchase Agreement for Navios TBN I[1]
4.7	Form of Share Purchase Agreement for Navios TBN II[1]
4.8	Revolving Credit and Term Loan Facility Agreement[2]
4.9	Common Unit Purchase Agreement between Navios Maritime Partners L.P. and Amadeus Maritime S.A.[1]
4.10	Share Purchase Agreement for Navios Hope[3]
4.11	Registration Rights Agreement[3]
4.12	Supplemental Agreement, dated June 12, 2008, to the Facility Agreement[4]
4.13	Supplemental Agreement, dated January 30, 2009, to the Facility Agreement[5]
4.14	Amendment to Omnibus Agreement, dated as of June 29, 2009, relating to the Omnibus Agreement[6]
4.15	Amendment to Share Purchase Agreement, dated as of June 29, 2009, between Anemos Holdings and Navios Maritime Partners L.P. relating to the Share Purchase Agreement[6]
4.16	Waiver to Right of First Refusal and Corporate Opportunities Agreement, dated June 29, 2009, by Navios Maritime Partners L.P.[7]
4.17	Amendment to Management Agreement, dated October 29, 2009, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. relating to the Management Agreement[7]

4.18	Amendment No. 2 to Management Agreement, dated October 29, 2009, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. relating to the Management Agreement, dated October 21, 2011[8]
4.19	Amendment No. 3, dated October 30, 2013, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[9]
4.20	Amendment No. 4, dated August 29, 2014, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[11]
4.21	Amendment No. 5, dated February 10, 2015, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[13]
4.22	Amendment No. 6, dated May 4, 2015, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[16]
4.23	Amendment No. 7 to Management Agreement dated February 4, 2016, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007 [17].
4.24	Amendment No. 8, dated November 14, 2017, to the Management Agreement, dated October 21, 2011, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[22]
4.25	Amendment No. 9 dated August 28, 2019, to the Management Agreement, dated November 16, 2007 between Navios Maritime Partners L.P. and Navios ShipManagement Inc. [25].
4.26	Amendment No. 10, dated December 13, 2019, to the Management Agreement dated November 16, 2007, between Navios Maritime Partners L.P and Navios ShipManagement Inc. [31]
4.27	Amendment No. 1 to Administrative Services Agreement with Navios Maritime Holdings Inc., dated October 21, 2011[8]
4.28	Amendment No. 2 to Administrative Services Agreement, dated November 14, 2017, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. [22]
4.29	Amendment No. 3 to Administrative Services Agreement, dated August 28, 2019, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[25].
4.30	Acquisition Omnibus Agreement[10]
4.31	Navios Midstream Omnibus Agreement[14]
4.32	Registration Rights Agreement, dated February 4, 2015[12]
4.33	Continuous Offering Program Sales Agreement, dated November 18, 2016[18]
4.34	Amendment No. 1 to Continuous Offering Program Sales Agreement, dated June 2, 2017, with S. Goldman Capital LLC[20]
4.35	Amendment No. 2 to Continuous Offering Program Sales Agreement, dated August 3, 2020, with S. Goldman Capital LLC[32]
4.36	Credit Agreement for $405.0 million term loan, dated as of March 14, 2017, among Navios Maritime Partners L.P. and Navios Partners Finance (US) Inc., JP Morgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, S. Goldman Advisors LLC, DVB Capital Markets LLC, ABN AMRO Capital USA LLC, Credit Agricole Corporate Investment Bank, Clarkson Platou Securities, Inc. and the several Lenders from time to time party thereto[19]
4.37	Omnibus Agreement, effective as of June 8, 2017, among Navios Maritime Acquisition Corporation, Navios Maritime Holdings Inc., Navios Maritime Partners L.P., Navios Maritime Midstream Partners L.P., Navios Maritime Containers Inc. and Navios Partners Containers Finance Inc.[21]

4.38	Loan Agreement for a $32.0 million term loan, dated June 26, 2017, among Finian Navigation Co., Casual ShipHolding Co., BNP Paribas and the Banks and Financial Institutions listed therein(21)
4.39	Deed of Accession, Amendment, Release and Restatement, dated April 9, 2019, relating to the Loan Agreement, dated June 26, 2017, by and among Casual Shipholding Co., Wave Shipping Corp. and Ammos Shipping Corp., Navios Maritime Partners L.P., Navios Maritime Operating L.L.C., Navios ShipManagement Inc., and BNP Paribas and BNP Paribas (Suisse) SA(26).
4.40	[Reserved]
4.41	Loan Agreement, dated March 26, 2018, by and among Goldie Services Company and Seymour Trading Limited; Nordea Bank AB (Publ), Filial I. Norge Skandinaviska Enskilda Banken AB (Publ) and NIBC Bank N.V.(23)
4.42	Loan Agreement, dated December 28, 2018, relating to a $28.5 million term loan facility, by and among Velvet Shipping Corporation, Golem Navigation Limited, Coasters Ventures Ltd., the Banks and Financial Institutions listed in Schedule 1 therein, NIBC Bank N.V., and NIBC Bank N.V. (24)
4.43	Facility Agreement, dated February 12, 2019, by and among Kohylia ShipManagement S.A., Floral Marine Ltd., Ianthe Maritime S.A., Customized Development S.A., Navios Maritime Partners L.P., DVB Bank SE. (24)
4.44	Facility Agreement, dated April 5, 2019, by and among Joy Shipping Corporation, Avery Shipping Corporation and DNB Bank ASA(26).
4.45	Facility Agreement, dated July 04, 2019, by and among Chilali Corp., Surf Maritime Co., Pandora Marine Inc., Micaela Shipping Corporation and Credit Agricole Corporate Investment Bank(27).
4.46	Facility Agreement, dated September 26, 2019, by and among Alegria Shipping Corporation, Andromeda Shiptrade Limited, Aurora Shipping Enterprises ltd., Beryl Shipping Corporation, Cheryl Shipping Corporation, Christal Shipping Corporation, Hyperion Enterprises Inc., kymata Shipping Co., Orbiter Shipping Corp., Pearl Shipping Corporation, Rubina Shipping Corporation, Seymour Trading Limited, Topaz Shipping Corporation, Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee and the Banks and Institutions listed therein(28).
4.47	Facility Agreement, dated December 12, 2019, by and among Oceanus Shipping Corporation, Cronus Shipping Corporation, Leto Shipping Corporation, Dionysus Shipping Corporation, Prometheus Shipping Corporation, and ABN Amro Bank N.V. as agent and security trustee and the Banks and Institutions listed therein(29).
4.48	Form of Amended and Restated Facility Agreement, dated December 16, 2019, by Camelia Shipping Inc., Amaryllis Shipping Inc., Azalea Shipping Inc., Anthos Shipping Inc., and Dory Funding DAC as agent and security trustee and the Banks and Institutions listed therein(29).
4.49	Bareboat Charter and Memorandum of Agreement, dated December 12, 2018, among Seven Shipping S.A. and Shichifuki Gumi Co., Ltd., being subsidiaries of Itochu Corporation, and Perigiali Navigation Limited, being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Beaufiks(30).
4.50	Bareboat Charter and Memorandum of Agreement, dated April 5, 2019, among Hinode Kaiun Co., Ltd., Mansei Kaiun Co., Ltd., and Sunmarine Maritime S.A., being subsidiaries of Itochu Corporation, and Casual Shipholding Co., being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Sol(30).
4.51	Bareboat Charter and Memorandum of Agreement, dated June 7, 2019, among Tachibana Kaiun Co., Ltd. and Sakae Shipping S.A., being subsidiaries of MC Shipping Ltd., and Sagittarius Shipping Corporation, being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Sagittarius(30).
4.52	Bareboat Charter and Memorandum of Agreement, dated July 2, 2019, between Takanawa Line Inc., being a subsidiary of Itochu Corporation, and Finian Navigation Co., being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Ace(30).
4.53	Bareboat Charter and Memorandum of Agreement, dated December 10, 2018, between Sansha Shipping S.A., being a subsidiary of Itochu Corporation, and Fantastiks Shipping Corporation, being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Fantastiks(30).
4.54	Facility Agreement, dated June 25, 2020, by and among Cronus Shipping Corporation, Dionysus Shipping Corporation, Oceanus Shipping Corporation, and Prometheus Shipping Corporation, as borrowers, and Hellenic Bank Public Company Limited, as lender, arranger, agent, account bank and security trustee(33)
4.55	Facility Agreement, dated June 26, 2020, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein(33)
4.56	Facility Agreement, dated September 28, 2020, by and among Emery Shipping Corporation and Rondine Management Corp., as borrowers, and Crédit Agricole

	Corporate and Investment Bank, as lender, arranger, agent, account bank and security trustee(33)
4.57	Supplemental Agreement, dated July 2, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein(33)
4.58	Second Supplemental Agreement, dated September 30, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein(33)
4.59	Agreement and Plan of Merger, dated December 31, 2020, by and among Navios Maritime Partners L.P., NMM Merger Sub LLC, Navios Maritime Containers L.P. and Navios Maritime Containers GP LLC(15)
4.60	Facility Agreement, for a term loan facility, dated March 23,2021, by and among Emery Shipping Corporation, Mandora Shipping Ltd., Rondine Management Corp. and Solagne Shipping Ltd. as borrowers and Credit Agricole Corporate and Investment Bank as lender, arranger, agent and account bank trustee*
8.1	List of Subsidiaries of Navios Maritime Partners L.P.*
12.1	Section 302 Certification of Chief Executive Officer*
12.2	Section 302 Certification of Chief Financial Officer*
13.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer (furnished herewith)*
15.1	Consent of PricewaterhouseCoopers S.A.*
15.2	Consent of Ernst & Young (Hellas) Certified Auditors Accountants S.A*
15.3	Consolidated Financial Statements of Navios Maritime Containers LP for the years ended December 31, 2020, December 31, 2019, and December 31, 2018*
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, formatted in inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets at December 31, 2020 and 2019; (ii) Consolidated Statements of Operations for each of the years ended December 31, 2020, 2019 and 2018; (iii) Consolidated Statements of Cash Flows for each of the years ended December 31, 2020, 2019 and 2018; (iv) Consolidated Statements of Changes in Partners' Capital for each of the years ended December 31, 2020, 2019 and 2018; and (v) the Notes to the Consolidated Financial Statements.
104	Cover page interactive data file (formatted as inline XBRL and contained in Exhibit 101)

(1) Previously filed as an exhibit to the Company's Registration Statement on Form F-1, as amended (File No. 333-146972) as filed with the SEC and hereby incorporated by reference to the Annual Report.

(2) Previously filed as an exhibit to a Report on Form 6-K filed on November 26, 2007 and hereby incorporated by reference.

(3) Previously filed as an exhibit to a Report on Form 6-K filed on July 2, 2008 and hereby incorporated by reference.

(4) Previously filed as an exhibit to a Report on Form 6-K filed on July 10, 2008 and hereby incorporated by reference.

(5) Previously filed as an exhibit to a Report on Form 6-K filed on February 25, 2009 and hereby incorporated by reference.

(6) Previously filed as an exhibit to a Report on Form 6-K filed on July 14, 2009 and hereby incorporated by reference.

(7) Previously filed as an exhibit to a Report on Form 6-K filed on October 30, 2009 and hereby incorporated by reference.

(8) Previously filed as an exhibit to a Report on Form 6-K filed on October 24, 2011 and hereby incorporated by reference.

(9) Previously filed as an exhibit to a Report on Form 6-K filed on November 7, 2013 and hereby incorporated by reference.

(10) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2012 filed on March 15, 2013 and hereby incorporated by reference.

(11) Previously filed as an exhibit to a Report on Form 6-K filed on October 30, 2014 and hereby incorporated by reference.

(12) Previously filed as an exhibit to a Report on Form 6-K filed on February 12, 2015 and hereby incorporated by reference.

(13) Previously filed as an exhibit to a Report on Form 6-K filed on February 17, 2015 and hereby incorporated by reference.

(14) Previously filed as an exhibit to a Report on Form F-1/A for Navios Maritime Midstream Partners L.P. filed on October 22, 2014 and hereby incorporated by reference.

(15) Previously filed as an exhibit to a Report on Form 6-K filed on January 4, 2021 and hereby incorporated by reference.

(16) Previously filed as an exhibit to a Report on Form 6-K filed on May 5, 2015 and hereby incorporated by reference.

(17) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2015 filed on March 29, 2016 and hereby incorporated by reference.

(18) Previously filed as an exhibit to a Report on Form 6-K filed on November 23, 2016 and hereby incorporated by reference.

(19) Previously filed as an exhibit to a Report on Form 6-K filed on May 25, 2017 and hereby incorporated by reference.

(20) Previously filed as an exhibit to a Report on Form 6-K filed on June 14, 2017 and hereby incorporated by reference.

(21) Previously filed as an exhibit to a Report on Form 6-K filed on August 1, 2017 and hereby incorporated by reference.

(22) Previously filed as an exhibit to a Report on Form 6-K filed on February 5, 2018 and hereby incorporated by reference.

(23) Previously filed as an exhibit to a Report on Form 6-K filed on May 21, 2018 and hereby incorporated by reference.

(24) Previously filed as an exhibit to a the Company's Annual Report on Form 20-F for the year ended December 31, 2018 filed on April 9, 2019 and hereby incorporated by reference.

(25) Previously filed as an exhibit to a Report on Form 6-K filed on September 11, 2019 and hereby incorporated by reference.

(26) Previously filed as an exhibit to a Report on Form 6-K filed on April 11, 2019 and hereby incorporated by reference.

(27) Previously filed as an exhibit to a Report on Form 6-K filed on August 8, 2019 and hereby incorporated by reference.

(28) Previously filed as an exhibit to a Report on Form 6-K filed on November 25, 2019 and hereby incorporated by reference.

(29) Previously filed as an exhibit to a Report on Form 6-K filed on January 13, 2020 and hereby incorporated by reference.

(30) Previously filed as an exhibit to a Report on Form 6-K filed on November 29, 2019 and hereby incorporated by reference.

(31) Previously filed as an exhibit to the Company’s Annual Report on Form 20-F for the year ended December 31, 2019 filed on April 1, 2020 and hereby incorporated by reference.

(32) Previously filed as an exhibit to a Report on Form 6-K filed on August 5, 2020 and hereby incorporated by reference.

(33) Previously filed as an exhibit to a Report on Form 6-K filed on November 18, 2020 and hereby incorporated by reference.

* Filed herewith.

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Report of Independent Registered Public Accounting Firm
To the Partners and Board of Directors of Navios Maritime Partners L.P.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Navios Maritime Partners L.P. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Annual Report on Internal Control over Financial Reporting" appearing under Item 15 B. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment Assessment – Long Lived Assets

As disclosed in Note 2 and 6 to the consolidated financial statements, the carrying value of the Company's vessels was approximately $1.04 billion, net of current year impairment losses of $71.6 million as of December 31, 2020. Management reviews periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. If any such indication exists, management determines the undiscounted projected net operating cash flows for each vessel and compares it to the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel and the carrying value of the related intangible assets, if applicable. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis includes determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates for the first year and ten-year average historical one-year time charter rates for the remaining period) over the remaining economic life of each vessel, net of brokerage and address commissions excluding days of scheduled off-hires, management fees as determined by the Management Agreement in effect until December 2024 and thereafter assuming an annual increase of 3.0% every second year and a utilization rate of 98.6% based on the fleet's historical performance. Where the undiscounted projected net operating cash flows do not exceed the carrying value of an asset group, management proceeds to perform step two of the impairment assessment. Management's assessment concluded that the step two of the impairment analysis was required for certain vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. In step two of the impairment assessment, management determines the fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations from independent ship brokers performed on an individual vessel basis. The significant factors and assumptions used by management in determining fair value of vessels included those in developing the projected net operating cash flows over the remaining economic life of each vessel and the discount rate.

The principal considerations for our determination that performing procedures relating to the impairment assessment – long lived assets is a critical audit matter are (i) the significant judgment by management to determine the projected net operating cash flows over the remaining economic life of each vessel and the discount rate; (ii) a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating management's significant assumptions related to the estimated daily time charter equivalent for the unfixed days and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's vessel impairment assessment. These procedures also included, among others, (i) evaluating the appropriateness of the methods utilized by management; (ii) testing management's process for estimating the undiscounted value of the Company's fleet; (iii) testing management's process for determining the fair value of the fleet; (iv) testing the completeness, accuracy and relevance of underlying data used in the analysis; and (v) evaluating the significant assumptions used by management related to estimated daily time charter equivalent for unfixed days and the discount rate. Evaluating management's assumptions related to the estimated daily time charter equivalent for unfixed days and the discount rate involved evaluating whether the assumptions used by management were reasonable considering (i) historical average time charter rates of the vessels; and (ii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management's cash flow models, evaluating the reasonableness of the estimated daily time charter equivalent for unfixed days and developing an independent estimate of the discount rate.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece

March 31, 2021

We have served as the Company's auditor since 2007.

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. Dollars except unit data)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 19,303	$ 23,354
Restricted cash	3	11,425	7,048
Accounts receivable, net	4	16,969	11,291
Amounts due from related parties	17	5,000	19,108
Prepaid expenses and other current assets	5	8,083	10,463
Notes receivable	18	—	4,726
Total current assets		**60,780**	**75,990**
Vessels, net	6	1,041,138	1,062,258
Other long-term assets	15	18,850	8,165
Deferred dry dock and special survey costs, net		37,045	26,469
Investment in affiliates	19	26,158	25,725
Loans receivable from affiliates	17	—	16,192
Intangible assets	7	2,000	3,166
Amounts due from related parties	17	—	13,757
Notes receivable, net of current portion	18	8,013	7,554
Operating lease assets	22	13,285	14,241
Total non-current assets		**1,146,489**	**1,177,527**
Total assets		**$ 1,207,269**	**$ 1,253,517**
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable	8	$ 6,299	$ 8,473
Accrued expenses	9	4,781	5,987
Deferred revenue	18	3,185	4,497
Operating lease liabilities, current portion	22	1,173	1,047
Amounts due to related parties	17	35,979	—
Current portion of financial liabilities, net	10	6,277	5,814
Current portion of long-term debt, net	10	195,558	53,966
Total current liabilities		**253,252**	**79,784**
Operating lease liabilities, net	22	11,980	13,154
Long-term financial liabilities, net	10	56,481	82,794
Long-term debt, net	10	228,541	346,454
Deferred revenue	18	2,185	3,312
Total non-current liabilities		**299,187**	**445,714**
Total liabilities		**$ 552,439**	**$ 525,498**
Commitments and contingencies	15	—	—
Partners' capital:			
Common Unitholders (11,345,187 and 10,987,679 units issued and outstanding at December 31, 2020 and December 31, 2019, respectively)	12	652,013	723,720
General Partner (237,822 and 230,524 units issued and outstanding at December 31, 2020 and December 31, 2019, respectively)	12	2,817	4,299
Total partners' capital		**654,830**	**728,019**
Total liabilities and partners' capital		**$ 1,207,269**	**$ 1,253,517**

See notes to the consolidated financial statements

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

	Notes	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Time charter and voyage revenues	13,17,18	$ 226,771	$ 219,379	$ 231,361
Time charter and voyage expenses	2	(11,028)	(12,331)	(10,024)
Direct vessel expenses	2	(10,337)	(6,985)	(6,180)
Vessel operating expenses (management fees entirely through related parties transactions)	17	(93,732)	(68,188)	(68,871)
General and administrative expenses	17	(24,012)	(20,984)	(18,458)
Depreciation and amortization	6,7	(56,050)	(53,255)	(58,334)
Vessels impairment loss	6	(71,577)	(36,680)	(44,344)
Interest expense and finance cost, net	10	(24,159)	(45,254)	(42,766)
Interest income	17,18,19	639	6,172	4,408
Impairment of receivable in affiliated company	17	(6,900)	—	—
Other income	21	5,055	1,053	1,554
Other expense	21	(4,344)	(4,990)	(5,384)
Equity in net earnings of affiliated companies	19	1,133	(40,071)	3,957
Net loss		**$ (68,541)**	**$ (62,134)**	**$ (13,081)**

Loss per unit (see note 20):

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Loss per unit:			
Common unit (basic and diluted)	$ (6.13)	$ (5.62)	$ (1.18)

See notes to the consolidated financial statements

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

	Notes	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
OPERATING ACTIVITIES:				
Net loss		(68,541)	$ (62,134)	$ (13,081)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	6,7	56,050	53,255	58,334
Vessels impairment loss	6	71,577	36,680	44,344
Navios Containers Impairment loss	19	—	42,603	—
Impairment of receivable in affiliated company	17	6,900	—	—
Non cash accrued interest income and amortization of deferred revenue	18	(1,588)	(12,638)	(12,522)
Allowance for credit losses	4	1,495	—	—
Loss on vessel disposal	6,21	—	—	53
Non cash accrued interest income from receivable from affiliates	17	—	(279)	(272)
Amortization of operating lease right-of-use asset	22	956	378	—
Amortization and write-off of deferred finance costs and discount		2,141	10,916	7,258
Amortization of deferred dry dock and special survey costs		10,337	6,916	6,180
Equity in net earnings of affiliated companies	19	(1,133)	(2,532)	(3,957)
Stock-based compensation	12	946	2,018	2,450
Changes in operating assets and liabilities:				
(Increase)/ decrease in accounts receivable	4	(6,495)	4,649	(315)
Decrease/ (increase) in prepaid expenses and other current assets	5	3,722	(6,262)	(952)
(Decrease)/ increase in accounts payable	8	(2,320)	2,505	1,121
Net decrease in accrued expenses	9	(1,668)	(75)	(3,776)
Net increase in amounts due to related parties	17	27,505	—	—
(Decrease)/ increase in deferred revenue		(1,310)	213	113
Decrease/ (increase) in amounts due from related parties	17	20,581	17,528	(12,332)
Payments for dry dock and special survey costs		(24,021)	(22,928)	(4,327)
Operating lease liabilities short and long-term	22	(1,048)	(418)	—
Net cash provided by operating activities		**94,086**	**70,395**	**68,319**
INVESTING ACTIVITIES:				
Net cash proceeds from sale of vessels	6	8,183	5,978	76,264
Acquisition of/ additions to vessels and favorable lease terms, net of cash acquired	6	(72,417)	(21,166)	(115,902)
Deposit for option to acquire vessel	15	(10,685)	(2,533)	(2,853)
Investment in affiliates	19	—	—	(14,460)
Repayments of notes receivable	18	4,687	4,687	4,688
Loans receivable from affiliates	17	—	(4,000)	(15,625)
Payable to affiliated company	17	(13,622)	—	—
Net cash used in investing activities		**(83,854)**	**(17,034)**	**(67,888)**
FINANCING ACTIVITIES:				
Cash distributions paid	20	(7,872)	(13,550)	(10,261)
Net proceeds from issuance of general partner units	12	47	8	805
Net proceeds from issuance of common units	12	2,231	—	33,373
Proceeds from long-term debt and financial liabilities	10	79,475	386,530	83,300
Repayment of long-term debt and financial liabilities	10	(82,672)	(448,215)	(74,881)
Payments of deferred finance costs		(1,115)	(4,688)	(1,245)
Acquisition of treasury stock	12	—	(4,499)	—
Net cash (used in)/ provided by financing activities		**(9,906)**	$ **(84,414)**	$ **31,091**
Increase/ (decrease) in cash, cash equivalents and restricted cash		**326**	**(31,053)**	**31,522**
Cash, cash equivalents and restricted cash, beginning of period		**30,402**	**61,455**	**29,933**
Cash, cash equivalents and restricted cash, end of period		**30,728**	$ **30,402**	$ **61,455**

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Supplemental disclosures of cash flow information			
Cash interest paid	$ 23,717	$ 32,869	$ 35,244
Non cash financing activities			
Stock-based compensation	$ 946	$ 2,018	$ 2,450
Accrued deferred finance costs	—	—	$ 410
Debt assumed for the acquisition of four drybulk vessels	—	$ (37,000)	—
Non cash investing activities			
Other than temporary impairment on dividend in kind	—	—	$ 560
Distribution of Navios Containers' shares	—	—	$ 4,243
Accrued interest on loan receivable from affiliates	—	$ 281	$ 327
Loans receivable from affiliates	$ (9,992)	$ (15,205)	—
Acquisition of vessels	$ 37,999	$ 96,461	—

See notes to the consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. Dollars except unit data)

	Limited Partners					
	General Partner		Common Unitholders			
	Units	**Amount**	**Units**	**Amount**	**Note Receivable**	**Total Navios Partners' Capital**
Balance, December 31, 2017	**201,086**	**$ 5,464**	**9,853,181**	**$ 791,669**	**(29,423)**	**767,710**
Cash distribution paid ($0.30 per unit — see Note 20)	—	(205)	—	(10,056)	—	(10,261)
Proceeds from public offering and issuance of common units, net of offering costs (see Note 12)	—	—	1,228,133	33,373	—	33,373
Net proceeds from issuance of general partner units (see Note 12)	25,064	714	—	—	—	714
Issuance of restricted common units (see Note 12)	3,856	91	188,970	1,620	—	1,711
Stock based compensation (see Note 12)	—	—	—	830	—	830
Distribution of Navios Containers' shares ($4.96 per unit – see Note 19)	—	—	—	(4,243)	—	(4,243)
Net loss	—	(262)	—	(12,819)	—	(13,081)
Balance, December 31, 2018	**230,006**	**$ 5,802**	**11,270,284**	**$ 800,374**	**(29,423)**	**776,753**
Cash distribution paid ($0.30 per unit — see Note 20)	—	(276)	—	(13,274)	—	(13,550)
Acquisition of treasury stock (see Note 12)	—	—	(312,952)	(4,499)	—	(4,499)
Issuance of restricted common units (see Note 12)	518	8	29,396	191	—	199
Stock based compensation (see Note 12)	—	—	—	1,827	—	1,827
Issuance of capital surplus	—	—	1,058	—	—	—
Cancellation of units	—	—	(107)	—	—	—
Settlement of Note Receivable following Navios Europe I liquidation (see Note 17)	—	—	—	—	29,423	29,423
Net loss	—	(1,235)		(60,899)		(62,134)
Balance, December 31, 2019	**230,524**	**$ 4,299**	**10,987,679**	**$ 723,720**	—	**728,019**
Cash distribution paid ($0.05 per unit — see Note 20)	—	(161)	—	(7,711)	—	(7,872)
Proceeds from public offering and issuance of units, net of offering costs (see Note 12)	7,298	47	357,508	2,231	—	2,278
Stock based compensation (see Note 12)	—	—	—	946	—	946
Net loss	—	(1,368)	—	(67,173)	—	(68,541)
Balance, December 31, 2020	**237,822**	**$ 2,817**	**11,345,187**	**$ 652,013**	—	**654,830**

See notes to the consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

NOTE 1 – DESCRIPTION OF BUSINESS

Description of business

Navios Maritime Partners L.P. (“Navios Partners” or the “Company”), is an international owner and operator of dry cargo vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands. Navios GP L.L.C., a wholly owned subsidiary of Navios Maritime Holdings Inc. (“Navios Holdings”), was also formed on that date to act as the general partner of Navios Partners. Currently, the Company’s general partner is Olympos Maritime Ltd. (the “General Partner”) and holds a 2.1% general partner interest in Navios Partners.

Navios Partners is engaged in the seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain, fertilizer and also containers, chartering its vessels under medium to longer-term charters. The operations of Navios Partners are managed by Navios Shipmanagement Inc., (the “Manager”), from its offices in Piraeus, Greece, Singapore and Monaco.

Pursuant to the initial public offering (“IPO”) on November 16, 2007, Navios Partners entered into the following agreements:

(a) a management agreement with the Manager (the “Management Agreement”), pursuant to which the Manager provides Navios Partners commercial and technical management services;

(b) an administrative services agreement with the Manager (the “Administrative Services Agreement”), pursuant to which the Manager provides Navios Partners administrative services; and

(c) an omnibus agreement with Navios Holdings (the “Omnibus Agreement”), governing, among other things, when Navios Partners and Navios Holdings may compete against each other as well as rights of first offer on certain drybulk carriers.

In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interest in Navios Partners to N Shipmanagement Acquisition Corp. and related entities, affiliated with the Company’s Chairman and Chief Executive Officer.

As of December 31, 2020, there were 11,345,187 outstanding common units and 237,822 general partnership units. As of December 31, 2020, Navios Holdings owned an 18.2% common unit interest in Navios Partners and the General Partner owned a 2.1% general partner interest in Navios Partners.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

***(a) Basis of presentation*:** The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

As of December 31, 2020, Navios Partners’ current assets totaled $60,780, while current liabilities totaled $253,252, resulting in a negative working capital position of $192,472, primarily related to balloon payments totaling $131,547 due under its credit facilities in the second and third quarters of 2021 (see Note 10 — Borrowings). During the first quarter of 2021, Navios Partners sold four vessels for approximately $32,692. Part of the proceeds where used to settle respective upcoming balloon payments due in June 2021.
In addition, Navios Partners is currently in advanced discussions with a commercial bank for a new credit facility of up to $115,000 for the refinancing of its existing facility maturing in August 2021. The new facility is expected to mature in the second quarter of 2025 and bears interest at LIBOR plus 3% per annum. This transaction is expected to close in the second quarter of 2021, however it cannot be certain that a definitive agreement will be executed or that the refinancing will be consummated in whole or in part. The Company’s vessels have an aggregate fair value significantly in excess of the outstanding debt which supports Managements’ expectations that it is probable that the Company will be able to repay the above balloon payments either through refinancing with existing or new commercial banks and other financial institutions or sale of the vessels. Furthermore, the Company has a history of successfully refinancing its existing debt requirements and sourcing new funding. Navios Partners’ cash forecast indicates that it will generate sufficient cash to make the required principal and interest payments on its indebtedness (excluding the balloon payments), provide for the normal working capital requirements of the business for a period of at least 12 months from the date of issuance of these consolidated financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Reverse Stock Split:

On April 25, 2019, the Company's unitholders approved a 1-for-15 reverse stock split of the Company's outstanding common and general partner units, which was effected on May 21, 2019. The effect of the reverse stock split was to combine each 15 shares of outstanding units into one new share, with no change in authorized shares or per value per share, and to reduce the number of common units outstanding from approximately 164.7 million units to approximately 11.0 million units. 983 common units were issued in connection with the reverse stock split. All issued and outstanding common units contained in the financial statements, in accordance with Staff Accounting Bulletin Topic 4C, have been retroactively adjusted to reflect the reverse split for all periods presented.

(b) Principles of consolidation: The accompanying consolidated financial statements include Navios Partners' wholly owned subsidiaries incorporated under the laws of Marshall Islands, Malta, and Liberia from their dates of incorporation or, for chartered-in vessels, from the dates charter-in agreements were in effect. All significant inter-company balances and transactions have been eliminated in Navios Partners' consolidated financial statements.

Navios Partners also consolidates entities that are determined to be variable interest entities (“VIE”) as defined in the accounting guidance, if it determines that it is the primary beneficiary. A VIE is defined as a legal entity where either (i) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity's residual risks and rewards, (ii) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

Subsidiaries: Subsidiaries are those entities in which Navios Partners has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies of the entity.

The accompanying consolidated financial statements include the following entities:

Company name	Vessel name	Country of incorporation	Statements of Operations 2020	2019	2018
Libra Shipping Enterprises Corporation[(1)]	Navios Libra II	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Felicity Shipping Corporation[(2)]	Navios Felicity	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Gemini Shipping Corporation[(3)]	Navios Gemini S	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Galaxy Shipping Corporation[(4)]	Navios Galaxy I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Palermo Shipping S.A.[(5)]	Navios Apollon	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fantastiks Shipping Corporation[(13)]	Navios Fantastiks	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Sagittarius Shipping Corporation[(13)]	Navios Sagittarius	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Golem Navigation Limited[(16)]	Navios Soleil	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Perigiali Navigation Limited[(13)]	Navios Beaufiks	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Finian Navigation Co. [(13)]	Navios Ace	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Ammos Shipping Corp.	Navios Prosperity I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Wave Shipping Corp.	Navios Libertas	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Casual Shipholding Co. [(13)]	Navios Sol	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Avery Shipping Company	Navios Symphony	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Coasters Ventures Ltd.	Navios Christine B	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Ianthe Maritime S.A.	Navios Aster	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fairy Shipping Corporation[(6)]	YM Utmost	Marshall Is.	—	—	1/01 – 7/02
Limestone Shipping Corporation[(6)]	YM Unity	Marshall Is.	—	—	1/01 – 7/02
Dune Shipping Corp.[(7)]	MSC Cristina	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Citrine Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Cavalli Navigation Inc.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Seymour Trading Limited	Navios Altair I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	6/07 – 12/31
Goldie Services Company	Navios Symmetry	Marshall Is.	1/01 – 12/31	1/01 – 12/31	5/21 – 12/31
Andromeda Shiptrade Limited	Navios Apollon I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	5/09 – 12/31
Esmeralda Shipping Corporation	Navios Sphera	Marshall Is.	1/01 – 12/31	1/01 – 12/31	8/31 – 12/31
Triangle Shipping Corporation	Navios Mars	Marshall Is.	1/01 – 12/31	1/01 – 12/31	8/31 – 12/31
Oceanus Shipping Corporation[(8)]	Castor N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Cronus Shipping Corporation[(8)]	Protostar N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Leto Shipping Corporation[(8)]	Esperanza N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Dionysus Shipping Corporation[(8)]	Harmony N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Prometheus Shipping Corporation[(8)]	Solar N	Marshall Is.	1/01 – 12/31	12/13 – 12/31	—
Camelia Shipping Inc.[(9)]	Navios Camelia	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Anthos Shipping Inc.[(9)]	Navios Anthos	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Azalea Shipping Inc.[(9)]	Navios Azalea	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Amaryllis Shipping Inc.[(9)]	Navios Amaryllis	Marshall Is.	1/01 – 12/31	12/16 – 12/31	—
Zaffre Shipping Corporation[(14)]	Serenitas N	Marshall Is.	6/29 – 12/31	—	—
Wenge Shipping Corporation[(14)]	Joie N	Marshall Is.	6/29 – 12/31	—	—
Sunstone Shipping Corporation[(14)]	Copernicus N	Marshall Is.	6/29 – 12/31	—	—
Fandango Shipping Corporation[(14)]	Unity N	Marshall Is.	6/29 – 12/31	—	—
Flavescent Shipping Corporation[(14)]	Odysseus N	Marshall Is.	6/29 – 12/31	—	—
Emery Shipping Corporation[(15)]	Navios Gem	Marshall Is.	9/30 – 12/31	—	—
Rondine Management Inc. [(15)]	Navios Victory	Marshall Is.	9/30 – 12/31	—	—
Bareboat Chartered-in vessels					
Cavos Navigation Co.[(10)]	Navios Libra	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Perivoia Shipmanagement Co.[(11)]	Navios TBN1	Marshall Is.	1/01 – 12/31	9/25 – 12/31	—
Pleione Management Limited[(11)]	Navios TBN2	Marshall Is.	1/01 – 12/31	9/25 – 12/31	—
Other					
Prosperity Shipping Corporation	—	Marshall Is.	—	—	—
Aldebaran Shipping Corporation	—	Marshall Is.	—	—	—
JTC Shipping and Trading Ltd.[(12)]	Holding Company	Malta	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Maritime Operating LLC.	N/A	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31

(1) The vessel was sold on December 14, 2018 (see Note 6 – Vessels, net).

(2) The vessel was sold on December 4, 2018 (see Note 6 – Vessels, net).

(3) The vessel was sold on December 21, 2017.

(4) The vessel was sold on April 23, 2019 (see Note 6 – Vessels, net).

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

(6) The vessels were sold on July 2, 2018 (see Note 6 – Vessels, net).

(7) The vessel was sold on January 12, 2017.

(8) The vessels were acquired on December 13, 2019, following the liquidation of Navios Europe I (see Note 6 – Vessels, net).

(9) The vessels were acquired on December 16, 2019 (see Note 6 – Vessels, net).

(10) The vessel was delivered on July 24, 2019 (see Note 22 – Leases).

(11) The vessels are expected to be delivered by the first half of 2021 (see Note 15 – Commitments and Contingencies).

(12) Not a vessel-owning subsidiary and only holds right to charter-in contracts.

(13) Vessels under a sale and leaseback transaction (see Note 22 – Leases).

(14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II (see Note 6– Vessels, net).

(15) The vessels were acquired on September 30, 2020, from Navios Holdings (see Note 6 – Vessels, net).

(16) The vessel was sold on December 10, 2020 (see Note 6 – Vessels, net).

Investments in Affiliates: Affiliates are entities over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but it does not exercise control. Investments in these entities are accounted for under the equity method of accounting. Under this method, the Company records an investment in the stock of an affiliate at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliates, provided that the issuance of such shares qualifies as a sale of such shares. When the Company's share of losses in an affiliate equals or exceeds its interest in the affiliate, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate.

Affiliates included in the financial statements accounted for under the equity method: In the consolidated financial statements of Navios Partners, the following entities are included as affiliates and are accounted for under the equity method for such periods: (i) Navios Containers and its subsidiaries with an ownership interest 35.7% as of December 31, 2020; (ii) Navios Europe I and its subsidiaries with an ownership interest of 5% through the date of its liquidation on December 13, 2019; and (iii) Navios Europe II and its subsidiaries with an ownership interest of 5% through the date of its liquidation on June 29, 2020 (See Note 17 — Transactions with related parties and affiliates and Note 19 – Investment in affiliates).

Navios Partners evaluates its investment in Navios Containers for other than temporary impairment ("OTTI") on a quarterly basis. Consideration is given to: (i) the length of time and the extent to which the fair value has been less than the carrying value; (ii) the financial condition and near-term prospects of Navios Containers; and (iii) the intent and ability of the Company to retain its investment in Navios Containers, for a period of time sufficient to allow for any anticipated recovery in fair value (see Note 19 — Investment in affiliates).

(c) Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets and scrap value expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, provisions for legal disputes, and contingencies and the valuation estimates inherent in the deconsolidation gain. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions. As of December 31, 2020, the impact of the COVID-19 pandemic continues to unfold and may continue to affect the Company's business, financial performance and the results of its operations, including due to decreased demand for global seaborne dry bulk and container trade and dry bulk and containership charter rates, the extent of which will depend largely on future developments. As a result, many of the Company's estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, its estimates may change in future periods.

(d) Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

***(e) Restricted Cash*:** Restricted cash, at each of December 31, 2020 and December 31, 2019, included $6,152 and $7,048, respectively, which related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Partners' credit facilities. Also, as of December 31, 2020, restricted cash included $5,273 as cash collateral to the NIBC Credit Facility, due to the release of the Navios Soleil.

(f) Accounts Receivable, Net: Accounts receivable includes receivables from charterers for hire, freight and demurrage billings. On January 1, 2020, the Company adopted Accounting Standards Update 2016-13, "Financial Instruments - Credit Losses" ("ASC 326"). At each balance sheet date, the Company maintains an allowance for credit losses for expected uncollectible accounts receivable. The amount shown as accounts receivable, net at each balance sheet date is net of an allowance for credit losses. . Navios Partners has filed claims for lost revenues in connection with the 2016 filing by Hanjin for rehabilitation, which was later followed by entry into liquidation in 2017. In October 2020, the bankruptcy court ruled against one of the two claims filed by the Company. The Company has fully provided for these amounts in its books. The allowance for credit losses as of December 31, 2020 and 2019 was $2,990 and $1,495, respectively.

(g) Inventories: Inventories, which are comprised of: (i) bunkers (when applicable) on board of the vessels, valued at cost as determined on the first-in, first-out basis; and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, valued at cost as determined on the first-in, first-out basis.

(h) Vessels, Net: Vessels are stated at historical cost, which consists of the contract price and any material expenses incurred upon acquisition (improvements and delivery expenses). Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. Subsequent expenditures for major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying Consolidated Statements of Operations.

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of the Company's drybulk and containerships based on a scrap value cost of steel times the weight of the ship noted in lightweight ton ("LWT"). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods. The management after considering current market trends for scrap rates and 10-year average historical scrap rates of the residual values of the Company's vessels, estimates scrap value at a rate of $340 per LWT.

Management estimates the useful life of the Company's vessels to be 25 and 30 years from the drybulk and containership's original construction, respectively. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

(i) Assets Held for Sale: It is the Company's policy to dispose of vessels and other fixed assets when suitable opportunities occur and not necessarily to keep them until the end of their useful life. The Company classifies assets and disposal groups as being held for sale when the following criteria are met: management has committed to a plan to sell the vessel (disposal group); the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of vessels; an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These vessels are not depreciated once they meet the criteria to be held for sale. No assets were classified as held for sale as of December 31, 2020 and 2019.

(j) Impairment of Long Lived Assets: Vessels, other fixed assets and other long lived assets held and used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Partners' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel or the carrying value of deposits for newbuildings. Within the shipping industry, vessels are customarily bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to then current market rates. The loss recognized either on impairment (or on disposition) will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

During the fourth quarter of fiscal year 2020, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' long-lived assets may exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Company determined the undiscounted projected net operating cash flows for each vessel and compared it to the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel and the carrying value of the related intangible assets, if applicable. The significant factors and assumptions the Company used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (Navios Partners' remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates for the first year and ten-year average historical one-year time charter rates for the remaining period), over the remaining economic life of each vessel, net of brokerage and address commissions, and excluding days of scheduled off-hires, management fees as determined by the Management Agreement in effect until December 2024 and thereafter assuming an increase of 3.0% every second year and utilization rate of 98.6% based on the fleet's historical performance.

Where the undiscounted projected net operating cash flows do not exceed the carrying value of an asset group, management proceeded to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determined fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations from independent ship brokers performed on an individual vessel basis. The significant factors and assumptions used by management in determining fair value of vessels included those in developing the projected net operating cash flows over the remaining economic life of each vessel and the discount rate.

As of December 31, 2020, the Company's assessment concluded that step two of the impairment analysis was required for certain of its vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $50,991 for four of its vessels, being the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 6 — Vessels, net).

As of December 31, 2019, the Company's assessment concluded that step two of the impairment analysis was required for certain of its vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $29,335 for one vessel, being the difference between the fair value and the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 6 — Vessels, net).

As of December 31, 2018, the Company's assessment concluded that step two of the impairment analysis was not required for its vessels held and used, as the undiscounted projected net operating cash flows exceeded the carrying value.

As of June 30, 2020, the Company concluded that events and circumstances triggered the existence of potential impairment of its containerships. These indicators included volatility in the charter market and market values for containerships. As a result, the Company performed step one of the impairment assessment of its containerships by comparing the undiscounted projected net operating cash flows for each vessel to its carrying value. As of June 30, 2020, the Company's assessment concluded that step two of the impairment analysis was required for three containerships held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment

loss of $6,800 for these vessels, being the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

During the years ended December 31, 2020, 2019 and 2018, an impairment loss of $13,786, $7,345 and $44,344, respectively, was also recognized in connection with the committed sales of the Navios Soleil in December 2020, the Esperanza N in January 2021, the Castor N in February 2021, the Navios Galaxy in April 2019, the YM Unity and the YM Utmost in July 2018, the Navios Felicity and the Navios Libra II in December 2018, as the carrying amount of each asset group was not recoverable and exceeded its fair value less costs to sell (see Note 6 — Vessels, net).

The total impairment loss recognized amounted to $71,577, $36,680 and $44,344 for the years ended December 31, 2020, 2019 and 2018, respectively, and was presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

(k) Deferred Drydock and Special Survey Costs: Navios Partners' vessels are subject to regularly scheduled drydocking and special surveys which are generally carried out every 30 or 60 months, depending on the vessels' ages to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. The cost of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For the years ended December 31, 2020, 2019 and 2018, the amortization expense was $10,337, $6,916 and $6,180, respectively.

(l) Deferred Finance Costs: Deferred finance costs include fees, commissions and legal expenses associated with obtaining or modifying credit facilities. Deferred finance costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related facility using the effective interest rate method, and are presented under the caption "Interest expense and finance cost, net". Amortization and write-off of deferred finance costs, including amortization of debt discount, for each of the years ended December 31, 2020, 2019 and 2018 were $2,141, $10,916 and $7,258, respectively.

(m) Intangible Assets and Liabilities: Navios Partners' intangible assets and liabilities consist of favorable lease terms and unfavorable lease terms. When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires Navios Partners to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of its vessels and its weighted average cost-of capital ("WACC"). The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on Navios Partners' financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense is included under the caption "Depreciation and amortization" in the Consolidated Statements of Operations.

The amortizable value of favorable leases would be considered impaired if its carrying value could not be recovered from the future undiscounted cash flows associated with the asset. Management, after considering various indicators, performed an impairment test which included intangible assets as described in paragraph (j) above. As of December 31, 2020, 2019 and 2018 there was no impairment of intangible assets.

(n) Foreign Currency Translation: Navios Partners' functional and reporting currency is the U.S. Dollar. Navios Partners engages in worldwide commerce with a variety of entities. Although, its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. Additionally, Navios Partners' wholly-owned vessel subsidiaries transacted a nominal amount of their operations in Euros; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the Statements of Operations. The foreign currency gains/ (losses) recognized in the accompanying Consolidated Statements of Operations under the caption "Other income" or "Other expense", for each of the years ended December 31, 2020, 2019 and 2018 were not material for any of these periods.

(o) Provisions: Navios Partners, in the ordinary course of its business, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisors, will provide for a contingent loss in the financial statements if the contingency had been incurred as of the balance sheet date and the likelihood of loss was probable and the amount of the loss can be reasonably estimated. If Navios Partners has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, Navios Partners will accrue the lower amount of the range.

Navios Partners, through the management agreement, participates in Protection and Indemnity (P&I) insurance coverage plans provided by mutual insurance societies known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums (supplementary calls) to fund operating deficits incurred by the clubs ("back calls"). Obligations for back calls are accrued annually based on information provided by the P&I clubs.

(p) Segment Reporting: Navios Partners reports financial information and evaluates its operations by charter revenues and not by the length of ship employment for its customers. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or vessel type. Management does not identify expenses, profitability or other financial information by charter type. As a result, management reviews operating results solely by revenue per day and operating results of the fleet and thus Navios Partners has determined that it operates under one reportable segment (see Note 13 – Segment information).

***(q) Revenue and Expense Recognition*:** On January 1, 2018, the Company adopted the provisions of ASC 606 "Revenue from Contracts with Customers" using the modified retrospective approach. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers control of the promised goods or services to its customers. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company's contract revenues from time chartering and pooling arrangements are governed by ASU 2016-02 (ASC 842) “Leases”. Upon adoption of ASC 606 and ASC 842, the timing and recognition of earnings from the pool arrangements and time charter contracts to which the Company is party did not change from previous practice. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease components will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. As a result of the adoption of these standards, there was no effect on the Company's retained earnings, as at January 1, 2018.

Revenue from time chartering

Revenues from time chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average lease revenue over the rental periods of such charter agreements, as service is performed. A time charter involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Short period charters for less than three months are referred to as spot-charters. Charters extending three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel. Revenue from time chartering of vessels amounted to $218,809, $204,920 and $215,877 for the years ended December 31, 2020, 2019 and 2018, respectively.

Revenue from voyage contracts

The Company's revenues earned under voyage contracts (revenues for the transportation of cargo) were previously recognized ratably over the estimated relative transit time of each voyage. A voyage was deemed to commence when a vessel was available for loading and was deemed to end upon the completion of the discharge of the current cargo. Estimated losses on voyages are provided for in full at the time such losses become evident. Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. Upon adoption of ASC 606, the Company recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of “costs to fulfill a contract” and relate directly to the contract. During 2017, no freight voyage existed and therefore, there was no impact on the Company's retained earnings as at January 1, 2018. Revenue from voyage contracts amounted to $3,754, $9,416 and $9,660 for the years ended December 31, 2020, 2019 and 2018, respectively.

Pooling arrangements

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel's age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. Revenue from vessels operating in pooling arrangements amounted to $4,208, $5,043 and $5,817 for the years ended December 31, 2020, 2019 and 2018, respectively.

Revenue from profit-sharing

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer's average daily income (calculated on a quarterly or half-yearly basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable. Profit sharing revenue for the years ended December 31, 2020, 2019 and 2018 amounted to 0, 0 and $7, respectively.

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

Deferred Revenue and Cash Received in Advance: Deferred revenue primarily relates to cash received from charterers prior to it being earned and the compensation received for the future reduction in the daily hire rates payable by Hyundai Merchant Marine Co. (“HMM”). These amounts are recognized as revenue over the voyage or charter period.

Time Charter and Voyage Expenses: Time charter and voyage expenses comprise all expenses related to each particular voyage, including time charter hire paid and voyage freight paid, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter and voyage expenses are provisions for losses on time charters and voyages in progress at year-end, direct port terminal expenses and other miscellaneous expenses. Time charter expenses are expensed over the period of the time charter and voyage expenses are recognized as incurred.

Direct Vessel Expenses: Direct vessel expenses comprise the amortization related to drydocking and special survey costs of certain vessels of Navios Partners' fleet.

Prepaid Voyage Costs: Prepaid voyage costs relate to cash paid in advance for expenses associated with voyages. These amounts are recognized as expenses over the voyage or charter period.

Vessel operating expenses (management fees): Pursuant to the amended Management Agreement, in each of October 2013, August 2014, February 2015, February 2016 and November 2017, the Manager, provided commercial and technical management services to Navios Partners' vessels for a daily fee (excluding drydocking expenses, which were reimbursed at cost by Navios Partners) of: (a) $4.23 daily rate per Ultra-Handymax vessel; (b) $4.33 daily rate per Panamax vessel; (c) $5.25 daily rate per Capesize vessel; (d) $6.70 daily rate per Containership of TEU 6,800; (e) $7.40 daily rate per Containership of more than TEU 8,000 and (f) $8.75 daily rate per very large Containership of more than TEU 13,000 through December 2019. These fixed daily fees cover the vessels' operating expenses, other than certain extraordinary fees and costs.

In August 2019, Navios Partners extended the duration of its Management Agreement with the Manager until January 1, 2025. In addition, management fees are fixed for two years commencing from January 1, 2020 at: (a) $4.35 daily per Ultra-Handymax Vessel; (b) $4.45 daily per Panamax Vessel; (c) $5.41 daily per Capesize Vessel; and (d) $6.90 daily per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships. As per the Management Agreement, as amended in December 2019, management fees are fixed for two years commencing from January 1, 2020 at $6.1 daily

per SubPanamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Drydocking expenses are reimbursed at cost for all vessels.

For the years ended December 31, 2020 and 2019 certain extraordinary fees and costs related to regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under Company's management agreement, amounted to $3,366 and $16,313, respectively, and are presented under the caption "Acquisition of/ additions to vessels and favorable lease terms, net of cash acquired" in the Consolidated Statements of Cash Flows.

Total vessel operating expenses for each of the years ended December 31, 2020, 2019 and 2018 amounted to $93,732, $68,188 and $68,871, respectively.

General and Administrative Expenses: Pursuant to the Administrative Services Agreement dated November 16, 2007, the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager pursuant to the same terms, until December 31, 2022. In August 2019, Navios Partners extended the duration of its existing administrative services agreement with the Manager until January 1, 2025, which provide for allocable general and administrative costs.

Total general and administrative expenses charged by the Manager for each of the years ended December 31, 2020, 2019 and 2018 amounted to $13,708, $10,406 and $9,344, respectively.

(r) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, trade receivables and payables, other receivables and other liabilities long-term debt and financial liabilities. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

Financial Risk Management: Navios Partners' activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, fuel prices, credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

Credit risk: Navios Partners closely monitors its credit exposure to customers and counter-parties for credit risk. Navios Partners has entered into the management agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to Navios Partners. When negotiating on behalf of Navios Partners' various vessel employment contracts, the Manager has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history.

Financial instruments that potentially subject Navios Partners to concentrations of credit risk are accounts receivable and cash and cash equivalents. Navios Partners does not believe its exposure to credit risk is likely to have a material adverse effect on its financial position, results of operations or cash flows.

For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of the Company's total revenues. For the year ended December 31, 2019 HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of the Company's total revenues. For the year ended December 31, 2018, HMM represented approximately 24.5% of total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

Liquidity Risk: Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Navios Partners monitors cash balances appropriately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statements of Operations.

(s) Cash Distribution: As per the Partnership Agreement, within 45 days following the end of each quarter, to the extent and as may be declared by the Board, an amount equal to 100% of Available Cash with respect to such quarter shall be distributed to the partners as of the record date selected by the Board of Directors.

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

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

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

Cash distributions are recorded in the Company's financial statements in the period in which they are declared. Navios Partners paid $7,872, $13,550 and $10,261 to its unitholders of common and general partner units during the years ended December 31, 2020, 2019 and 2018, respectively.

Maintenance and Replacement Capital Expenditures**:** Maintenance and replacement capital expenditures are those capital expenditures required to maintain over the long-term the operating capacity of or the revenue generated by Navios Partners' capital assets, and expansion capital expenditures are those capital expenditures that increase the operating capacity of or the revenue generated by the capital assets. To the extent, however, that capital expenditures associated with acquiring a new vessel increase the revenues or the operating capacity of the Company's fleet, those capital expenditures would be classified as expansion capital expenditures. As of December 31, 2020, 2019 and 2018, maintenance and replacement capital expenditures reserve approved by the Board of Directors was $36,455, $29,039 and $26,787, respectively.

(t) ***Stock-based compensation:*** In February 2019, December 2019 and December 2018, Navios Partners granted restricted common units to its directors and officers, which are based solely on service conditions and vest over four years each, respectively. The fair value of restricted common units is determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. The effect of compensation expense arising from the restricted common units described above amounted to $946, $2,018 and $2,450 for the years ended December 31, 2020, 2019 and 2018, respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2020, 2019 and 2018. As of December 31, 2020, 285,763 restricted common units were vested, cumulatively.

(u) ***Income Taxes:*** The Company is a Marshall Islands Corporation. Pursuant to various treaties and the United States Internal Revenue Code, the Company believes that substantially all its operations are exempt from income taxes in the Marshall Islands and the United States of America. Under the laws of Marshall Islands, Malta and Liberia, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes which have been included in vessel operating expenses in the accompanying Consolidated Statements of Operations.

(v) ***(Loss)/Earnings Per Unit:*** Basic (losses)/earnings per unit is computed by dividing net (loss)/income attributable to Navios Partners common unitholders by the weighted average number of common units outstanding during the periods presented. Diluted earnings per unit reflect the potential dilution that would occur if securities or other contracts to issue common units were exercised or converted. Diluted earnings per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units.

(w) ***Guarantees:*** An asset for the fair value of a right undertaken in issuing the guarantee is recognized. The recognition of fair value is not required for certain guarantees such as the parent's guarantee of a subsidiary's debt to a third party or guarantees on product warranties. For those guarantees excluded from the above guidance requiring the fair value recognition of the asset, financial statement disclosures of their terms are made.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into an agreement (the "Navios Holdings Guarantee") by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20,000. In October 2020, Navios Holdings paid an amount of $5,000 to Navios Partners. As of December 31, 2020 and 2019, the outstanding claim receivable amounted to $5,000 and $10,000, respectively. The final settlement of the amount from Navios Holdings will take place at specific date, in accordance with a signed letter of agreement between the parties. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets as of December 31, 2020.

(x) ***Leases:*** Vessel leases where Navios Partners is regarded as the lessor are classified as either operating leases or sales type/ direct financing leases, based on an assessment of the terms of the lease.

For charters classified as finance leases the minimum lease payments are recorded as the gross investment in the lease. The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease. For charters classified as operating leases where Navios Partners is regarded as the lessor,(see Note 2(q) — Summary of Significant Accounting Policies).

In cases of lease agreements where the Company acts as the lessee, the Company recognizes a right-of-use asset and a corresponding lease liability on the consolidated balance sheet. For finance leases, interest expense is determined using the effective interest method and amortization on the right-of-use asset is recognized on a straight line basis over the lease term. For charters classified as operating leases, lease expense is recognized on a straight line basis over the rental periods of such charter agreements, by adding interest expense to the amortization of the right-of-use asset. The expense is included in the caption "Time charter and voyage expenses" in the consolidated statement of Operations.

In cases of sale and leaseback transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and leaseback and is accounted for as a financing transaction. For a sale to have occurred, the control of the asset would need to be transferred to the buyer, and the buyer would need to obtain substantially all the benefits from the use of the asset.

Operating lease assets used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest. If step two of the impairment analysis is required, the analysis includes the use of the discounted cash flow which comprises various assumptions, including the Company's WACC.

During the fourth quarter of fiscal year 2020, management concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' operating lease assets might exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations As a result, an impairment assessment of operating lease assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for each chartered-in vessel and compared it to operating lease asset's carrying value together with the carrying value of deposits for the option to acquire a vessel including expenses and interest. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on three-year average historical time charter rates) over the remaining lease term, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat chartered-in vessels), management fees for vessel operating expenses in accordance with the terms of management agreement (assuming an annual increase of 3.0% every second year for the bareboat chartered-in vessels).

As of December 31, 2020 and 2019, the Company's impairment assessments indicated that the undiscounted projected net operating cash flows determined for each asset group exceeded their carrying value. The impairment assessments performed as of December 31, 2020 and 2019 did not result in impairment charges.

(y) ***Financial Instruments and Fair Value:*** Guidance on Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to guidance on Fair Value Measurements.

(z) ***Recent Accounting Pronouncements:***

In March 2020, the FASB issued ASU 2020-4, "Reference Rate Reform (Topic 848)" ("ASU 2020-4"), which provides optional guidance, intended to ease the potential burden in accounting for the expected discontinuation of LIBOR as a reference rate in the financial markets. The guidance can be applied to modifications made to certain contracts to replace LIBOR with a new reference rate. The guidance, if elected, will permit entities to treat such modifications as the continuation of the original contract, without any required accounting reassessments or remeasurements. The ASU 2020-4 was effective for the Company beginning on March 12, 2020 and the Company will apply the amendments prospectively through December 31, 2022. There was no impact to the Company's consolidated financial statements as a result of adopting this standard update. Currently, the Company has various contracts that reference LIBOR and is assessing how this standard may be applied to specific contract modifications.

In October 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-17, Consolidation (Topic 810): "Targeted Improvements to Related Party Guidance for Variable Interest Entities" ("ASU 2018-17"). ASU 2018-17 provides that indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. This is consistent with how indirect interests held through related parties under common control are considered for determining whether a reporting entity must consolidate a VIE. For public business entities the amendments were effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption was permitted. The Company has adopted this standard update as of January 1, 2020. The adoption of this new accounting guidance did not have a material effect on the Company's consolidated financial statements.

In August 2018, FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement". This update modifies the disclosure requirements on fair value measurements. ASU 2018-13 was effective for fiscal years beginning after December 15, 2019, and earlier adoption was permitted. The Company has adopted this standard update as of January 1, 2020. The adoption of this new accounting guidance did not have a material effect on the Company's consolidated financial statements.

In June 2016, FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This ASU amends the accounting for credit losses on available-for-sale debt securities, purchased financial assets with credit deterioration and clarifies that impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, Leases. In addition, these amendments require the measurement of all expected credit losses for financial assets, including trade accounts receivable, held at the reporting date based on historical experience, current conditions, and current expectations of future economic conditions based on reasonable and supportable forecasts. The Company has adopted this standard update as of January 1, 2020. This new guidance did not have a material impact on the Company's consolidated financial statements, as the majority of its Accounts receivable, net relates to receivables arising from operating leases and are scoped out of the new standard.

The Company has assessed all the expected credit losses of its financial assets and the adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 19,303	$ 23,354
Restricted cash	11,425	7,048
Total cash and cash equivalents and restricted cash	**$ 30,728**	**$ 30,402**

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.

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

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net

Accounts receivable consisted of the following:

	December 31, 2020	December 31, 2019
Accounts receivable	$ 19,959	$ 12,786
Less: Provision for credit losses	(2,990)	(1,495)
Accounts receivable, net	**$ 16,969**	**$ 11,291**

Charges to provisions for doubtful accounts are summarized as follows:

Allowance for credit losses	Balance at beginning of period	Charges to costs and expenses	Amount utilized	Balance at end of period

Year ended December 31, 2020	$ (1,495)	$ (1,495)	$ —	$ (2,990)
Year ended December 31, 2019	$ (1,495)	$ —	$ —	$ (1,495)
Year ended December 31, 2018	$ (1,495)	$ —	$ —	$ (1,495)

Concentration of credit risk with respect to accounts receivable is limited due to the Company's large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. For the year ended December 31, 2020, three customers accounted for 23.4%, 19.5% and 11.4%, respectively, of the Company's total revenues. For the year ended December 31, 2019, three customers accounted for 25.9%, 12.3% and 10.9%, respectively, of the Company's total revenues and for the year ended December 31, 2018, one customer accounted for 24.5% of the Company's revenue.

NOTE 5 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31, 2020	December 31, 2019
Prepaid voyage costs	$ 284	$ 338
Inventories	6,267	6,281
Claims receivable	633	2,939
Other	899	905
Total prepaid expenses and other current assets	**$ 8,083**	**$ 10,463**

Inventories, which are comprised of bunkers, lubricants and stores remaining on board as of December 31, 2020, are valued at cost as determined on the first-in, first-out basis.

Claims receivable mainly represent claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts.

NOTE 6 – VESSELS, NET

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2017	**$ 1,420,078**	**$ (321,063)**	**$ 1,099,015**
Additions	115,902	(54,585)	61,317
Disposals	(76,264)	—	(76,264)
Vessels impairment loss	(99,485)	58,667	(40,818)
Balance December 31, 2018	**$ 1,360,231**	**$ (316,981)**	**$ 1,043,250**
Additions	113,391	(52,088)	61,303
Disposals	(5,696)	81	(5,615)
Vessels impairment loss	(97,170)	60,490	(36,680)
Balance December 31, 2019	**$ 1,370,756**	**$ (308,498)**	**$ 1,062,258**
Additions	110,416	(54,884)	55,532
Disposals	(5,233)	158	(5,075)
Vessels impairment loss	(161,199)	89,622	(71,577)
Balance December 31, 2020	**$ 1,314,740**	**$ (273,602)**	**$ 1,041,138**

During the years ended December 31, 2020 and 2019, certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, amounted to $3,366 and $16,313, respectively (see Note 17 — Transactions with related parties and affiliates).

Acquisition of Vessels

2020

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51,000 (see Note 17 — Transactions with related parties and affiliates).

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of $56,050 in total, following the liquidation of Navios Europe II (see Note 17 — Transactions with related parties and affiliates).

2019

On December 16, 2019, Navios Partners acquired four drybulk vessels, from an entity affiliated with the Company's Chairman and CEO, for a fair value of $40,379, in total, through bank financing of $37,000 (see Note 17 — Transactions with related parties and affiliates).

On December 13, 2019, Navios Partners acquired three Sub-Panamax and two Panamax Containerships for a fair value of $56,083, in total, following the liquidation of Navios Europe I (see Note 17 — Transactions with related parties and affiliates).

2018

On August 31, 2018, Navios Partners acquired from its affiliate, Navios Holdings, the Navios Sphera, a 2016-built Panamax vessel of 84,872 dwt and the Navios Mars, a 2016-built Capesize vessel of 181,259 dwt, for an acquisition cost $79,000, in total.

On June 7, 2018, Navios Partners acquired from an unrelated third party the Navios Altair I, a 2006-built Panamax vessel of 74,475 dwt, for an acquisition cost of $11,842.

On May 21, 2018, Navios Partners acquired from an unrelated third party the Navios Symmetry, a 2006-built Panamax vessel of 74,381 dwt, for an acquisition cost of $11,811.

On May 9, 2018, Navios Partners acquired from an unrelated third party the Navios Apollon I, a 2005-built Panamax vessel of 87,052 dwt, for an acquisition cost of $13,446.

Sale of Vessels

2020

On December 10, 2020, Navios Partners sold the Navios Soleil to an unrelated third party for a net sale price of $8,183. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry dock and special survey cost of $3,108, amounted to $18,163 as at the date of sale. Following the impairment loss of $9,980, recognized as of December 31, 2020, no loss on sale occurred upon the sale of the vessel.

2019

On April 23, 2019, Navios Partners sold the Navios Galaxy I to an unrelated third party, for a net sale price of $5,978. Following the impairment loss of $7,345 recognized as of March 31, 2019, no loss on sale occurred upon the sale of the vessel.

2018

On December 14, 2018, Navios Partners sold the Navios Libra II to an unrelated third party, for a net sale price of $4,559. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry dock and special survey cost of $657, amounted to $5,784 as at the date of sale.

On December 4, 2018, Navios Partners sold the Navios Felicity to an unrelated third party, for a net sale price of $4,705. The aggregate net carrying amount of the vessels, including the remaining carrying balance of dry dock and special survey cost of $818, amounted to $10,016 as at the date of sale. The loss on sale of the vessel was $53.

On July 2, 2018, Navios Partners sold the YM Unity and the YM Utmost to its affiliate, Navios Containers, for a total sale price of $67,000. The aggregate net carrying amount of the vessels, including the remaining carrying balance of dry dock and special survey costs of $2,104, amounted to $104,860 as at the date of sale.

Vessels impairment loss

2020

In November 2020, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Castor N for a net sale price of $8,869. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of December 31, 2020. As of December 31, 2020, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $2,026 has been recognized under the caption “Vessels impairment loss” in the Consolidated Statements of Operations as of December 31, 2020.

In October 2020, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Esperanza N for a net sale price of $4,559. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of December 31, 2020. As of September 30, 2020, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $1,780 has been recognized under the caption “Vessels impairment loss” in the Consolidated Statements of Operations as of December 31, 2020. The vessel was sold on January 13, 2021.

2019

On March 21, 2019, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Navios Galaxy I for a net sale price of $5,978. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of March 31, 2019. As of March 31, 2019, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $7,345 has been recognized under the caption “Vessels impairment loss” in the Consolidated Statements of Operations as of December 31, 2019. The vessel was sold on April 23, 2019.

2018

On October 25, 2018, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Navios Libra II for a net sale price of $4,559. The Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $1,226 was recognized under the caption “Vessels impairment loss” in the Consolidated Statements of Operations as of December 31, 2018. The vessel was sold on December 14, 2018.

On October 2, 2018, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Navios Felicity for a net sale price of $4,705. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of September 30, 2018. As of September 30, 2018, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $5,258 has been recognized under the caption “Vessels impairment loss” in the Consolidated Statements of Operations as of December 31, 2018. The vessel was sold on December 4, 2018.

On April 27, 2018, Navios Partners agreed to sell the YM Unity and the YM Utmost to its affiliate, Navios Containers, for a total sale price of $67,000. As of June 30, 2018, the vessels had been classified as held for sale as the relevant criteria for the classification were met and, therefore, they were presented in the Consolidated Balance Sheets at their fair value totaling $67,000. An impairment loss of $37,860 for the vessels held for sale was presented under the caption “Vessels impairment loss” in the Consolidated Statements of Operations as of December 31, 2018. The vessels were sold on July 2, 2018, and proceeds from the sale were used to partially repay an amount of $20,200 of the DVB Credit Facility (see Note 10 — Borrowings).

NOTE 7 – INTANGIBLE ASSETS

Intangible assets

Intangible assets as of December 31, 2020, December 31, 2019 and December 31, 2018 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Favorable lease terms December 31, 2017	**$ 83,716**	**(75,636)**	**8,080**
Additions	—	(3,748)	(3,748)
Favorable lease terms December 31, 2018	**$ 83,716**	**$ (79,384)**	**$ 4,332**
Additions	—	(1,166)	(1,166)
Favorable lease terms December 31, 2019	**$ 83,716**	**$ (80,550)**	**$ 3,166**
Additions	—	(1,166)	(1,166)
Favorable lease terms December 31, 2020	**$ 83,716**	**$ (81,716)**	**$ 2,000**

Amortization expense of favorable lease terms for each of the years ended December 31, 2020, 2019 and 2018 is presented in the following table:

	Year Ended		
	December 31, 2020	December 31, 2019	December 31, 2018
Favorable lease terms	$ (1,166)	$ (1,166)	$ (3,748)
Total	**$ (1,166)**	**$ (1,166)**	**$ (3,748)**

The aggregate amortization of the intangibles for the years ended December 31, 2021 and 2022 is estimated to be as follows:

Year	Amount
2021	$ 1,166
2022	834
Total	**$ 2,000**

Intangible assets subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. The weighted average useful lives are 11.8 years for the remaining favorable lease terms, at inception.

NOTE 8 – ACCOUNTS PAYABLE

Accounts payable as of December 31, 2020 and 2019 consisted of the following:

	December 31, 2020	December 31, 2019
Creditors	$ 2,684	$ 4,578
Brokers	2,786	2,328
Professional and legal fees	829	1,567
Total accounts payable	**$ 6,299**	**$ 8,473**

NOTE 9 – ACCRUED EXPENSES

Accrued expenses as of December 31, 2020 and 2019 consisted of the following:

	December 31, 2020	December 31, 2019
Accrued voyage expenses	$ 1,436	$ 51
Accrued loan interest	1,738	3,285
Accrued legal and professional fees	1,607	2,651
Total accrued expenses	**$ 4,781**	**$ 5,987**

As of December 31, 2020 and December 31, 2019 the amount of $630 and $720, respectively, was included in accrued legal and professional fees that was authorized and approved by the Compensation Committee of Navios Partners in December 2020 and 2019 to the directors and officers of the Company, subject to fulfillment of certain service conditions that were provided and completed as of December 31, 2020, and as of December 31, 2019, respectively. The total amount of $4,970, $4,645 and $3,985 was recorded in general and administrative expenses in the statements of operations for the years ended December 31, 2020, 2019 and 2018, respectively, comprised of compensation authorized to the directors and officers of the Company.

NOTE 10 – BORROWINGS

Borrowings

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

	December 31, 2020	December 31, 2019
Credit facilities	$ 427,287	$ 404,280
Financial liabilities	63,882	90,086

Total borrowings	**$**	**491,169**	**$**	**494,366**
Less: Current portion of long-term borrowings, net		(201,835)		(59,780)
Less: Deferred finance costs, net		(4,312)		(5,338)
Long-term borrowings, net	**$**	**285,022**	**$**	**429,248**

As of December 31, 2020, the total borrowings, net of deferred finance costs under the Navios Partners' credit facilities were $486,857.

Term Loan B Facility: In June 2013, Navios Partners completed the issuance of the $250,000 Term Loan B Facility. On October 31, 2013 and November 1, 2013, Navios Partners completed the issuance of an $189,500 add-on to its existing Term Loan B Facility.

On March 14, 2017, Navios Partners completed the issuance of a new $405,000 Term Loan B Facility. The new Term Loan B Facility bore an interest rate of LIBOR plus 500 bps, it was set to mature on September 14, 2020 and was repayable in equal quarterly installments of 1.25% of the initial principal amount. Navios Partners used the net proceeds of the Term Loan B Facility to: (i) refinance the existing Term Loan B Facility; and (ii) pay fees and expenses related to the Term Loan B. On August 10, 2017, Navios Partners completed the issuance of a $53,000 add-on to its existing Term Loan B Facility. The add-on to the Term Loan B Facility bore the same terms as the Term Loan B Facility. Navios Partners used the net proceeds to partially finance the acquisition of three vessels.

During the year ended December 31, 2018, four drybulk vessels were released from security of the Term Loan B Facility and in exchange, five drybulk vessels and $2,000 in cash substituted the released vessels, as collateral to the Term Loan B Facility. In April and May 2019, Navios Partners prepaid $73,478 and released five vessels from the collateral package of the Term Loan B Facility. In August 2019, Navios Partners prepaid $85,500 and released five vessels from the collateral package of the Term Loan B Facility. On October 10, 2019, Navios Partners fully prepaid the Term Loan B Credit Facility's outstanding balance of $253.8 million initially repayable on September 14, 2020. Following these prepayments, an amount of $1,973 and $4,101 was written off from the deferred fees and discount presented under the caption “Interest expense and finance costs” in the Consolidated Statement of Operations.

BNP Credit Facility: On June 26, 2017, Navios Partners entered into a new credit facility with BNP PARIBAS (the “BNP Credit Facility”) of up to $32,000 (divided into two tranches) in order to partially finance the acquisition of the Navios Ace and the Navios Sol. On June 28, 2017, the first tranche of BNP Credit Facility of $17,000 was drawn. On July 18, 2017, the second tranche of BNP Credit Facility of $15,000 was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the first tranche in the amount of $15,070. Following this repayment, an amount of $117 was written-off from the deferred finance fees. On April 9, 2019, Navios Partners amended the existing BNP Credit Facility, in order to refinance two vessels and replace the existing collateral under the BNP Credit Facility. As of December 31, 2020, the outstanding balance of the BNP Credit Facility was $8,515 and is repayable in three equal consecutive quarterly installments of $569 each, with a final balloon payment of $6,808 to be repaid on the last repayment date. The facility matures in the third quarter of 2021 and bears interest at LIBOR plus 300 bps per annum.

DVB Credit Facilities: On June 28, 2017, Navios Partners entered into a new credit facility with DVB Bank S.E. (the "DVB $39m Credit Facility") of up to $39,000 (divided into four tranches) in order to refinance the Commerzbank/DVB Credit Facility dated July 2012 and an additional amount of $7,000 to partially finance the acquisition of the Navios Prosperity I. The amounts of $7,000 and $32,000 were drawn on June 30, 2017 and November 3, 2017, respectively. On July 2, 2018, Navios Partners repaid the outstanding balance of the three tranches in the amount of $20,200. Following this repayment, an amount of $209 was written-off from the deferred finance fees. On April 15, 2019, Navios Partners fully repaid the outstanding balance of $12,250. Following this repayment, an amount of $94 was written-off from the deferred finance fees.

On July 31, 2018, Navios Partners entered into a new credit facility with DVB Bank S.E. (the “DVB $44m Credit Facility”) of up to $44,000 (divided into two tranches) in order to finance the acquisition of the Navios Sphera and the Navios Mars. The amounts of $17,500 and $26,500 were drawn on August 30, 2018. As of December 31, 2020, the total outstanding balance of the DVB $44m Credit Facility was $36,823 and is repayable in 11 equal consecutive quarterly installments of $798 each, with a final balloon payment of $28,050 to be repaid on the last repayment date. The facility matures in the third quarter of 2023 and bears interest at LIBOR plus 290 bps per annum.

On February 12, 2019, Navios Partners entered into a new credit facility with DVB Bank S.E. (the “DVB $66m Credit Facility”) of up to $66,000 (divided into four tranches) in order to refinance the DVB Credit Facility dated June 28, 2017 and three Capesize vessels previously included in the Term Loan B collateral package. On April 15, 2019, Navios Partners drew the two tranches of $15,675 each. On October 10, 2019, Navios Partners drew the two additional tranches of $14,820 each. As of December 31, 2020, the total outstanding balance of the four tranches of the DVB $66m Credit Facility was $49,797 and is repayable in two quarterly installments of $2,243 each and 12 quarterly installments of $1,859 each, with a final balloon payment of $23,001, to be repaid on the last repayment date. The facility matures in the first quarter of 2024 and bears interest at LIBOR plus 260 bps per annum.

Nordea/Skandinaviska Enskilda/NIBC Credit Facility: On March 26, 2018, Navios Partners entered into a new credit facility with Nordea Bank AB, Skandinaviska Enskilda BanKen AB and NIBC Bank N.V. (the “Nordea Credit Facility”) of up to $14,300 (divided into two tranches) in order to partially finance the acquisition of the Navios Symmetry and the Navios Altair I. On May 18, 2018, the first tranche of the Nordea Credit Facility of $7,150 was drawn. On June 1, 2018 the second tranche of the March 2018 Credit Facility of $7,150 was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the second tranche in the amount of $6,554. Following this repayment, an amount of $95 was written-off from the deferred finance fees. As of December 31, 2020, the outstanding balance of the Nordea Credit Facility was $4,170 and is repayable in ten equal consecutive quarterly installments of $298 each, with a final balloon payment of $1,190 to be repaid on the last repayment date. The facility matures in the second quarter of 2023 and bears interest at LIBOR plus 300 bps per annum.

NIBC Credit Facility: On December 28, 2018, Navios Partners entered into a new credit facility with NIBC Bank N.V. (the “NIBC Credit Facility”) of up to $28,500 (divided into three tranches) in order to refinance three Ultra-Handymax vessels, previously included in the Term Loan B collateral package. On May 8, 2019, the first tranche of the NIBC Credit Facility of $11,915 was drawn. On October 10, 2019, the two remaining tranches of the NIBC Credit Facility of $13,475 in total were drawn. As of December 31, 2020, the outstanding balance of the NIBC Credit Facility was $21,878 and is repayable in 12 consecutive quarterly installments of $751 each, with a final balloon payment of $12,862 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 275 bps per annum. As of December 31, 2020, one Ultra-Handymax vessel was released from security of the NIBC Credit Facility and in exchange, $5,273 in cash substituted the released vessel, as collateral to the NIBC Credit Facility.

DNB Credit Facility: On April 5, 2019, Navios Partners entered into a new credit facility with DNB Bank ASA (the “DNB Credit Facility”) of up to $40,000 (divided into two tranches) in order to refinance two Capesize vessels, previously included in the Term Loan B collateral package. On

October 10, 2019, the two tranches of the DNB Credit Facility of $34,350 were drawn. As of December 31, 2020, the outstanding balance of the DNB Credit Facility was $30,530 and is repayable in 14 consecutive quarterly installments of $955 each, with a final balloon payment of $17,160 to be repaid on the last repayment date. The facility matures in the second quarter of 2024 and bears interest at LIBOR plus 275 bps per annum.

CACIB Credit Facilities: On July 4, 2019, Navios Partners entered into a new credit facility with Credit Agricole Corporate and Investment Bank ("CACIB"), (the "CACIB $52.8m Credit Facility") of up to $52,800 (divided into four tranches) in order to refinance three Capesize vessels and one Panamax vessel, previously included in the Term Loan B collateral package. In August 2019, the three tranches of the CACIB Credit Facility of $36,516, in total were drawn. In October 2019, the fourth tranche of the CACIB Credit Facility of $16,284 was drawn. As of December 31, 2020, the total outstanding balance of the CACIB $52.8m Credit Facility was $43,350 and is repayable in nine consecutive six-month installments of $3,150, with a final balloon payment of $15,000 to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 275 bps per annum.

On September 28, 2020, the Company entered into a new credit facility with Credit Agricole Corporate and Investment Bank ("CACIB"), (the "CACIB $33.0m Credit Facility") of up to $33,000 in order to finance the acquisition of the two drybulk vessels acquired from Navios Maritime Holdings. As of December 31, 2020, the total outstanding balance of the CACIB $33.0m Credit Facility was $32,150 and is repayable in 19 consecutive quarterly installments of $850 with a final balloon payment of $16,000 to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 325 bps per annum up to maturity date.

HCOB Credit Facility: On September 26, 2019, Navios Partners entered into a new credit facility with Hamburg Commercial Bank AG (the "HCOB Credit Facility") of up to $140,000 in order to refinance eight drybulk vessels and five Containerships, previously included in the Term Loan B collateral package. On October 10, 2019, the amount of $140,000 of HCOB Credit Facility was drawn. As of December 31, 2020, the outstanding balance of the HCOB Credit Facility was $118,500 and is repayable in four consecutive quarterly installments of $5,375 each, with a final balloon payment of $97,000 to be repaid on the last repayment date. The facility matures in the third quarter of 2021 and bears interest at LIBOR plus 320 bps per annum.

ABN Credit Facilities: On December 12, 2019, the Company entered into a new credit facility with ABN Amro Bank N.V. (the "ABN $23.5m Credit Facility") of up to $23,500 in order to finance the acquisition of the five container vessels from Navios Europe I which had subsequently been refinanced from Hellenic Bank Public Company Limited in June 2020. On September 30, 2020, the Company entered into a second supplemental agreement with ABN Amro Bank N.V., to extend the terms of the then outstanding balance. As of December 31, 2020, the outstanding balance of the ABN $23.5m Credit Facility was $3,369 and is repayable in two consecutive quarterly installments of $173 with a final balloon payment of $3,024 to be repaid on the last repayment date. The facility matures in the second quarter of 2021 and bears interest at LIBOR plus 400 bps per annum up to February 28, 2021 and 600 bps per annum up to maturity date (see Note 23 — Subsequent Events).

On June 26, 2020, the Company entered into a new credit facility with ABN Amro Bank N.V. (the "ABN $32.2m Credit Facility") of up to $32,200 in order to finance the acquisition of the five drybulk vessels acquired from Navios Europe II. As of December 31, 2020, the total outstanding balance of the ABN $32.2m Credit Facility was $27,095 and is repayable in two consecutive quarterly installments of $1,190, with a final balloon payment of $24,715 to be repaid on the last repayment date. The facility matures in the second quarter of 2021 and bears interest at LIBOR plus 400 bps per annum up to December 31, 2020 and 425 bps per annum up to maturity date.

DORY Credit Facility: On December 16, 2019, the Company entered into a credit facility with Dory Funding DAC (the "Dory Credit Facility") of up to $37,000 in order to finance the acquisition of four drybulk vessels. As of December 31, 2020, the total outstanding balance of the Dory Credit Facility was $35,150 and is repayable in six consecutive quarterly installments of $925, with a final balloon payment of $29,600 to be repaid on the last repayment date. The facility matures in the third quarter of 2022 and bears interest at LIBOR plus 475 bps per annum for the first twelve-month period after the utilization date, 600 bps for the following twelve-month period and 700 bps for the period commencing 24 months after the utilization date through the termination date.

Hellenic Bank Credit Facility: On June 25, 2020, the Company entered into a new credit facility with Hellenic Bank Public Company Limited (the "Hellenic Credit Facility") in order to partially refinance the ABN $23.5m Credit Facility, relating to four of the containerships acquired from Navios Europe I, of up to $17,000. As of December 31, 2020, the total outstanding balance was $15,960 and is repayable in two consecutive quarterly installments of $520 and ten consecutive quarterly installments of $660, with a final balloon payment of $8,320 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 350 bps per annum (see Note 23 — Subsequent Events).

Amounts drawn under the credit facilities are secured by first preferred mortgages on certain Navios Partners' vessels and other collateral and are guaranteed by the respective vessel-owning subsidiaries. The credit facilities contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners' vessels; changing the commercial and technical management of Navios Partners' vessels; selling or changing the beneficial ownership or control of Navios Partners' vessels; not maintaining Navios Holdings' (or its affiliates) ownership in Navios Partners of at least 15.0%; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the management agreement.

The credit facilities require compliance with a number of financial covenants, including: (i) maintain a required security amount ranging over 120% to 140%; (ii) minimum free consolidated liquidity in an amount equal to at least $0.5 million to $0.65 million per owned vessel; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company's credit facilities) ranging of less than 0.75; and (v) maintain a minimum net worth to $135,000.

It is an event of default under the credit facilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

As of December 31, 2020, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities.

Financial Liabilities

In December 2018, the Company entered into two sale and leaseback agreements of $25,000 in total, with unrelated third parties for the Navios Fantastiks and the Navios Beaufiks. Navios Partners has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreements as a financial liability. Navios Partners is obligated to make 69 and 60 consecutive monthly payments, respectively, of approximately $161 and $155 each, respectively, commencing as of December 2018. As of December 31, 2020, the outstanding balance under the sale and leaseback agreements of the Navios Fantastiks and the Navios Beaufiks was $20,790 in total. The agreements mature in the third quarter of 2024 and fourth quarter of 2023, respectively, with a purchase obligation of $6,300 per vessel on the last repayment date.

On April 5, 2019, the Company entered into a new sale and leaseback agreement of $20,000, with unrelated third parties for the Navios Sol, a 2009-built Capesize vessel of 180,274 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On April 11, 2019, the amount of $20,000 was drawn. Navios Partners is obligated to make 120 consecutive monthly payments of approximately $190 each, commencing as of April 2019. As of December 31, 2020, the outstanding balance under the sale and leaseback agreement of the Navios Sol was $18,056. The agreement matures in the second quarter of 2029, with a purchase obligation of $6,300 on the last repayment date.

On June 7, 2019, the Company entered into a new sale and leaseback agreement of $7,500, with unrelated third parties for the Navios Sagittarius, a 2006-built Panamax vessel of 75,756 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2019, the amount of $7,500 was drawn. Navios Partners is obligated to make 36 consecutive monthly payments of approximately $178 each, commencing as of June 2019. As of December 31, 2020, the outstanding balance under the sale and leaseback agreement of the Navios Sagittarius was $4,716. The agreement matures in the second quarter of 2022, with a purchase obligation of $2,000 on the last repayment date.

On July 2, 2019, the Company entered into a new sale and leaseback agreement of $22,000, with unrelated third parties for the Navios Ace, a 2011-built Capesize vessel of 179,016 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On July 24, 2019, the amount of $22,000 was drawn. Navios Partners is obligated to make 132 consecutive monthly payments of approximately $198 each, commencing as of July 2019. As of December 31, 2020, the outstanding balance under the sale and leaseback agreement of the Navios Ace was $20,320. The agreement matures in the third quarter of 2030, with a purchase obligation of $6,300 on the last repayment date.

The Financial Liabilities have no financial covenants.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Partners outstanding as of December 31, 2020, based on the repayment schedules of the respective credit facilities and financial liabilities (as described above).

Year		Amount
2021	$	203,593
2022		69,300
2023		88,008
2024		65,471
2025 and thereafter		64,797
Total	**$**	**491,169**

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

The carrying value amounts of many of Navios Partners' financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and amounts due to related parties approximate their fair value due primarily to the short-term maturity of the related instruments.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Restricted Cash: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Amounts due from related parties, short-term: The carrying amount of due from related parties, short-term reported in the Consolidated Balance Sheets approximates its fair value due to the short-term nature of these receivables.

Loans receivable from affiliates: The carrying amount of the fixed rate loan approximates its fair value.

Notes receivable, net of current portion: The carrying amount of the fixed rate notes receivable approximates its fair value.

Amounts due to related parties, short-term: The carrying amount of due to related parties, short-term reported in the Consolidated Balance Sheets approximates its fair value due to the short-term nature of these payables.

Long-term borrowings, net: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred finance costs.

The estimated fair values of the Navios Partners' financial instruments are as follows:

	December 31, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 19,303	$ 19,303	$ 23,354	$ 23,354

Restricted cash	$ 11,425	$ 11,425	$ 7,048	$ 7,048
Amounts due from related parties, short-term	$ 5,000	$ 5,000	$ 19,108	$ 19,108
Loans receivable from affiliates	—	—	$ 16,192	$ 16,192
Amounts due from related parties, long-term	—	—	$ 13,757	$ 13,757
Amounts due to related parties, short-term	$ (35,979)	$ (35,979)	—	—
Notes receivable, net of current portion	$ 8,013	$ 8,013	$ 7,554	$ 7,554
Long-term borrowings, net	$ (486,857)	$ (491,169)	$ (489,028)	$ (494,366)

Fair Value Measurements

The estimated fair value of the Company’s financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level III inputs as of December 31, 2020 and December 31, 2019.

	Fair Value Measurements as at December 31, 2020			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 19,303	$ 19,303	—	—
Restricted cash	$ 11,425	$ 11,425	—	—
Amounts due from related parties, short-term	$ 5,000	—	$ 5,000	—
Notes receivable, net of current portion[2]	$ 8,013	—	$ 8,013	—
Amounts due to related parties, short-term	$ (35,979)	—	$ (35,979)	—
Long-term borrowings, net [1]	$ (491,169)	—	$ (491,169)	—

	Fair Value Measurements as at December 31, 2019			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 23,354	$ 23,354	—	—
Restricted cash	$ 7,048	$ 7,048	—	—
Amounts due from related parties, short-term	$ 19,108	—	$ 19,108	—
Loans receivable from affiliates	$ 16,192	—	$ 16,192	—
Amounts due from related parties, long-term	$ 13,757	—	$ 13,757	—
Notes receivable, net of current portion[2]	$ 7,554	—	$ 7,554	—
Long-term borrowings, net[1]	$ (494,366)	—	$ (494,366)	—

The following table sets forth the Company’s 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 at December 31, 2020			
	Total	Level I	Level II	Level III
Vessels, net	$ 62,789	$ 13,428	$ 49,361	—

	Fair Value Measurements as at December 31, 2019			
	Total	Level I	Level II	Level III
Vessels, net	$ 23,100	—	$ 23,100	—

(1) The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account its creditworthiness.

(2) The fair value is estimated based on currently available information on the Company's counterparty with similar contract terms, interest rate and remaining maturities.

NOTE 12 – ISSUANCE OF UNITS

On November 18, 2016, Navios Partners entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to $25,000. An amended Sales Agreement was entered into on August 3, 2020. As of December 31, 2020, since the commencement of the amended Sales Agreement, Navios Partners has issued 357,508 units and received net proceeds of $2,231. Pursuant to the issuance of the common units, Navios Partners issued 7,298 general partnership units to its general partner in order to maintain its 2.0% general partner interest. The net proceeds from the issuance of the general partnership units were $47.

On April 25, 2019, Navios Partners announced that its Board of Directors had approved 1-for-15 reverse stock split of its issued and outstanding shares of common units and general partner units. The reverse stock split was effective on May 21, 2019 and the common units commenced trading on such date on a split adjusted basis.

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50,000 of the Company's common units over a two year period. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in Navios Partners' discretion and without notice. The Board of Directors will review the program periodically.

Repurchases are subject to restrictions under Navios Partners' credit facilities. As of December 31, 2020, Navios Partners had repurchased and cancelled 312,952 common units on a split adjusted basis, for a total cost of approximately $4,499.

In December 2019, Navios Partners authorized the granting of 4,000 restricted common units, which were issued on December 18, 2019, to its directors and officers, which are based solely on service conditions and vest over four years. The effect of compensation expense arising from the restricted common units described above amounted to $35 and $0 for the years ended December 31, 2020 and December 31, 2019, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the year ended December 31, 2020.

In February 2019, Navios Partners authorized the granting of 25,396 restricted common units, which were issued on February 1, 2019, to its directors and officers, which are based solely on service conditions and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Navios Partners also issued 518 general partnership units to its general partner for net proceeds of $8. The effect of compensation expense arising from the restricted common units described above for the years ended December 31, 2020 and 2019, amounted to $116 and to $190 respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations.

In December 2018, Navios Partners authorized the granting of 97,633 restricted common units, which were issued on December 24, 2018, to its directors and officers, which are based solely on service conditions and vest over four years. Navios Partners also issued 1,993 general partnership units to its general partner for net proceeds of $27. The effect of compensation expense arising from the restricted common units described above amounted to $348, $669 and $20 for the years ended December 31, 2020, 2019 and 2018 respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2020 and 2019.

In December 2017, Navios Partners authorized the granting of 91,336 restricted common units, which were issued on January 11, 2018, to its directors and officers, which are based solely on service conditions and vest over four years. The fair value of the restricted common units was determined by reference to the quoted common unit price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized when it is probable that the performance criteria will be met based on a graded expense model over the vesting period. Navios Partners also issued 1,864 general partnership units to its general partner for net proceeds of $64. The effect of compensation expense arising from the restricted common units described above amounted to $447, $833 and $1,600 for the years ended December 31, 2020, 2019 and 2018, respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2020, 2019 and 2018.

The effect of compensation expense arising from the restricted common units granted in December 2016, amounted to $325 for the year ended December 31, 2019 and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations.

As of December 31, 2020, the estimated compensation cost relating to service conditions of non-vested restricted common units granted in 2017, 2018 and 2019 not yet recognized was $579.

Restricted common units outstanding and not vested were 92,699 units, on a split adjusted basis, as of December 31, 2020.

On February 21, 2018, Navios Partners completed a public offering of 1,228,133 on a split adjusted basis common units at $28.50 per unit and raised gross proceeds of approximately $35,002. The net proceeds of this offering, including the underwriting discount and the offering costs of $1,629 in total, were approximately $33,373. Pursuant to this offering, Navios Partners issued 25,064 general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were $714.

As of December 31, 2020, Navios Holdings owned 18.2% common unit interest in Navios Partners and the General Partner owned 2.1% general partner interest in Navios Partners.

NOTE 13 – SEGMENT INFORMATION

Navios Partners reports financial information and evaluates its operations by charter revenues. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or by sector. As a result, management reviews operating results solely by revenue per day and operating results of the fleet and thus Navios Partners has determined that it operates under one reportable segment.

The following table sets out operating revenue by geographic region for Navios Partners' reportable segment. Revenue is allocated on the basis of the geographic region in which the customer is located. Drybulk and containerships operate worldwide. Revenues from specific geographic region, which contribute over 10% of total revenue, are disclosed separately.

Revenue by Geographic Region

Vessels operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries.

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Asia	$ 136,515	$ 119,344	$ 120,660
Europe	71,531	95,542	86,633
North America	18,576	3,118	17,862
Australia	149	1,375	6,206
Total	**$ 226,771**	**$ 219,379**	**$ 231,361**

NOTE 14 – INCOME TAXES

Marshall Islands, Malta and Liberia do not impose a tax on international shipping income. Under the laws of Marshall Islands, Malta and Liberia, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes, which have been included in vessel operating expenses in the accompanying Consolidated Statements of Operations.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece are subject to duties towards the Greek state, which are calculated on the basis of the relevant vessel's tonnage.

The payment of said duties exhausts the tax liability of the foreign ship owning company and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel.

Pursuant to Section 883 of the Internal Revenue Code of the United States, U.S. source income from the international operation of ships is generally exempt from U.S. income tax if the company operating the ships meets certain incorporation and ownership requirements. Among other things, in order to qualify for this exemption, the company operating the ships must be incorporated in a country, which grants an equivalent exemption from income taxes to U.S. corporations. All the vessel-owning subsidiaries satisfy these initial criteria.

In addition, these companies must meet an ownership test. The management of Navios Partners believes that this ownership test was satisfied prior to the IPO by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company. Although not free from doubt, management also believes that the ownership test will be satisfied based on the trading volume and ownership of Navios Partners' units, but no assurance can be given that this will remain so in the future.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies

Navios Partners is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where Navios Partners believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. Management believes the ultimate disposition of these matters will be immaterial individually and in the aggregate to Navios Partners' financial position, results of operations or liquidity.

In November 2017, Navios Partners agreed to charter-in, under a ten-year bareboat contract, from an unrelated third party, the Navios Libra, a newbuilding Panamax vessel of 82,011 dwt, delivered on July 24, 2019. Navios Partners had agreed to pay in total $5,540, representing a deposit for the option to acquire the vessel after the end of the fourth year, of which the first half amounted to $2,770 was paid during the year ended December 31, 2017 and the second half amounted to $2,770 was paid during the year ended December 31, 2018. As of December 31, 2020, the total amount of $6,650, including refundable upon vessel’s redelivery expenses, is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

On October 18, 2019, Navios Partners agreed to charter-in two newbuilding Panamax vessels. Each vessel has approximately 81,000 dwt and is being bareboat chartered-in for ten years. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charter. Navios Partners has agreed to pay in total $12,328, representing a deposit for the option to acquire the vessels after the end of the fourth year, of which $1,434 was paid during the year ended December 31, 2019, $10,034 was paid during the year ended December 31, 2020, and the remaining amount of $860 will be paid upon the delivery of the vessels. As of December 31, 2020, the total amount of $12,200, including expenses, is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets. The vessels are expected to be delivered by the first half of 2021.

As of December 31, 2020, the Company's future minimum lease commitments under the Company's charter-in contracts, are as follows:

Year		Amount
2021	$	4,525
2022		6,629
2023		6,577
2024		6,496
2025		6,388
2026 and thereafter		30,184
Total	**$**	**60,799**

NOTE 16 – FUTURE MINIMUM CONTRACTUAL REVENUE

Future minimum contractual revenue

The future minimum contractual lease income (charter-out rates are presented net of commissions and assume no off-hires days) as of December 31, 2020, is as follows:

Year		Amount
2021	$	115,671
2022		75,451
2023		55,123
2024		38,582
2025 and thereafter		151,734
Total	**$**	**436,561**

NOTE 17 – TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

Vessel operating expenses (management fees): Pursuant to the amended management agreement, in each of October 2013, August 2014, February 2015, February 2016 and November 2017 (the “Management Agreement”), the Manager, provided commercial and technical management services to Navios Partners’ vessels for a daily fee (excluding drydocking expenses, which were reimbursed at cost by Navios Partners) of: (a) $4.23 daily rate per Ultra-Handymax vessel; (b) $4.33 daily rate per Panamax vessel; (c) $5.25 daily rate per Capesize vessel; (d) $6.70 daily rate per Containership of TEU 6,800; (e) $7.40 daily rate per Containership of more than TEU 8,000 and (f) $8.75 daily rate per very large Containership of more than TEU 13,000 through December 2019. These fixed daily fees cover the vessels’ operating expenses, other than certain extraordinary fees and costs.

In August 2019, Navios Partners extended the duration of its Management Agreement with the Manager until January 1, 2025. In addition, management fees are fixed for two years commencing from January 1, 2020 at: (a) $4.35 daily per Ultra-Handymax Vessel; (b) $4.45 daily per Panamax Vessel; (c) $5.41 daily per Capesize Vessel; and (d) $6.90 daily per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships. As per the Management Agreement, as amended in December 2019, management fees are fixed for two years commencing from January 1, 2020 at $6.1 daily per Sub-Panamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2020 and 2019 certain extraordinary fees and costs related to regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under Company's Management Agreement, amounted to $3,366 and $16,313, respectively, and are presented under the caption "Acquisition of/ additions to vessels and favorable lease terms, net of cash acquired" in the Consolidated Statements of Cash Flows.

Total vessel operating expenses for each of the years ended December 31, 2020, 2019 and 2018 amounted to $93,732, $68,188 and $68,871, respectively.

General and administrative expenses: Pursuant to the Administrative Services Agreement, the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager, until December 31, 2022. In August 2019, Navios Partners extended the duration of its existing administrative services agreement with the Manager until January 1, 2025, which provide for allocable general and administrative costs.

Total general and administrative expenses charged by the Manager for each of the years ended December 31, 2020, 2019 and 2018 amounted to $13,708, $10,406 and $9,344, respectively.

Balance due from related parties (excluding Navios Europe II): Balance due from related parties as of December 31, 2020 and December 31, 2019 amounted to $5,000 and $25,582, respectively, of which for the year ended December 31, 2019, the current receivable was $11,825 and the long-term receivable was $13,757. The balance as of December 31, 2020, consisted of the receivable from the Navios Holdings Guarantee of $5,000.

Balance due to related parties: Balance due to related parties, short-term as of December 31, 2020 and December 31, 2019 amounted to $35,979 and $0, respectively, and mainly consisted of payables to the Manager.

Balance due from Navios Europe I: Navios Holdings, Navios Acquisition and Navios Partners had made available to Navios Europe I revolving loans up to $24,100 to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the amount of funds available under the Navios Revolving Loans I was increased by $30,000. In February 2019, Navios Partners was required to fund the amount of $4,000 under Navios Europe I's Revolving Loan (see Note 19 — Investment in Affiliates).

On November 22, 2019, an agreement was reached to liquidate Navios Europe I before its original expiring date. On November 26, 2019 a Share Purchase Agreement was entered between Navios Europe Inc. and Navios Maritime Operating LLC (a wholly owned subsidiary of Navios Partners). The transaction was completed on December 13, 2019.

As a result of the Europe I Liquidation, Navios Partners acquired 100% of the stock of the five vessels owning Companies owning the containerships of Navios Europe I with a fair value of $56,083 and working capital balances of $14,440 including cash at banks of $12,930, in satisfaction of its receivable balances in the amount of : (i) approximately $19,016 representing the Revolving Loan, Term Loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions "Investments in affiliates", "Due/to from related parties" and "Loans receivable from affiliates"; and (ii) approximately $34,227 representing the previously transferred rights of Navios Holdings to the Navios Europe I's Navios Term Loans I and Navios Revolving Loans I (including the respective accrued receivable interest), of which $4,804 presented under "Note receivable from affiliates" and $29,423 presented contra equity. Furthermore, Navios Partners has assumed a $17,213 of Navios Europe I senior loan.

Following the liquidation of Navios Europe I, the balance due from Navios Europe I as of December 31, 2020 and 2019 was $0.

Balance due from Navios Europe II: Navios Holdings, Navios Acquisition and Navios Partners have made available to Navios Europe II revolving loans of up to $43,500 to fund working capital requirements (collectively, the "Navios Revolving Loans II"). In March 2017, the availability under the Navios Revolving Loans II was increased by $14,000 (see Note 19 — Investment in Affiliates).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for $5,000. Navios Europe II owned seven container vessels and seven dry bulk vessels. Navios Partners had a net receivable of approximately $17,276 from Navios Europe II.

As of March 31, 2020, the decline in the fair value of the investment was considered as other-than-temporary and, therefore, an aggregate loss of $6,900 was recognized and included in the accompanying Consolidated Statements of Operations for the year ended December 31, 2020, as "Impairment of receivable in affiliated company". The fair value of the Company's investment was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiring date. The transaction was completed on June 29, 2020.

As a result of the Europe II Liquidation, Navios Partners acquired 100% of the stock of the five vessels owning Companies owning the dry bulk vessels of Navios Europe II with a fair value of $56,050 and working capital balances of $(2,718). The acquisition was funded through a new credit facility (Note 10 – Borrowings) and cash on hand for total of $36,056 and the satisfaction of its receivable balances in the amount of approximately $17,276 representing the Revolving Loan, Term Loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions "Amounts due from related parties" and "Loans receivable from affiliates".

Following the liquidation of Navios Europe II, there was no balance due from Navios Europe II as of December 31, 2020. As of December 31, 2019, Navios Partners' portion of the outstanding amount relating to the portion of the investment in Navios Europe II (5.0% of the $14,000) was $700, under the caption "Investment in affiliates" and the outstanding amount relating to the Navios Revolving Loans II capital was $15,397, under the caption "Loans receivable from affiliates". The accrued interest income earned under the Navios Revolving Loans II was $7,284 under the caption "Amounts due from related parties" and the accrued interest income earned under the Navios Term Loans II was $796 under the caption "Loans receivable from affiliates".

Note receivable from affiliates: On March 17, 2017, Navios Holdings transferred to Navios Partners its rights to the fixed 12.7% interest on the Navios Europe I Navios Term Loans I and Navios Revolving Loans I (including the respective accrued receivable interest) in the amount of $33,473, which included a cash consideration of $4,050 and 871,795 newly issued common units of Navios Partners, on a split adjusted basis. At the date of this transaction, the Company recognized a receivable at the fair value of its newly issued common units totaling $29,423 based on the closing price of $33.75 per unit as of March 16, 2017 given as consideration. The receivable relating to the consideration settled with the issuance of 871,795 Navios Partners' common units in the amount of $29,423 has been classified contra equity. The receivable from Navios Holdings was payable on maturity in December 2023. Interest would accrue through maturity and would be recognized within "Interest income" for the receivable relating to the cash consideration of $4,050. On October 23, 2019, Navios Partners' Conflicts Committee agreed to cancel an amortizing penalty from Navios Holdings of approximately $3,182 as of December 2019, due to early liquidation of the structure. Following the liquidation of Navios Europe I, the long-term note receivable from Navios Holdings amounted to $0.

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

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

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

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

Navios Holdings Guarantee: On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20,000.In October 2020, Navios Holdings paid an amount of $5,000 to Navios Partners. As of December 31, 2020 and 2019, the outstanding claim receivable amounted to $5,000 and $10,000, respectively. The final settlement of the amount from Navios Holdings will take place at specific date, in accordance with a signed letter of agreement between the parties. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets as of December 31, 2020.

General partner: In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interest in Navios Partners to N Shipmanagement Acquisition Corp. and related entities, affiliated with Navios Holdings' Chairman and Chief Executive Officer, Angeliki Frangou.

Acquisition of vessels: On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51,000, including working capital balances of $(4,378). The acquisition was funded through a new credit facility of $33,000 (see Note 10 — Borrowings) and the balance of $13,622 seller's credit by Navios Holdings was repaid on October 2, 2020, presented under the caption "Payable to affiliated company" in the Consolidated Statements of Cash Flows.

On November 26, 2019, Navios Partners entered into a share purchase agreement for the acquisition of five containerships, following the liquidation of Navios Europe I. The vessels were acquired on December 13, 2019 (see Note 6 — Vessels, net).

On November 25, 2019, Navios Partners entered into a share purchase agreement for the acquisition of three Panamax and one Ultra-Handymax drybulk vessels from an entity affiliated with its Chairman and CEO for $37,000 (plus working capital adjustment) in a transaction approved by the Conflicts Committee of the Board of Directors of Navios Partners. The vessels were acquired on December 13, 2019 (see Note 6 — Vessels, net).

As of December 31, 2020, Navios Holdings held an 18.2% common unit interest in Navios Partners, represented by 2,070,216 common units. Olympos Maritime Ltd. held a general partner interest of 2.1% represented by 237,822 general partner units.

NOTE 18 – NOTES RECEIVABLE

On July 15, 2016, the Company entered into a charter restructuring agreement for the reduction of the hire rate for five Containerships chartered out to HMM which resulted in a decrease in cash charter hire to be received of approximately $38,461. More specifically, the reduction of the hire rate will be applied as follows:

- With effect from (and including) July 18, 2016 until (and including) December 31, 2019, hire rate shall be reduced to $24,400 per day pro rata.
- With effect from (and including) January 1, 2020, hire rate shall be restored to the rate of $30,500 per day pro rata until redelivery.

In exchange for the reduction of the hire rate, the Company received (i) $7,692 on principal amount of senior, unsecured notes, amortizing subject to available cash flows, accruing interest at 3% per annum payable on maturity in July 2024 and (ii) 3,657 freely tradable securities of HMM (publicly

traded at the Stock Market Division of the Korean Exchange).

On July 18, 2016, the Company recognized the fair value of the HMM securities totaling $40,277 and also recognized the fair value of the senior unsecured notes totaling $6,074. The total fair value of the non-cash compensation received was recognized as deferred revenue, which will be amortized over the remaining duration of each time charter. The Company recognized non-cash interest income and discount unwinding totaling to $458, $470 and $420, respectively, for these instruments under the caption "Interest income" in the Consolidated Statements of Operations for each of the years ended December 31, 2020, 2019 and 2018, respectively. As of December 31, 2020 and December 31, 2019, the outstanding balance of the notes receivable, including accrued interest and discount unwinding, amounted to $8,013 and $7,554, respectively, presented under the caption "Notes Receivable, net of current portion" in the Consolidated Balance Sheets.

For each of the years ended December 31, 2020, 2019 and 2018, the Company recorded an amount of $1,130, $12,121 and $12,102, respectively, of deferred revenue amortization in the Consolidated Statements of Operations under the caption "Time charter and voyage revenues".

As of December 31, 2020, the outstanding balances of the current and non-current portion of deferred revenue in relation to HMM amounted to $1,127 and $2,185, respectively. As of December 31, 2019, the outstanding balances of the current and non-current portion of deferred revenue in relation to HMM amounted to $1,130 and $3,312, respectively.

On January 12, 2017, the Company sold the vessel the MSC Cristina for a gross sale price of $126,000 and received a cash payment of $107,250 and a note receivable of $18,750 accruing interest at 6% per annum payable in 16 quarterly instalments. As of December 31, 2020, the outstanding balances of the current and non-current note receivable amounted to $0. For each of the years ended December 31, 2020 and 2019, the Company recorded interest income of $140 and $424, respectively, including accrued interest income of $0 and $38 under the caption "Interest income" in the Consolidated Statements of Operations.

NOTE 19 – INVESTMENT IN AFFILIATES

Navios Europe I: On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe I and had ownership interests of 47.5%, 47.5% and 5.0%, respectively. On December 18, 2013, Navios Europe I acquired ten vessels for aggregate consideration consisting of: (i) cash which was funded with the proceeds of senior loan facilities (the "Senior Loans I") and loans aggregating $10,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the "Navios Term Loans I") and (ii) the assumption of a junior participating loan facility (the "Junior Loan I"). In addition to the Navios Term Loans I, Navios Holdings, Navios Acquisition and Navios Partners have made available to Navios Europe I revolving loans of up to $24,100 to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the availability under the Revolving Loans I was increased by $30,000.

Following the liquidation of Navios Europe I, Navios Partners acquired five vessel owning companies for a fair value of $56,083 in total.

As of December 31, 2020 and subsequent to the Liquidation of Navios Europe I, the Company had no exposure.

Navios Europe II: On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe II and have ownership interests of 47.5%, 47.5% and 5.0%, respectively. From June 8, 2015 through December 31, 2015, Navios Europe II acquired fourteen vessels for aggregate consideration consisting of: (i) cash consideration of $145,550 (which was funded with the proceeds of a $131,550 senior loan facilities net of loan discount amounting to $3,375 (the "Senior Loans II") and loans aggregating $14,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the "Navios Term Loans II"); and (ii) the assumption of a junior participating loan facility (the "Junior Loan II") with a face amount of $182,150 and fair value of $99,147, at the acquisition date. In addition to the Navios Term Loans II, Navios Holdings, Navios Acquisition and Navios Partners have also made available to Navios Europe II revolving loans up to $43,500 to fund working capital requirements (collectively, the "Navios Revolving Loans II"). In March 2017, the amount of funds available under the Navios Revolving Loans II was increased by $14,000.

Following the liquidation of Navios Europe II, Navios Partners acquired five vessel owning companies for a fair value of $56,050 in total.

As of December 31, 2020 and subsequent to the Liquidation of Navios Europe II, the Company had no exposure. As of December 31, 2019, the estimated maximum potential loss by Navios Partners in Navios Europe II would have been $16,097, excluding accrued interest, which represented the Company's carrying value of the investment of $700 as of December 31, 2019 plus the Company's balance of the Navios Revolving Loans II of $15,397 as of December 31, 2019, excluding accrued interest, and does not include the undrawn portion of the Navios Revolving Loans II.

Navios Containers: On June 8, 2017, Navios Containers closed its private placement and issued 10,057,645 shares for $50,288 of gross proceeds at a subscription price of $5.00 per share. Navios Partners invested $30,000 and received 6,000,000 shares, and Navios Holdings invested $5,000 and received 1,000,000 shares. Each of Navios Partners and Navios Holdings also received warrants, with a five-year term, for 6.8% and 1.7% of the equity, respectively. On August 29, 2017, Navios Containers closed its private placement and issued 10,000,000 shares for $50,000 of gross proceeds at a subscription price of $5.00 per share. Navios Partners invested $10,000 and received 2,000,000 shares. Navios Partners also received warrants, with a five-year term, for 6.8% of the equity. On November 9, 2017, Navios Containers closed a private placement of 9,090,909 shares at a subscription price of $5.50 per share, resulting in gross proceeds of approximately $50,000. Navios Partners invested $10,000 and received 1,818,182 shares. Navios Partners also received warrants, with a five-year term, for 6.8% of the newly issued equity. On March 13, 2018, Navios Containers closed a private placement of 5,454,546 shares at a subscription price of $5.50 per share, resulting in gross proceeds of approximately $30,000. Navios Partners invested $14,460 and received 2,629,095 shares and Navios Holdings invested $500 and received 90,909 shares. Each of Navios Partners and Navios Holdings also received 9,273 warrants, with a five-year term.

On November 30, 2018, Navios Containers was converted into a limited partnership. All of the warrants described above issued to Navios Partners and Navios Holdings expired. On December 3, 2018, Navios Partners distributed 855,001 units of Navios Containers to the unitholders of Navios Partners, approximately 2.5% of the Navios Containers' outstanding equity. In connection with this transaction, Navios Partners recognized an OTTI impairment of $560 on the units distributed. The amount of the distribution was $4,243 based on the last trading price of Navios Containers' shares in the N-OTC market as of November 23, 2018. Following the distribution, Navios Partners owned approximately 33.5% of the equity in Navios Containers.

As of December 31, 2020 and 2019, Navios Partners held 11,592,276 common units, representing an ownership interest in Navios Containers of 35.7% and 33.5% respectively. Investment income of $1,133 and $2,532 was recognized in the Consolidated Statements of Operations under the caption of "Equity in net earnings of affiliated companies" for each of the years ended December 31, 2020 and 2019, respectively.

Based on the Company's evaluation of the duration and magnitude of the fair value decline for approximately twelve months as of December 31, 2019, the Company concluded that the decline in the fair value of its investment below its carrying value was not temporary. Thus, an OTTI loss of $42,603 was recognized as of December 31, 2019, being the difference between the fair value of $25,025 and the carrying value of the investment of $67,628.

The fair value of Navios Partners' equity investment in Navios Containers is based on unadjusted quoted prices in active markets for Navios Containers' common units. The fair value of Navios Partners' equity investment in Navios Containers as at December 31, 2020 was $47,528 compared with its carrying value of $26,158.

Following the results of the significant tests performed by the Company, it was concluded that Navios Containers met the significance threshold requiring summarized financial information for the affiliated company to be presented for the following periods. The separate consolidated financial statements and notes thereto of Navios Containers for each of the years ended December 31, 2020 and 2019 have been included as Exhibit 15.3 in this Annual Report, as a result of significance tests being met pursuant to Rule 3-09 of Regulations S-X. Since Navios Europe I and Navios Europe II were liquidated on December 13, 2019 and June 29, 2020, balances are presented only for the year ended December 31, 2019.

Balance Sheet		**December 31, 2019** **Navios Europe II**
Cash and cash equivalents (including restricted cash)	$	27,431
Current assets (excluding cash and cash equivalents and restricted cash)	$	4,818
Non-current assets	$	179,688
Current liabilities (excluding current portion of long- term debt)	$	46,892
Long- term debt including current portion, net	$	89,025
Non-current liabilities	$	84,284

	December 31, 2019			
Income Statement		**Navios Europe I**		**Navios Europe II**
Revenue	$	36,822	$	46,718
Net loss	$	(18,575)	$	(30,203)

NOTE 20 – CASH DISTRIBUTIONS AND EARNINGS PER UNIT

On February 3, 2016, Navios Partners announced that its Board of Directors decided to suspend the quarterly cash distributions to its unitholders, including the distribution for the quarter ended December 31, 2015. In March 2018, the Board determined to reinstate a distribution and any continued distribution will be at the discretion of the Company's Board of Directors, taking into consideration the terms of its partnership agreement. There is no guarantee that the Company will pay the quarterly distribution on the common units in any quarter. The amount of distributions paid under its policy and the decision to make any distribution is determined by the Company's board of directors, taking into consideration the terms of its partnership agreement. The Company is prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under its existing credit facilities.

There is incentive distribution rights held by Navios GP L.L.C., which are analyzed as follows:

		Marginal Percentage Interest in Distributions		
	Total Quarterly Distribution Target Amount	**Common Unitholders**	**Incentive Distribution Right Holder**	**General Partner**
Minimum Quarterly Distribution	up to $5.25	98%	—	2%
First Target Distribution	up to $6.0375	98%	—	2%
Second Target Distribution	above $ 6.0375 up to $6.5625	85%	13%	2%
Third Target Distribution	above $6.5625 up to $7.875	75%	23%	2%
Thereafter	above $7.875	50%	48%	2%

The first 98% of the quarterly distribution is paid to all common unitholders. The incentive distributions rights (held by Navios GP L.L.C.) apply only after a minimum quarterly distribution of $6.0375.

The authorized quarterly cash dristributions for all quarters during the years ended December 2020, 2019, 2018, are presented below:

Date	Authorized Quarterly Cash Distribution for the three months ended	Date of record of Common and General Partner unit Unitholders	Payment of Distribution		$/ Unit		Amount of the declared distribution
April 2018	March 31, 2018	May 10, 2018	May 14, 2018	$	0.30	$	3,420
July 2018	June 30, 2018	August 7, 2018	August 10, 2018	$	0.30	$	3,420
October 2018	September 30, 2018	November 7, 2018	November 14, 2018	$	0.30	$	3,420
January 2019	December 31, 2018	February 11, 2019	February 14, 2019	$	0.30	$	3,458
April 2019	March 31, 2019	May 10, 2019	May 14, 2019	$	0.30	$	3,364
July 2019	June 30, 2019	August 6, 2019	August 9, 2019	$	0.30	$	3,364
October 2019	September 30, 2019	November 7, 2019	November 14, 2019	$	0.30	$	3,364
January 2020	December 31, 2019	February 11, 2020	February 13, 2020	$	0.30	$	3,365
April 2020	March 31, 2020	May 11, 2020	May 14, 2020	$	0.30	$	3,366
July 2020	June 30, 2020	August 10, 2020	August 13, 2020	$	0.05	$	562
October 2020	September 30, 2020	November 9, 2020	November 13, 2020	$	0.05	$	579
January 2021	December 31,2020	February 9, 2021	February 12, 2021	$	0.05	$	579

Navios Partners calculates earnings per unit by allocating reported net income for each period to each class of units based on the distribution waterfall for available cash specified in Navios Partners' partnership agreement, net of the unallocated earnings (or losses). Basic earnings/(losses) per unit is determined by dividing net income/(loss) attributable to Navios Partners common unitholders by the weighted average number of common units outstanding during the period. Diluted earnings per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units. Net loss per unit undistributed is determined by taking the distributions in excess of net income and allocating between common units and general partner units on a 98%-2% basis. There were no options or phantom units outstanding during each of the years ended December 31, 2020, 2019 and 2018.

The calculations of the basic and diluted earnings per unit are presented below.

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Net loss	$ (68,541)	$ (62,134)	$ (13,081)
Loss attributable to:			
Common unitholders	$ (67,173)	$ (60,899)	$ (12,819)
Weighted average units outstanding (basic and diluted)			
Common unitholders	10,966,518	10,830,959	10,823,591
Loss per unit (basic and diluted):			
Common unitholders	$ (6.13)	$ (5.62)	$ (1.18)
Earnings per unit - distributed (basic and diluted):			
Common unitholders	$ 0.45	$ 1.22	$ 1.24
Loss per unit - undistributed (basic and diluted):			
Common unitholders	$ (6.58)	$ (6.84)	$ (2.43)

Potential common units of 92,699, 146,541 and 210,274 relating to unvested restricted common units for each of the years ended December 31, 2020, 2019 and 2018, respectively, have an anti-dilutive effect (i.e. those that increase income per unit or decrease loss per unit) and are therefore excluded from the calculation of diluted earnings per unit.

NOTE 21 – OTHER INCOME, EXPENSE, NET

As of December 31, 2020, the amount of $2,697 relating to settlement of claims and recovery of other receivables of one of the Company's vessels is included under the caption "Other income" of the Consolidated Statements of Operations.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20,000. In October 2020, Navios Holdings paid an amount of $5,000 to Navios Partners. As of December 31, 2020 and 2019, the outstanding claim receivable amounted to $5,000 and $10,000, respectively. The final settlement of the amount from Navios Holdings will take place at specific date, in accordance with a signed letter of agreement between the parties. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets as of December 31, 2020. As of December 31, 2019, the amount of $3,638 related to the change in estimate of the guarantee claim receivable and is included under the caption "Other expense" of the Consolidated Statements of Operations.

As of December 31, 2018, the amount of $2,000 related to reassessment of the guarantee claim receivable is included under the caption "Other expense" of the Consolidated Statements of Operations. As of December 31, 2018, the amount of $777 related to the discount of the Navios Holdings Guarantee is included under the caption "Other expense" of the Consolidated Statements of Operations.

NOTE 22 – LEASES

Time charter out contracts and pooling arrangements

The Company's contract revenues from time chartering and pooling arrangements are governed by ASC 842. Upon adoption of ASC 842, the timing and recognition of earnings from the time charter contracts and pool arrangements to which the Company is party did not change from previous practice. For further analysis, (see Note 2— Summary of Significant Accounting Policies).

Bareboat charter-in contract

On July 24, 2019, Navios Partners took delivery of the Navios Libra, a 2019-built Panamax vessel of 82,011 dwt, for a ten year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of $6. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an Operating Lease. Consequently, the Company has recognized an Operating Lease Liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

Based on management estimates and market conditions, the lease term of this lease is being assessed at each balance sheet date. At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment. The Company then applied the respective incremental borrowing rate based on the remaining lease term of the specific lease. As of July 24, 2019, Navios Partners' incremental borrowing rate was approximately 7%.

As of December 31, 2020 and December 31, 2019 the unamortized balance of the lease liability amounted $13,153 and $14,201, respectively, and is presented under the captions "Operating Lease Liabilities, current and non-current portion" in the Consolidated Balance Sheets. Right of use asset amounted $13,285 and $14,241 as at December 31, 2020 and December 31, 2019, respectively, and is presented under the caption "Operating lease assets" in the Consolidated Balance Sheets.

The Company recognizes the lease payments for its operating leases as charter hire on a straight-line basis over the lease term. Lease expense for the year ended December 31, 2020 amounted to $2,086, in comparison to $918 for the corresponding year ended December 31, 2019 and is included under the caption "Time charter and voyage expenses" in the Consolidated Statements of Operations.

As of December 31, 2020 and 2019, the Company proceeded with step one of impairment assessment of the unamortized balance of the Right of use asset in relation to vessel Navios Libra. As the undiscounted projected net operating cash flows exceed the carrying value of the right-of-use asset, no impairment loss was recognized as of December 31, 2020 and 2019.

The table below provides the total amount of lease payments on an undiscounted basis on the Company's chartered-in contracts as of December 31, 2020:

		Charter-in vessels in operation
December 31, 2021	$	2,172
December 31, 2022		2,132
December 31, 2023		2,081
December 31, 2024		2,086
December 31, 2025		2,081
December 31, 2026 and thereafter		7,141
Total	**$**	**17,693**
Operating lease liabilities, including current portion	**$**	**13,153**
Discount based on incremental borrowing rate	**$**	**4,540**

Sale and Lease Back Agreements

During 2019 and 2018 the Company has entered into sale and leaseback agreements with unrelated third parties for five vessels of the Company's fleet. Navios Partners has purchase obligations to acquire the vessels at the end of the lease terms, consequently under ASC 842-40 the transfers of the vessels were determined to be failed sales and were treated as financing transactions. The vessels were not derecognized and continue to be depreciated over their respective useful lives, and tested for impairment as per Company's policy (see Note 10— Borrowings).

NOTE 23 – SUBSEQUENT EVENTS

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company will acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the "Transaction"). Under the terms of the Transaction, public unitholders of Navios Containers will receive 0.39 of a common unit of the Company for each outstanding common unit of Navios Containers. The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The General Partner of Navios Containers has consented to the merger, and the Company voted the Navios Containers' common units it holds in favor of the Transaction. The Transaction is expected to close on or about March 31, 2021. The expenses of this transaction are included in the General and Administrative expenses, in the Consolidated Statements of Operations.

Navios Partners intends to account for the merger "as a business combination achieved in stages," which will result in the application of the "acquisition method," as defined under ASC 805, Business Combinations. Navios Partners' previously held equity interest in Navios Containers will be remeasured to its fair value at the date the controlling interest is acquired and the resulting gain/(loss) will be recognized in earnings. Under the acquisition method, the fair value of the consideration paid by Navios Partners in connection with the transaction will be allocated to Navios Containers' net assets based on their estimated fair values at the date of the completion of the merger. The purchase price allocation is subject to finalization as Navios Partners completes the valuation of the assets acquired and liabilities assumed. The assets and liabilities and results of operations of Navios Containers will be included in Navios Partners' consolidated results of operations from and only for periods subsequent to the closing of the acquisition.

On January 13, 2021, the Company completed the sale of the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sale price of $4,559. Pursuant to the sale of the vessel, an amount of $3,369 was repaid under the ABN $23.5m Credit Facility.

On January 25, 2021, Navios Partners agreed to enter into a 15-year bareboat charter-in for three newbuilding Capesize vessels of approximately 180,000 dwt each. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charter. The vessels are expected to be delivered by the second half of 2022.

On January 28, 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2020 of $0.05 per unit. The distribution was paid on February 12, 2021 to all unitholders of common units and general partner units of record as of February 9, 2021. The aggregate amount of the declared distribution was $579.

On January 28, 2021, the Company completed the sale of the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sale price of $11,074. Pursuant to the sale of the vessel, an amount of $3,684 was repaid under the Hellenic Credit Facility.

On February 10, 2021, the Company completed the sale of the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sale price of $8,869. Pursuant to the sale of the vessel, an amount of $3,845 was repaid under the Hellenic Credit Facility.

On March 23, 2021, Navios Partners agreed to acquire from Navios Holdings the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt.. On March 30, 2021, Navios Partners completed the acquisition of the two vessels from Navios Holdings for a purchase price of $39,250, including working capital adjustments.

On March 23, 2021, Navios Partners entered into a new credit facility with a commercial bank for a total amount of $58,000 in order to refinance the CACIB $33.0m credit facility and to finance the acquisition of the Navios Centaurus and the Navios Avior. The credit facility matures in March 2026 and bears interest at LIBOR plus 3% per annum. On March 30, 2021, the entire amount was drawn under this loan, net of the loan's discount of $400.

On March 23, 2021, Navios Partners agreed to acquire from an unrelated third party a newbuilding Panamax vessel for a purchase price of $31,580. The vessel has approximately 81,000 dwt and is expected to be delivered into Navios Partners' fleet during the second half of 2022.

On March 25, 2021, the Company completed the sale of the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sale price of $8,190. Pursuant to the sale of the vessel, an amount of $4,581 was repaid under the ABN $32.2m Credit Facility.

On March 25, 2021, Navios Partners agreed to enter into a 15 year bareboat charter-in for one newbuilding Capesize vessel of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of the fourth year for the remaining period of the bareboat charter. The vessel is expected to be delivered by the first half of 2023.

SIGNATURES

The registrant herby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NAVIOS MARITIME PARTNERS L.P.

By: /s/ Angeliki Frangou

Angeliki Frangou

Chief Executive Officer

Date: March 31, 2021

Exhibit 2.1

DESCRIPTION OF THE RIGHTS OF EACH CLASS OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following description of the common units representing limited partner interests (the "Common Units") of Navios Maritime Partners L.P. ("Navios Partners," "we," "us," and "our") does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Navios Partners Fourth Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), which was filed as an exhibit to Navios Partners' Form 20-F for the year ended December 31, 2017, filed with the SEC on April 4, 2018, and is incorporated herein by reference. The rights of holders of Common Units are governed by Marshall Islands law and the Partnership Agreement. You are encouraged to read the Partnership Agreement in its entirety for more information on the rights and privileges of limited partners under the Partnership Agreement, including voting rights.

The Common Units

The Common Units represent limited partner interests in Navios Partners. The holders of Common Units are entitled to participate in partnership distributions and exercise the rights and privileges available to limited partners under the Partnership Agreement.

Navios Partners has outstanding both Common Units and General Partner Units (as defined in the Partnership Agreement).

The Navios Partners Board of Directors (the "Navios Partners Board") is authorized to issue any class or series of partnership securities in Navios Partners and to determine the designations, preferences, rights, powers and duties of such class or series, including (i) the right to share in distributions, (ii) the rights upon dissolution and liquidation, (iii) whether, and the terms and conditions upon which, Navios Partners may or shall be required to redeem such class or series (including sinking fund provisions), (iv) whether such class or series is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange, (v) the terms and conditions upon which the class or series will be issued, evidenced by certificates and assigned or transferred, (vi) the method for determining the percentage interest as to such class or series and (vii) the voting rights, if any, of the holders of the class or series.

Navios Partners may issue additional partnership securities from time to time on such terms and conditions as the Navios Partners Board may determine without the approval of any limited partners of Navios Partners, but subject to the approval of N Shipmanagement Acquisition Corp. ("Navios Partners GP") in the case where issuances of equity are not reasonably expected to be accretive to equity within twelve months of issuance or which would otherwise have a material adverse impact on Navios Partners GP.

Exchange Listing

The Common Units are listed on the New York Stock Exchange, where they trade under the symbol "NMM."

Transfer Agent and Registrar

Duties

Continental Stock Transfer & Trust Company serves as registrar and transfer agent for the Common Units. Navios Partners pays all fees charged by the transfer agent for transfers of the Common Units, except the following, which must be paid by unitholders:

- surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;
- special charges for services requested by a holder of a Common Unit; and
- other similar fees or charges.

There is no charge to unitholders for disbursements of Navios Partners' cash distributions. Navios Partners will

indemnify the transfer agent, its agents and each of their stockholders, directors, executive officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Resignation or Removal

The transfer agent may resign, by notice to Navios Partners, or be removed by Navios Partners. The resignation or removal of the transfer agent will become effective upon Navios Partners' appointment of a successor transfer agent and registrar and its acceptance of the appointment. If a successor has not been appointed or has not accepted its appointment within 30 days after notice of the resignation or removal, Navios Partners' general partner may, at the direction of the Navios Partners Board, act as the transfer agent and registrar until a successor is appointed.

Voting Rights

Each holder of Common Units is entitled to one vote for each unit on all matters submitted to a vote of the common unitholders, subject to any limitations contained in our Partnership Agreement. The Partnership Agreement provides that if a quorum is present, the act of limited partners holding outstanding units that in the aggregate represent a majority of the outstanding units entitled to vote and represented in person or by proxy at such meeting shall be deemed to constitute the act of all limited partners, unless a greater or different percentage is required with respect to such action under the provisions of the Partnership Agreement.

Quorum of Unitholders

The holders of a majority of the outstanding units of the class or classes for which a meeting has been called (including outstanding units deemed owned by Navios Partners GP) represented in person or by proxy shall constitute a quorum at a meeting of limited partners of such class or classes unless any such action by the limited partners requires approval by holders of a greater percentage of such units, in which case the quorum shall be such greater percentage. For annual meetings of limited partners, at any adjourned annual meeting of the limited partners, the holders of outstanding units present in person or by proxy and entitled to vote thereat, shall constitute a quorum at such adjourned meeting for the transaction of any business brought before such adjourned meeting and the act of the limited partners holding a majority of the units represented in person or by proxy at such adjourned meeting shall be deemed to constitute the act of all limited partners.

Unitholder Proposals and Nominations

Any limited partner or group of limited partners that beneficially owns 10% or more of the outstanding Common Units shall be entitled to nominate one or more individuals to stand for election as elected directors at an annual meeting by providing written notice thereof to the Navios Partners Board not more than 120 days and not less than 90 days prior to the date of such annual meeting. In the event the date of the annual meeting was not publicly announced by Navios Partners by mail, press release or otherwise more than 100 days prior to the date of such meeting, such notice, to be timely, must be delivered to the Navios Partners Board not later than the close of business on the tenth day following the date on which the date of the annual meeting was announced.

Unitholder Action Without a Meeting

If authorized by the Navios Partners Board, any action that may be taken at a meeting of the limited partners may be taken without a meeting if an approval in writing setting forth the action so taken is signed by limited partners owning not less than the minimum percentage of the outstanding units (including units deemed owned by Navios Partners GP) that would be necessary to authorize or take such action at a meeting at which all the limited partners were present and voted (unless such provision conflicts with any rule, regulation, guideline or requirement of any national securities exchange on which the units are listed or admitted to trading, in which case the rule, regulation, guideline or requirement of such national securities exchange shall govern).

Unitholder Meetings

Annual Meetings

The Partnership Agreement provides that an annual meeting of limited partners shall be held to elect directors to the Navios Partners Board.

Special Meetings

The Partnership Agreement provides that special meetings of the limited partners may be called by Navios Partners GP, the Navios Partners Board or by limited partners owning 20% or more of the outstanding units of the class or classes for which a meeting is proposed. Limited partners shall call a special meeting by delivering to the Navios Partners Board one or more requests in writing stating that the signing limited partners wish to call a special meeting and indicating the general or specific purposes for which the special meeting is to be called, it being understood that the purposes of such special meeting may only be to vote on matters that require the vote of the unitholders pursuant to the Partnership Agreement.

A meeting shall be held at a time and place determined by the Navios Partners Board on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. Limited partners shall not vote on matters that would cause the limited partners to be deemed to be taking part in the management and control of the business and affairs of Navios Partners so as to jeopardize the limited partners' limited liability under the Marshall Islands Act or the law of any other jurisdiction in which Navios Partners is qualified to do business.

Transfer of Common Units

By transfer of Common Units in accordance with the Partnership Agreement, each transferee of Common Units shall be admitted as a limited partner with respect to the Common Units transferred when such transfer and admission is reflected in Navios Partners' books and records. Each transferee:

- represents that the transferee has the capacity, power and authority to become bound by the Partnership Agreement;
- automatically agrees to be bound by the terms and conditions of, and is deemed to have executed, the Partnership Agreement; and
- gives the consents and approvals contained in the Partnership Agreement.

A transferee will become a substituted limited partner of Navios Partners' partnership for the transferred Common Units automatically upon the recording of the transfer on Navios Partners' books and records. Navios Partners' general partner will cause any transfers to be recorded on Navios Partners' books and records no less frequently than quarterly. Navios Partners may, at its discretion, treat the nominee holder of a Common Unit as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common Units are securities and are transferable according to the laws governing transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a limited partner in Navios Partners' partnership for the transferred Common Units. Until a Common Unit has been transferred on our books, Navios Partners and the transfer agent may treat the recordholder of the unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

Preemptive Rights

No person shall have any preemptive, preferential or other similar right with respect to the issuance of any security of Navios Partners, whether unissued, held in the treasury or hereafter created. Navios Partners GP shall have the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase any security of Navios Partners from Navios Partners whenever, and on the same terms that, Navios Partners issues such security of Navios Partners to persons other than Navios Partners GP and its affiliates, to the extent necessary to maintain the percentage interests of Navios Partners GP and its affiliates equal to that which existed immediately prior to the issuance of such security of Navios Partners.

Cash Distribution Policy

General

Cash available for distribution, as determined by the Navios Partners Board with respect to any quarter, that is deemed to be Operating Surplus (as defined in the Partnership Agreement) shall be distributed as follows:

(a) First, 100% to Navios Partners GP and all holders of Common Units in accordance with their respective ownership percentage, until there has been distributed in respect of each Common Unit then outstanding an amount equal to the Minimum Quarterly Distribution (as defined in the Partnership Agreement) for such quarter;

(b) Second, 100% to Navios Partners GP and all holders of Common Units in accordance with their respective ownership percentage, until there has been distributed in respect of each Common Unit then outstanding an amount equal to the excess of the First Target Distribution (as defined in the Partnership Agreement) over the Minimum Quarterly Distribution for such quarter;

(c) Third, (i) to Navios Partners GP in accordance with its ownership percentage, (ii) 13.0% to the holders of the Navios Partners' incentive distribution rights, pro rata, and (iii) to all holders of Common Units, pro rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (i) and (ii) of this clause (c), until there has been distributed in respect of each Common Unit then outstanding an amount equal to the excess of the Second Target Distribution (as defined in the Partnership Agreement) over the First Target Distribution for such quarter;

(d) Fourth, (i) to Navios Partners GP in accordance with its ownership percentage, (ii) 23.0% to the holders of the Navios Partners' incentive distribution rights, pro rata and (iii) to all holders of Common Units, pro rata, a percentage equal to 100% less the sum of the percentages applicable to subclause (i) and (ii) of this clause (d), until there has been distributed in respect of each Common Unit then outstanding an amount equal to the excess of the Third Target Distribution (as defined in the Partnership Agreement) over the Second Target Distribution for such quarter; and

(e) Thereafter, (i) to Navios Partners GP in accordance with its ownership percentage; (ii) 48.0% to the holders of the Navios Partners' incentive distribution rights, pro rata; and (iii) to all holders of Common Units, a percentage equal to 100% less the sum of the percentages applicable to subclauses (i) and (ii) of this clause (e); provided, however, that if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero, the distribution will be made solely in accordance with this clause (e).

Cash available for distribution, as determined by the Navios Partners Board with respect to any quarter, that is deemed to be Capital Surplus (as defined in the Partnership Agreement) shall be distributed as follows: 100% to Navios Partners GP and all holders of Common Units in accordance with their respective ownership percentage, until a hypothetical holder of a Common Unit acquired on the Closing Date (as defined in the Partnership Agreement) has received with respect to such Common Unit, during the period since the Closing Date through such date, distributions that are deemed to be Capital Surplus in an aggregate amount equal to the initial Common Unit price. Thereafter, all cash available for distribution shall be distributed as if it were Operating Surplus and shall be distributed in accordance with the foregoing.

Limitations on Cash Distributions and Navios Partners' Ability to Change its Cash Distribution Policy

There is no guarantee that holders Common Units will continue to receive quarterly distributions from Navios Partners. Navios Partners' distribution policy is subject to certain restrictions and may be changed at any time, including:

- Holders of Common Units have no contractual or other legal right to receive distributions other than the obligation under the Partnership Agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of the Navios Partners Board to establish reserves and other limitations.
- While the Partnership Agreement requires Navios Partners to distribute all of its available cash, the Partnership Agreement, including provisions requiring Navios Partners to make cash distributions contained therein, may be amended. Although during the subordination period, with certain exceptions, the Partnership Agreement could not have been amended without the approval of non-affiliated common unitholders, however, the Partnership Agreement can be amended with the approval of a majority of the outstanding Common Units now that the subordination period has ended. Upon the closing of the initial public offering of the Common Units, Navios Maritime Holdings Inc. ("Navios Holdings") did not own any of the outstanding Common Units and owned 100.0% of Navios Partners' outstanding subordinated units.

- Even if Navios Partners' cash distribution policy is not modified or revoked, the amount of distributions it pays under its cash distribution policy and the decision to make any distribution is determined by the Navios Partners Board, taking into consideration the terms of the Partnership Agreement.
- Under Section 51 of the Marshall Islands Act, Navios Partners may not make a distribution to its unitholders if the distribution would cause its liabilities to exceed the fair value of its assets.
- Navios Partners may lack sufficient cash to pay distributions to its unitholders due to decreases in net revenues or increases in operating expenses, principal and interest payments on outstanding debt, tax expenses, working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs.
- Navios Partners' distribution policy is affected by restrictions on distributions under its credit facilities or other debt instruments. Specifically, Navios Partners' credit facilities contain material financial tests that must be satisfied, and Navios Partners will not pay any distributions that will cause it to violate its credit facilities or other debt instruments. Should Navios Partners be unable to satisfy these restrictions included in its credit facilities or if it is otherwise in default under its credit facilities, its ability to make cash distributions to unitholders, notwithstanding its cash distribution policy, would be materially adversely affected.
- If Navios Partners make distributions out of Capital Surplus, as opposed to Operating Surplus, such distributions will constitute a return of capital and will result in a reduction in the minimum quarterly distribution and the target distribution levels. Navios Partners does not anticipate that it will make any distributions from Capital Surplus.

Navios Partners' ability to make distributions to its unitholders depends on the performance of its subsidiaries and their ability to distribute funds to Navios Partners. The ability of Navios Partners' subsidiaries to make distributions to it may be restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws and other laws and regulations.

Quarterly Distributions

Beginning with the quarter ending December 31, 2015, the Navios Partners Board elected to suspend distributions on the Common Units in order to preserve cash and improve liquidity. In March 2018, the Navios Partners Board announced a new distribution policy under which it paid quarterly cash distributions in the amount of $0.30 per unit, or $1.20 annually. In July 2020, Navios Partners amended its distribution policy under which it intends to pay quarterly cash distributions in the amount of $0.05 per unit, or $0.20 annually.

Incentive Distribution Rights

The following description of Navios Partners' incentive distribution rights reflects such rights and the indicated levels are achieved, of which there can be no assurance. Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from Operating Surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Navios GP L.L.C. currently holds Navios Partners' incentive distribution rights, but may transfer these rights, provided the transferee agrees to be bound by the terms of the Partnership Agreement.

The following table illustrates the percentage allocations of the additional available cash from operating surplus among the unitholders, Navios Partners' general partner and the holder of Navios Partners' incentive distribution rights up to the various target distribution levels. The amounts set forth under "Marginal Percentage Interest in Distributions" are the percentage interests of the unitholders in any available cash from operating surplus Navios Partners distributes up to and including the corresponding amount in the column "Total Quarterly Distribution

Target Amount," until available cash from operating surplus Navios Partners distributes reaches the next target distribution level, if any. The percentage interests shown for the holders for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for Navios Partners' general partner assume that the general partner maintains its 2.0% general partner interest.

	Marginal Percentage Interest in Distributions			
	Total Quarterly Distribution Target Amount	Common Unitholders	Incentive Distribution Right Holder	General Partner
Minimum Quarterly Distribution	up to $5.25	98%	—	2%
First Target Distribution	up to $6.0375	98%	—	2%
Second Target Distribution	above $6.0375 up to $6.5625	85%	13%	2%
Third Target Distribution	above $6.5625 up to $7.875	75%	23%	2%
Thereafter	above $7.875	50%	48%	2%

In August 2019, Navios Holdings sold the general partnership interests in Navios Partners to N Shipmanagement Acquisition Corp. and related entities, an entity affiliated with Navios Partners' Chairman and Chief Executive Officer. The incentive distribution rights remained with Navios GP L.L.C.

Management; Board of Directors

Under the Partnership Agreement, Navios Partners GP delegated to the Navios Partners Board all management powers over the business and affairs of Navios Partners that it may then or thereafter possess under applicable law, unless otherwise provided under the agreement.

The Partnership Agreement provides that the Navios Partners Board shall consist of seven individuals, three of which are appointed directors and four of which are elected directors. The elected directors are divided into three classes serving staggered three-year terms.

Appointed directors are appointed by Navios Partners GP and the elected directors are elected by a plurality of the votes of the outstanding Common Units present in person or represented by proxy at a Navios Partners' annual meeting with each outstanding Common Unit having one vote. The Navios Partners Board is entitled to nominate individuals to stand for election as elected directors at an annual meeting.

Each appointed director shall hold office until his or her successor is duly appointed by Navios Partners GP and qualified or until his or her earlier death, resignation or removal.

Any appointed director may be removed at any time (i) without cause, only by Navios Partners GP and, (ii) with cause, by (x) Navios Partners GP, (y) by the affirmative vote of the holders of a majority of the outstanding units, voting as a single class, at a properly called meeting of the limited partners or (z) by the affirmative vote of a majority of the other members of the Navios Partners Board.

Any and all of the elected directors may be removed at any time, with cause, only by the affirmative vote of a majority of the other members of the Navios Partners Board or at a properly called meeting of the limited partners only by the affirmative vote of the holders of a majority of the outstanding Common Units.

Quorum and Action by the Board of Directors

A majority of the number of members of the Navios Partners Board then in office shall constitute a quorum for the transaction of business at any meeting of the Navios Partners Board, and the act of a majority of the members of the Navios Partners Board present at a meeting at which a quorum is present shall be the act of the Navios Partners Board.

Director and Officer and General Partner Limitation on Liability and Indemnification

Members of the Navios Partners Board and Navios Partners GP may exercise any of the powers granted to them and perform any of the duties imposed upon them under the Partnership Agreement either directly or by or through their agents, and the members of the Navios Partners Board and Navios Partners GP shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the Navios Partners Board or Navios Partners GP in good faith.

The Partnership Agreement provides that to the fullest extent permitted by law but subject to the limitations expressly provided in the Partnership Agreement, any general partner, director and officer shall be indemnified and held harmless by Navios Partners unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which indemnification is sought, such person acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the such conduct was unlawful.

Navios Partners may purchase and maintain (or reimburse Navios Partners GP or its affiliates for the costs of) insurance, on behalf of the Navios Partners Board and Navios Partners GP, its affiliates and such other persons as the Navios Partners Board shall determine, against any liability that may be asserted against, or expense that may be incurred by, such person in connection with Navios Partners' activities or such person's activities on behalf of Navios Partners, regardless of whether Navios Partners would have the power to indemnify such person against such liability under the provisions of the Partnership Agreement or law.

Amendment of the Partnership Agreement

Amendments by the Navios Partners Board

The Navios Partners Board, without the approval of any limited partner or Navios Partners GP, may amend any provision of the Partnership Agreement to reflect:

(a) a change in the name of Navios Partners, the location of the principal place of business of Navios Partners, the registered agent of Navios Partners or the registered office of Navios Partners;

(b) admission, substitution, withdrawal or removal of partners in accordance with the agreement;

(c) a change that the Navios Partners Board determines to be necessary or appropriate to qualify or continue the qualification of Navios Partners as a limited partnership or a partnership in which the limited partners have limited liability under the laws of The Marshall Islands;

(d) a change that the Navios Partners Board determines (i) does not adversely affect the limited partners (including any particular class of partnership interests as compared to other classes of partnership interests) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any Marshall Islands authority (including the Marshall Islands Act) or (B) facilitate the trading of the units or comply with any rule, regulation, guideline or requirement of any national securities exchange on which the units are or will be listed, (iii) to be necessary or appropriate in connection with action taken by the Navios Partners Board pursuant to provisions relating to splits and combinations or (iv) is required to effect the intent expressed in the Navios Partners Registration Statement on Form F-1 or the intent of the provisions of the agreement or is otherwise contemplated by the Partnership Agreement;

(e) a change in the fiscal year or taxable year of Navios Partners and any other changes that the Navios Partners Board determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of Navios Partners including, if the Navios Partners Board shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by Navios Partners;

(f) an amendment that is necessary, in the opinion of counsel, to prevent Navios Partners, the members of the Navios Partners Board, or Navios Partners GP or its or their directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the U.S. Investment

Advisers Act of 1940, as amended, or “plan asset” regulations adopted under the U.S. Employee Retirement Income Security Act of 1974, as amended, regardless of whether such regulations are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the Navios Partners Board, and if required by the Partnership Agreement, Navios Partners GP, determines to be necessary or appropriate in connection with the authorization of issuance of any class or series of Navios Partners’ securities;

(h) any amendment expressly permitted in the Partnership Agreement to be made by the Navios Partners Board acting alone;

(i) an amendment effected, necessitated or contemplated by a merger agreement approved in accordance with the Partnership Agreement;

(j) an amendment that the Navios Partners Board determines to be necessary or appropriate to reflect and account for the formation by Navios Partners of, or investment by Navios Partners in, any corporation, partnership, joint venture, limited liability company or other person, in connection with the conduct by Navios Partners of permitted activities;

(k) a conversion, merger or conveyance pursuant to the terms of the Partnership Agreement; or

(l) any other amendments substantially similar to the foregoing.

Amendments Requiring Approval of the Navios Partners Board and the Holders of Common Units

Amendments to the Partnership Agreement may be proposed only by, or with the written consent of, the Navios Partners Board. A proposed amendment shall be effective upon its approval by the Navios Partners Board and the holders of a majority of the outstanding units of Navios Partners, unless a greater or different percentage is required under the Partnership Agreement or by the Marshall Islands Act. Each proposed amendment that requires the approval of the holders of a specified percentage of outstanding units shall be set forth in a writing that contains the text of the proposed amendment.

Other Amendments

No provision of the Partnership Agreement that establishes a percentage of outstanding units (including units deemed owned by Navios Partners GP or its affiliates) required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of holders of outstanding units whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced.

No amendment to the Partnership Agreement may (i) enlarge the obligations of any limited partner without its consent, unless such enlargement shall be deemed to have occurred as a result of an amendment approved pursuant to clause (c) below, (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, Navios Partner GP or any of its affiliates without its consent, which consent may be given or withheld at Navios Partners GP’s option, (iii) change Section 12.1(a) of the Partnership Agreement, or (iv) change the term of Navios Partners or, except as set forth in Section 12.1(a) of the Partnership Agreement, give any person the right to dissolve Navios Partners.

Except the limited partner approval required in the cases of mergers and consolidation, and without limitation of the Navios Partners Board’s authority to adopt amendments to the Partnership Agreement without the approval of any limited partners, any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interests in relation to other classes of partnership interests must be approved by the holders of not less than a majority of the outstanding partnership interests of the class affected.

Notwithstanding any other provision of the Partnership Agreement, except as provided for in the agreement, no amendments shall become effective without the approval of the holders of at least 90% of the outstanding units voting as a single class unless Navios Partners obtains an opinion of counsel to the effect that such amendment will not affect the limited liability of any limited partner under applicable law.

Derivative Actions

Under the Marshall Islands Act, any partner of Navios Partners may bring an action in Navios Partners' name to procure a judgment in Navios Partners' favor, also known as a derivative action, provided that the partner bringing the action is a partner of Navios Partners both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Liquidation

In the event of a liquidation, dissolution or winding up of Navios Partners, all property and all cash in excess of that required to discharge liabilities of Navios Partners as provided in the Partnership Agreement shall be distributed as follows:

(i) If the average of the daily closing prices for the 20 consecutive trading days of the Common Units (the "Current Market Price") as of the date three trading days prior to the announcement of the proposed liquidation exceeds the initial unit price, minus all distributions received in respect of such unit:

(a) First, (x) to Navios Partners GP in accordance with its ownership percentage and (y) to all the holders of Common Units, pro rata, a percentage equal to 100% less Navios Partners GP's ownership percentage, until there has been distributed in respect of each Common Unit then outstanding an amount equal to such Current Market Price of a Common Unit; and

(b) Thereafter (x) to Navios Partners GP in accordance with its ownership percentage; (y) 48.0% to the holders of the Navios Partners incentive distribution rights, pro rata; and (z) to all holders of Common Units, pro rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (x) and (y) of this clause (i)(b).

(ii) If the Current Market Price of the Common Units as of the date three trading days prior to the announcement of the proposed liquidation is equal to or less than the initial unit price, minus all distributions received in respect of such unit:

(a) First, (x) to Navios Partners GP in accordance with its ownership percentage and (y) to all the holders of Common Units, pro rata, a percentage equal to 100% less Navios Partners GP's ownership percentage, until there has been distributed in respect of each Common Unit then outstanding an amount equal to the initial unit price, minus all distributions received in respect of such unit; and

(b) Thereafter, (x) to Navios Partners GP in accordance with its ownership percentage; (y) 48.0% to the holders of the Navios Partners incentive distribution rights, pro rata and (z) to all holders of Common Units, pro rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (x) and (y) of this clause (ii)(b).

Private and Confidential

DATED 23 March 2021

EMERY SHIPPING CORPORATION
MANDORA SHIPPING LTD
RONDINE MANAGEMENT CORP.
AND
SOLANGE SHIPPING LTD.

as Borrowers

-and-

CRÉDIT AGRICOLE CORPORATE
AND INVESTMENT BANK
as Lender

-and-

CRÉDIT AGRICOLE CORPORATE
AND INVESTMENT BANK
as Arranger, Agent, Account Bank
and Security Trustee

FACILITY AGREEMENT FOR A TERM LOAN FACILITY OF UP TO USD58,000,000

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THIS AGREEMENT dated 23 March 2021 is made **BY** and **BETWEEN**:

(1) **EMERY SHIPPING CORPORATION**, **MANDORA SHIPPING LTD**, **RONDINE MANAGEMENT CORP.** and **SOLANGE SHIPPING LTD.** as Borrowers;

(2) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Lenders; and

(3) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Arranger, Account Bank, Agent and Security Trustee.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1 PURPOSE, DEFINITIONS, CONSTRUCTIONS & MAJORITY LENDERS

1.1 Purpose

This Agreement sets out the terms and conditions on which the Lenders agree to make available to the Borrowers a loan of up to fifty eight million Dollars (USD58,000,000), subject to clause 2 of this Agreement, for the purpose of (i) enabling Emery and Rondine to repay all amounts outstanding under the E/R Loan Agreement and (ii) the Borrowers making part of the proceeds of the Loan available to the Shareholder, which the Shareholder will use to pay to the current shareholder of each of Mandora and Solange the purchase price of the shares in Mandora and Solange.

1.2 Definitions

In this Agreement, unless the context otherwise requires:

"**Account Bank**" means Crédit Agricole Corporate and Investment Bank, acting through its office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, or such other bank as may be designated by the Agent as an Account Bank for the purposes of this Agreement;

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and for this purpose "control" means the ownership of more than fifty per cent (50%) of the voting share capital (or equivalent rights of ownership) of such company or entity.

"**Agent**" means Crédit Agricole Corporate and Investment Bank, acting through its office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France (or of such other address as may last have been notified to the other parties to this Agreement pursuant to clause 17.2.3) or such other person as may be appointed as agent by the Lenders pursuant to clause 16.13;

“**Anti-Corruption Laws**” means the UK Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 (each as amended form time to time) and any similar legislation in other jurisdictions;

“**Approved Broker**” means each of Affinity (Shipping) LLP, Allied Shipbroking Inc., Arrow Sale & Purchase (UK) Limited, Barry Rogliano Salles, Braemar ACM Valuations Limited, Clarkson Valuations Limited, E.A. Gibson Shipbrokers Ltd., Fearnleys A.S., Howe Robinson and Maersk Broker K/S, or such other reputable, independent and first class firm of shipbrokers specialising in the valuation of vessels of the relevant type appointed by the Lenders and agreed with the Borrowers;

“**Approved Insurance Brokers**” means such firm of insurance brokers, appointed by the Borrowers, as may from time to time be approved in writing by the Agent (which approval shall not be unreasonably withheld) for the purposes of this Agreement;

“**Arranger**” means Crédit Agricole Corporate and Investment Bank, acting through its office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France (or of such other address as may last have been notified to the other parties to this Agreement pursuant to clause 17.2.3);

“**Article 55 BRRD**” means Articles 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investments firms

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers;

“**Bail-In Legislation**” means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;

(b) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and

(c) in relation to the United Kingdom, the UK Bail-In Legislation;

“**Banking Day**” means a day on which dealings in deposits in USD are carried on in the London Interbank Eurocurrency Market and (other than Saturday or Sunday) on which banks are open for business in London, Piraeus, Paris and New York City (or any other relevant place of payment under clause 6);

“**Banks**” means, together, the Arranger, the Agent, the Security Trustee, the Account Bank, the Lenders and any Transferee Lenders;

“Basel III” means:

(a) the following documents published by the Basel Committee on Banking Supervision relating to “Basel III” in December 2010:

(i) “Basel III: A global regulatory framework for more resilient banks and banking systems”; and

(ii) “Basel III: International framework for liquidity risk measurement, standards and monitoring”;

(iii) “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010

each as amended, supplemented or restated;

(b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011 (as amended, supplemented or restated),

and, in each case including CRD IV and CRR and any follow-up agreement, guidance, standards or paper published by the Basel Committee on Banking Supervision relating to “Basel III”;

“Basel IV” means any amendment, replacement or refinement of Basel III known or to be known as “Basel IV”;

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

“**Borrower**” means each of Emery Shipping Corporation (“**Emery**”), Mandora Shipping Ltd (**Mandora**”), Rondine Management Corp. (“**Rondine**”) and Solange Shipping Ltd. (“**Solange**”), having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960 and in the plural means all of them;

“**Break Costs**” means the aggregate amount of all losses, premiums, penalties, costs and expenses whatsoever certified by the Agent at any time and from time to time as having been incurred by the Lenders or any of them in maintaining or funding their Contributions or in liquidating or re-employing fixed deposits acquired to maintain the same as a result of either:

(a) any repayment or prepayment of the Loan or any part thereof otherwise than (i) in accordance with clause 4.1 or (ii) on an Interest Payment Date whether on a voluntary or involuntary basis or otherwise howsoever; or

(b) as a result of the Borrowers failing or being incapable of drawing the Loan after the Drawdown Notice has been given;

“**Casualty Amount**” means five hundred thousand Dollars (USD 500,000) (or the equivalent in any other currency);

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

“**Charter Assignment**” means a specific assignment of any Extended Employment Contract required to be executed hereunder by any Owner in favour of the Security Trustee (including any notices and/or acknowledgements and/or undertakings associated therewith) in such form as the Agent and the Majority Lenders may require in their sole discretion;

“**Classification**” means, in relation to each Vessel, the highest class available for a vessel of her type with the relevant Classification Society;

“**Classification Society**” means, in relation to each Vessel, DNV GL, Lloyds Register, American Bureau of Shipping and Bureau Veritas or any other IACS classification society which the Agent shall, at the request of the Borrowers, have agreed in writing shall be treated as the classification society in relation to such Vessel for the purposes of the relevant Ship Security Documents;

“**Code**” means the US Internal Revenue Code of 1986, as amended, and the regulations promulgated and rulings issued thereunder;

“**Commitment**” means, with respect to each Lender, the amount set out opposite the name of such Lender in schedule 1 (or its successor pursuant to the terms of any relevant Transfer Certificate executed pursuant to the terms of this Agreement) that such Lender has agreed to advance to the Borrowers hereunder in respect of the Loan, in each case as such amount may have been reduced and/or cancelled by any relevant term of this Agreement;

"**Compliance Certificate**" means a certificate substantially in the form set out in schedule 6 signed by the chief financial officer of the Corporate Guarantor evidencing (as the case may be) compliance by the Corporate Guarantor with the provisions of clause 8.1.16 (*Financial Covenants of the Group*) and clause 8.2 (*Security Value*);

"**Contribution**" means, at any relevant time, in relation to each Lender, the principal amount of the Loan owing to such Lender at such time;

"**Corporate Guarantee**" means the guarantee required to be executed hereunder by the Corporate Guarantor in such form as the Agent and the Majority Lenders may require in their sole discretion;

"**Corporate Guarantor**" means Navios Maritime Partners L.P., a limited partnership formed in the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

"**CRD IV**" means the directive 2013/36/EU of the European Union on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;

"**CRR**" means the regulation 585/2013/EU of the European Union on prudential requirements for credit institutions and investment firms;

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

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

"**Drawdown Date**" means the date being a Banking Day falling during the Drawdown Period, on which the Loan is, or is to be, made available;

"**Drawdown Notice**" means the notice substantially in the form of schedule 2;

"**Drawdown Period**" means the period commencing on the Execution Date and ending on the earliest of (a) 15 May 2021 and (b) any date on which (i) the amount of the Loan has been made available in full to the Borrowers by the Lenders in accordance with the provisions of clause 2 or (ii) the Total Commitment is reduced to zero pursuant to clauses 2.7, 10.2 or 12;

"**Earnings**" means, in respect of a Vessel, all moneys whatsoever from time to time due or payable to the relevant Owner during the Facility Period arising out of the use or operation of such Vessel including (but without limiting the generality of the foregoing) all freight, hire and passage moneys, income arising under pooling arrangements, compensation payable to the relevant Owner in event of requisition of such Vessel for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract (including any contract of affreightment) for the employment of such Vessel;

"**Earnings Account**" means, in respect of each Borrower, an interest bearing USD Account required to be opened hereunder with the Account Bank in the name of that Borrower designated "[NAME OF VESSEL]—EARNINGS ACC" and includes any other account designated in writing by the Agent to be an Earnings Account for the purposes of this Agreement;

"**Earnings Account Pledge**" means, in respect of each Earnings Account, a first priority pledge required to be executed hereunder between the relevant Borrower and the Security Trustee in respect of its Earnings Account in such form as the Agent may require in its sole discretion, and in the plural means all of them;

"**EBITDA**" means the aggregate amount of combined pre-tax profits of the Group before extraordinary or exceptional items, interest, depreciation and amortisation as shown by the Latest Accounts for the relevant period;

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway;

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

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

"**Environmental Affiliate**" means any agent or employee of any Borrower, any Manager (other than the Third Party Manager), or any other Group Member or any other person having a contractual relationship with any Borrower, any Manager (other than the Third Party Manager), or any other Group Member in connection with any Relevant Ship or its operation or the carriage of cargo and/or passengers thereon and/or the provision of goods and/or services on or from any Relevant Ship;

"**Environmental Approval**" means any consent, authorisation, licence or approval of any governmental or public body or authorities or courts applicable to any Relevant Ship or its operation or the carriage of cargo and/or passengers thereon and/or the provision of goods and/or services on or from any Relevant Ship required under any Environmental Law;

"**Environmental Claim**" means (i) any claim by, or directive from, any applicable Government Entity alleging breach of, or non-compliance with, any Environmental Laws or Environmental Approvals or otherwise howsoever relating to or arising out of an Environmental Incident or (ii) any claim by any other third party howsoever relating to or arising out of an Environmental Incident (and, in each such case, "claim" shall include a claim for damages and/or direction for and/or enforcement relating to clean-up costs, removal, compliance, remedial action or otherwise) or (iii) any Proceedings arising from any of the foregoing;

"**Environmental Incident**" means, regardless of cause, (i) any discharge or release of Environmentally Sensitive Material from any Relevant Ship; (ii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than a Relevant Ship which involves collision between a Relevant Ship and such other vessel or some other incident of navigation or operation, in either case, where the Relevant Ship, the relevant Manager (other than the Third Party Manager) and/or the relevant Owner and/or the relevant Group Member and/or the relevant Operator (other than the Third Party Manager) are actually, contingently or allegedly at fault or otherwise howsoever liable (in whole or in part) or (iii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel

other than a Relevant Ship and where such Relevant Ship is actually or reasonably likely to be arrested as a result and/or where the relevant Manager (other than the Third Party Manager) and/or the relevant Owner and/or other Group Member and/or the relevant Operator (other than the Third Party Manager) are actually or contingently at fault or allegedly and reasonably likely to be found at fault or otherwise howsoever liable to any administrative or legal action;

"**Environmental Laws**" means all laws, regulations, conventions and agreements whatsoever relating to pollution, human or wildlife well-being or protection of the environment (including, without limitation, the United States Oil Pollution Act of 1990 and any comparable laws of the individual States of the USA);

"**Environmentally Sensitive Material**" means oil, oil products or any other products or substance which are polluting, toxic or hazardous or any substance the release of which into the environment is howsoever regulated, prohibited or penalised by or pursuant to any Environmental Law;

"**E/R Loan Agreement**" means the loan agreement dated 28 September 2020 and made between (i) Emery and Rondine as joint and several borrowers, (2) Crédit Agricole Corporate and Investment Bank as lender and (3) Crédit Agricole Corporate and Investment Bank as arranger, agent, account bank and security trustee in respect of a loan facility of up to USD33,000,000;

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

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

"**Existing Loan Agreements**" means, together, the E/R Loan Agreement, the Mandora Loan Agreement and the Solange Loan Agreement;

"**Extended Employment Contract**" means, in respect of a Vessel, any time charterparty, contract of affreightment or other contract of employment of such ship (including the entry of any Vessel in any pool) which has a tenor exceeding twenty four (24) months (including any options to renew or extend such tenor);

"**Facility Period**" means the period starting on the Execution Date and ending on such date as all obligations whatsoever of all of the Security Parties under or pursuant to the Security Documents whensoever arising, actual or contingent, have been irrevocably paid, performed and/or complied with;

"**FATCA**" means:

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

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

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

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

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

"**FATCA FFI**" means a foreign financial institution as defined in section 1471(d)(4) of the Code which, if the Lender is not a FATCA Exempt Party, could be required to make a FATCA Deduction;

"Fee Letter" means any letter or letters between the Agent and the Borrowers setting out any of the fees referred to in clause 5.1.

"**Flag State**" means the Republic of Panama, the Republic of Liberia, the Republic of the Marshall Islands, Malta or such other state or territory agreed by the Agent (acting on the instructions of the Majority Lenders), at the request of the Borrowers, as the "Flag State" of the Vessels for the purposes of the Security Documents;

"**General Assignment**" means, in respect of each Vessel, the deed of assignment of its Earnings, Insurances and Requisition Compensation executed or to be executed by the relevant Owner in favour of the Security Trustee in such form as the Agent and the Majority Lenders may require in their sole discretion and in the plural means all of them;

"**Government Entity**" means any national or local government body, tribunal, court or regulatory or other agency and any organisation of which such body, tribunal, court or agency is a part or to which it is subject;

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

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

"**IACS**" means the International Association of Classification Societies;

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

"**Insurances**" means, in respect of a Vessel, all policies and contracts of insurance (which expression includes all entries of such Vessel in a protection and indemnity or war risks association) which are from time to time during the Facility Period in place or taken out or entered into by or for the benefit of the relevant Owner (whether in the sole name of the Owner, or in the joint names of the Owner and the Security Trustee or otherwise) in respect of the Vessel and her Earnings or otherwise howsoever in connection with the Vessel and all benefits thereof (including claims of whatsoever nature and return of premiums);

"**Insurances Assignment**" means, in respect of each Vessel, an assignment of its Insurances executed or to be executed by any co-assured (other than the relevant Owner and the relevant Manager) in favour of the Security Trustee in such form as the Agent may require in its sole discretion and in the plural means all of them;

"Interest Expense" means, for any relevant financial period, the aggregate interest paid or payable by the Group and any member thereof on any Indebtedness during such period;

"**Interest Payment Date**" means the last day of an Interest Period and, if an Interest Period is longer than 3 months, the date falling at the end of each successive period of 3 months during such Interest Period starting from its commencement;

"**Interest Period**" means each period for the calculation of interest in respect of the Loan ascertained in accordance with the provisions of clause 3;

"**Interest Rate Determination Date**" means, in relation to any period for which an interest rate is to be determined, the date falling three (3) Banking Days before the first day of that period;

"**ISM Code**" means in relation to its application to the Borrowers, the Vessels and their operation:

(a) 'The International Management Code for the Safe Operation of Ships and for Pollution Prevention', currently known or referred to as the 'ISM Code', adopted by the Assembly of the International Maritime Organisation by Resolution A.741(18) on 4 December 1993 and incorporated on 19 May 1994 into Chapter IX of the International Convention for Safety of Life at Sea 1974 (SOLAS 1974); and

(b) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including, without limitation, the 'Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations' produced by the International Maritime Organisation pursuant to Resolution A.788(19) adopted on 25 December 1995,

as the same may be amended, supplemented or replaced from time to time;

"**ISM Code Documentation**" means, in relation to a Vessel, the document of compliance (DOC) and safety management certificate (SMC) issued by a Classification Society pursuant to the ISM Code in relation to that Vessel within the periods specified by the ISM Code;

"**ISM SMS**" means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

"**ISPS Code**" means the International Ship and Port Security Code of the International Maritime Organisation and includes any amendments or extensions thereto and any regulations issued pursuant thereto;

"**ISSC**" means an International Ship Security Certificate issued in respect of a Vessel pursuant to the ISPS Code;

"Latest Accounts" means, in respect of the financial quarter of the Group ending on 30 June and 31 December each year, the latest unaudited (in respect of each financial quarter) or audited (in respect of each financial year) financial statements required to be prepared pursuant to clause 8.1.6 for the relevant financial quarter;

"**Lenders**" means the banks listed in schedule 1 and Transferee Lenders;

"**Lending Branch**" means, in respect of each Lender, its office or branch at the address set out beneath its name in schedule 1 (or, in the case of a Transferee, in the Transfer Certificate to which it is a party as Transferee) or such other office or branch as any Lender shall from time to time select and notify through the Agent to the other parties to this Agreement;

"**LIBOR**" means for an Interest Period or any part thereof:

(a) the applicable Screen Rate at or about 11.00 a.m. (London time) on the Interest Rate Determination Date for Dollars and for a period equal in length to the Interest Period then applicable to the Loan or that part of the Loan; or

(b) in case of Screen Rate Replacement Event, the Replacement Benchmark on the Interest Rate Determination Date for Dollars and for a period equal in length to the Interest Period

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero;

"**Liquidity**" means the aggregate of any cash deposits legally or beneficially held by all Group Members and including any funds held with the Account Bank and other banks from time to time to satisfy minimum liquidity requirements;

"Loan" means the principal amount made, or to be made, available by the Lenders on the terms and subject to the conditions of this Agreement in an amount of up to USD58,000,000 subject to clause 2 of this Agreement for the purpose described in clause 1.1 or, as the context may require, the aggregate principal amount owing to the Lenders under this Agreement at any relevant time;

“**Loss Payable Clauses**” means the provisions regulating the manner of payment of sums receivable under the Insurances which are to be incorporated in the relevant insurance documents, such provisions to be in the forms set out in schedule 1 to the General Assignment or in such other forms as may from time to time be required or agreed in writing by the Security Trustee;

“**Majority Lenders**” means at any relevant time when there are two Lenders, both of them, and at any time when there are more than two Lenders, the Lenders whose Contributions exceed 66.2/3% of the Loan;

“**Management Agreement**” means, in respect of each Vessel, the management agreement between or on behalf of the relevant Owner and/or the relevant Manager and/or the relevant Sub-Manager as the case may be, each in a form previously approved in writing by the Agent (acting on the instructions of the Majority Lenders);

“**Manager**” means, in respect of each Vessel, Navios Shipmanagement Holdings Corporation, a corporation incorporated in the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960, or any of its subsidiaries or any other technical management company, in each case wholly owned by a Permitted Holder or the Third Party Manager or, with the prior written consent of the Agent (acting on the instructions of the Majority Lenders), any other person appointed by or on behalf of an Owner as the commercial and/or technical manager of the relevant Mortgaged Vessel;

“**Manager’s Undertakings**” means, collectively, the undertakings and assignments required to be executed hereunder by the relevant Manager and the relevant Sub-Manager in favour of the Security Trustee in respect of each of the Vessels each in such form as the Agent and the Majority Lenders may require in their sole discretion;

“**Mandora Loan Agreement**” means the loan agreement dated 29 December 2011 (as transferred to Crédit Agricole Corporate and Investment Bank pursuant to an assignment and assumption agreement dated 14 December 2012 made between Emporiki Bank of Greece S.A. and Crédit Agricole Corporate and Investment Bank and as amended from time to time) and made between (i) Mandora as borrower and (ii) Crédit Agricole Corporate and Investment Bank as lender in respect of a term loan of (originally) up to US$23,000,000;

“**Margin**” means, in relation to each Interest Period, 3% per annum;

“Material Adverse Effect” means, in the reasonable opinion of the Banks, a material adverse effect on (i) the Banks’ rights under, or the security provided by, any Security Document, (ii) the ability of any Security Party to perform or comply with any of its obligations under any Security Document or (iii) the value or nature of the property, assets, operations, liabilities or financial condition of any Security Party;

“**Maturity Date**” means the earlier of (i) the date falling five (5) years after the Drawdown Date and (ii) 30 March 2026;

“**Merger Date**” means the date on which the merger between NMM Merger Sub LLC (“**Merger Sub**”) and Navios Maritime Containers L.P. (“**Navios Containers**”), pursuant to the Agreement and Plan of Merger dated 31 December 2020 made between (i) Navios Containers and its general partner, Navios Maritime Containers GP LLC and (ii) the Corporate Guarantor and its direct, wholly-owned subsidiary, Merger Sub, pursuant to which Merger Sub will be merged with and into Navios Containers, with Navios Containers being a wholly-owned subsidiary of Navios Partners, has become effective;

“**Money Laundering**” has the meaning given to it in Article 1 of Directive 2015/849/EC of the Council of European Communities;

“**month**” means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it started, provided that (i) if the period started on the last Banking Day in a calendar month or if there is no such numerically corresponding day, it shall end on the last Banking Day in the next calendar month and (ii) if such numerically corresponding day is not a Banking Day, the period shall end on the next following Banking Day in the same calendar month but if there is no such Banking Day it shall end on the preceding Banking Day and “months” and “**monthly**” shall be construed accordingly;

“**Mortgage**” means, in respect of each Vessel, the first preferred mortgage of such Vessel required to be executed hereunder by the Borrower which is the owner thereof in favour of the Security Trustee, including, if appropriate, any deed of covenant collateral thereto, each in such form as the Agent may require in its sole discretion and in the plural means all of them;

“**Mortgaged Vessel**” means, at any relevant time, a Vessel which is at such time subject to a Mortgage and a Vessel shall, for the purposes of this Agreement, be regarded as a Mortgaged Vessel as from the date on which the Mortgage of that Vessel has been executed and registered in accordance with this Agreement until whichever shall be the earlier of (i) the payment in full of the amount required to be paid to the Agent pursuant to clause 4.3 or 4.4 following the Total Loss or sale respectively of such Vessel and (ii) the end of the Facility Period;

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

“**Net Total Debt**’’ means total debt as evidenced at any relevant time by the Latest Accounts, in which they shall have been calculated in accordance with US GAAP less the value of the liabilities relating to operating leases as defined under rule ASC 842 of the US GAAP and cash (which shall have the meaning given thereto under US GAAP) of the Group;

“**Net Worth**” means, at any relevant time, the Total Assets less Total Liabilities;

“**Notice of Assignment of Insurances**” means a notice of assignment in the form set out in schedule 2 to the General Assignment or in such other form as may from time to time be required or agreed in writing by the Security Trustee;

“**Operator**” means any Manager and any person who is from time to time during the Facility Period concerned in the operation of a Relevant Ship and falls within the definition of “Company” set out in rule 1.1.2 of the ISM Code;

“**Owner**” means, in relation to:

(i) Vessel A, Emery; and

(ii) Vessel B, Mandora;

(iii) Vessel C, Rondine; and

(iv) Vessel D, Solange,

and in the plural means all of them;

“**Party**” means a party to this Agreement;

“**Permitted Encumbrance**” means any Encumbrance in favour of the Banks or any of them created pursuant to the Security Documents and Permitted Liens;

“**Permitted Holders**” means each of: (i) Angeliki Frangou; (ii) each of her spouse, siblings, ancestors, descendants (whether by blood, marriage or adoption, and including stepchildren) and the spouses, siblings, ancestors and descendants thereof (whether by blood, marriage or adoption, and including stepchildren) of such natural persons, the beneficiaries, estates and legal representatives of any of the foregoing, the trustee of any bona fide trust of which any of the foregoing, individually or in the aggregate, are the majority in interest beneficiaries or grantors, and any corporation, partnership, limited liability company or other Person in which any of the foregoing, individually or in the aggregate, own or control a majority in interest; (iii) Navios Holdings; and (iv) all Affiliates controlled by the Persons named in clauses (i) and (ii) above;

“**Permitted Liens**” means any lien on a Vessel for master’s, officer’s or crew’s wages outstanding in the ordinary course of trading, any lien for salvage and any ship repairer’s or outfitter’s possessory lien for a sum not (except with the prior written consent of the Agent) exceeding the Casualty Amount;

“**Person**” means any natural person, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity, whether legal or not;

“**Pertinent Jurisdiction**” means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment or assets, carries on, or has a place of business or is otherwise howsoever effectively connected;

“**Prepayment Ratio**” means, in respect of the sale or Total Loss of a Mortgaged Vessel, the Valuation Amount of such Mortgaged Vessel immediately prior to such sale or Total Loss divided by the aggregate of the Valuation Amounts of all of the Mortgaged Vessels immediately prior to such sale or Total Loss;

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

"Registry" means, in relation to each Vessel, the office of the registrar, commissioner or representative of the Flag State, which is duly empowered to register such Vessel, the relevant Owner's title thereto and the relevant Mortgage under the laws and flag of the Flag State;

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board;

"**Relevant Ship**" means each of the Vessels and any other ship from time to time (whether before or after the Execution Date) owned, managed or crewed by, or chartered to, any Group Member;

"**Repayment Dates**" means, subject to clause 6.3, the earlier of (i) 30 June 2021 and (ii) the date falling three months after the Drawdown Date, and each of the dates falling at quarterly intervals thereafter, up to and including the Maturity Date;

"**Replacement Benchmark**" means a benchmark rate which is:

(a) formally designated, nominated or recommended as the replacement for a Screen Rate by:

  (i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or

  (ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "**Replacement Benchmark**" will be the replacement under paragraph (ii) above; or

(b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international loan markets as the appropriate successor to a Screen Rate; or

(c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor to a Screen Rate;

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

"**Required Security Amount**" means the amount in USD (as certified by the Agent) which is at any relevant time 130% of the Loan;

"**Requisition**" means, in respect of a Vessel, requisition for title or other compulsory acquisition including, if that ship is not released therefrom within the Relevant Period, capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation howsoever for any reason (but excluding requisition for use or hire) by or on behalf of any Government Entity or other competent authority or by pirates, hijackers, terrorists or similar persons; "**Relevant Period**" means for the purposes of this definition of Requisition either (i) ninety (90) days or, (ii) in respect of pirates, hijackers, terrorists or similar persons, if relevant underwriters confirm in writing (in terms satisfactory to the Lenders) prior to the end of such ninety (90) day period that such capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation will be covered by the relevant Owner's war risks insurance, the shorter of twelve (12) months after the date upon which the relevant incident occurred and such period at the end of which cover is confirmed to attach;

"**Requisition Compensation**" means, in respect of a Vessel, all moneys or other compensation from time to time payable during the Facility Period by reason of the Requisition of such Vessel;

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers;

"**Retention Account**" means an interest bearing USD Account required to be opened hereunder with the Account Bank in the name of the Borrowers designated "EMERY MANDORA RONDINE SOLANGE RETENTION ACC" and includes any other account designated in writing by the Agent to be the Retention Account for the purposes of this Agreement;

"**Retention Account Pledge**" means a first priority pledge required to be executed hereunder between the Borrowers and the Security Trustee in respect of the Retention Account in such form as the Agent may require in its sole discretion;

"**Retention Amount**" means, in relation to any Retention Date, such sum as shall be the aggregate of:

(a) one third (1/3rd) of the repayment instalment in respect of the Loan falling due for payment pursuant to clause 4.1.1 (as the same may have been reduced by any prepayment) on the next Repayment Date after the relevant Retention Date; and

(b) the applicable fraction (as hereinafter defined) of the aggregate amount of interest falling due for payment in respect of each part of the Loan during and at the end of each Interest Period current at the relevant Retention Date and, for this purpose, the expression "**applicable fraction**" in relation to each Interest Period shall mean a fraction having a numerator of one and a denominator equal to the number of Retention Dates falling within the relevant Interest Period;

"**Retention Dates**" means the earlier of (i) 30 April 2021 and (ii) the date falling thirty (30) days after the Drawdown Date, and each of the dates falling at monthly intervals after such date and prior to the Maturity Date;

"**Sanction Authority**" means:

(a) the government of the United States of America;

(b) the United Nations;

(c) the European Union (or the governments of any of its member states);

(d) France;

(e) the United Kingdom; or

(f) the respective governmental institutions and agencies of any of the foregoing including the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**"), the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury;

"**Sanctions**" means any economic, financial or trade sanctions laws, regulations, embargoes or other restrictive measures adopted, administered, enacted or enforced by any Sanctions Authority, or otherwise imposed by any law or regulation compliance with which is reasonable in the ordinary course of business of any Borrower, any Security Party, any Manager (other than the Third Party Manager) or any Bank or to which any Borrower, any Security Party, any Manager or any Bank are subject (which shall include without limitation, any extra-territorial sanctions imposed by law or regulation of the United States of America);

"**Sanctions Restricted Jurisdiction**" means any country or territory which is the target of country-wide or territory-wide Sanctions, including as at the Execution Date, Iran, Sudan, Syria, Crimea, North Korea and Cuba;

"**Sanctions Restricted Person**" means a person or vessel:

(a) that is, or is directly or indirectly, owned or controlled (as such terms are defined by the relevant Sanctions Authority) by, or acting on behalf of, one or more persons or entities on any list (each as amended, supplemented or substituted from time to time) of restricted entities, persons or organisations (or equivalent) published by a Sanctions Authority;

(b) that is located or resident in or incorporated under the laws of, or owned or controlled by, a person located or resident in or incorporated under the laws of a Sanctions Restricted Jurisdiction; or

(c) that is otherwise the target or subject of Sanctions;

"**Screen Rate**" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers;

"**Screen Rate Replacement Event**" means, in relation to a Screen Rate:

(a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Lenders and the Borrowers, materially changed;

(b) (i)

(A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;

(ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;

(iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or

(c) the administrator of the Screen Rate determines that the Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:

(i) the circumstance(s) or events leading to such determination are not (in the opinion of the Majority Lenders and the Borrowers temporary; or

(ii) the Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than 10 Banking Days; or

(d) in the opinion of the Majority Lenders and the Borrowers, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement;

"**Security Documents**" means this Agreement, the Corporate Guarantee, the Mortgages, the General Assignments, any Charter Assignment, the Earnings Account Pledges, the Retention Account Pledge, the Manager's Undertakings, the Shares Charges, any Insurances Assignment, any Fee Letter and any other documents as may have been or shall from time to time after the Execution Date be executed to guarantee and/or to govern and/or to secure payment of all or any part of the Loan, interest thereon and other moneys from time to time owing by the Borrowers pursuant to this Agreement (whether or not any such document also guarantees and/or secures moneys from time to time owing pursuant to any other document or agreement);

"**Security Party**" means the Borrowers, the Corporate Guarantor, the Shareholder or any other person who may at any time be a party to any of the Security Documents (other than the Banks and the Managers);

"**Security Trustee**" means Crédit Agricole Corporate and Investment Bank, acting through its office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France (or of such other address as may last have been notified to the other parties to this Agreement pursuant to clause 17.2.3) or such other person as may be appointed as Security Trustee and trustee by the Lenders, the Arranger, the Account Bank and the Agent pursuant to clause 16.14;

"**Security Value**" means the amount in USD which is, at any relevant time, the aggregate of (a) the Valuation Amounts of the Mortgaged Vessels as most recently determined in accordance with clause 8.2.2 and (b) the net realizable market value of any additional security for the time being actually provided to the Lenders pursuant to clause 8.2.1(b), it being agreed however that in case of additional security in the form of cash in Dollars, the same will be valued on a Dollar for Dollar basis;

"**Shareholder**" means Navios Maritime Operating L.L.C., a limited liability company formed in the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

"**Shares Charge**" means the first priority charge of the shares of and in each Borrower to be executed by the Shareholder in favour of the Security Trustee in such form as the Agent may require in its sole discretion and in the plural means all of them;

"**Ship Security Documents**" means in relation to each Vessel, the Mortgage, the General Assignment, any Charter Assignment, the Manager's Undertakings and the Insurances Assignments in respect of such Vessel;

"**Solange Loan Agreement**" means the loan agreement dated 19 August 2011 (as transferred to Crédit Agricole Corporate and Investment Bank pursuant to an assignment and assumption agreement dated 14 December 2012 made between Emporiki Bank of Greece S.A. and Crédit Agricole Corporate and Investment Bank and as amended from time to time) and made between (i) Solange as borrower and (ii) Crédit Agricole Corporate and Investment Bank as lender in respect of a term loan of (originally) up to US$23,000,000;

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

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

"**Total Assets**" means, as at the date of calculation or, as the case may be, for any accounting period, the total assets (based on book values) (which shall have the meaning given thereto under US GAAP) of the Corporate Guarantor as at that date or for that period as shown in the Latest Accounts;

"**Total Liabilities**" means, as at the date of calculation or, as the case may be, for any accounting period, the total liabilities (which shall have the meaning given thereto under US GAAP) of the Corporate Guarantor as at that date or for that period as shown in the Latest Accounts;

"**Total Commitment**" means, at any relevant time, the aggregate of the Commitments of all the Lenders at such time (being the aggregate of the sums set out opposite their names in schedule 1);

"**Total Loss**" means, in respect of each Vessel:

(a) actual, constructive, compromised, agreed or arranged total loss of such Vessel; or

(b) Requisition; or

(c) any hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation of such Vessel not falling within the definition of Requisition, unless such Vessel be released and restored to the relevant Owner within ninety (90) days after such incident;

"**Transfer Certificate**" means a certificate in substantially the form set out in schedule 4;

"**Transferee Lender**" has the meaning ascribed thereto in clause 15.3;

"**Transferor Lender**" has the meaning ascribed thereto in clause 15.3;

"**Trust Deed**" means a trust deed in the form, or substantially in the form, set out in schedule 5;

"**Trust Property**" means (i) the security, powers, rights, titles, benefits and interests (both present and future) constituted by and conferred on the Banks or any of them under or pursuant to the Security Documents (including, without limitation, the benefit of all covenants, undertakings, representations, warranties and obligations given, made or undertaken to any Bank in the Security Documents), (ii) all moneys, property and other assets paid or transferred to or vested in any Bank (or anyone else on such Bank's behalf) or received or recovered by any Bank (or anyone else on such Bank's behalf) pursuant to, or in connection with, any of the Security Documents whether from any Security Party or any other person and (iii) all moneys, investments, property and other assets at any time representing or deriving from any of the foregoing, including all interest, income and other sums at any time received or receivable by any Bank (or anyone else on such Bank's behalf) in respect of the same (or any part thereof);

"**UK Bail-In Legislation**" means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

"**Underlying Documents**" means, together, any Extended Employment Contracts and the Management Agreements;

"**Unlawfulness**" means any event or circumstance which either is or, as the case may be, might in the opinion of the Agent become the subject of a notification by the Agent to the Borrowers under clause 12.1;

"**US GAAP**" means generally accepted accounting principles in the US;

"**US Tax Obligor**" means:

(a) a Borrower if it is resident for tax purposes in the USA; or

(b) a Security Party some or all of whose payments under the Security Documents are from sources within the USA for USA federal income tax purposes;

"**USA**" means the United States of America;

"**Valuation Amount**" means, in respect of each Mortgaged Vessel, the value thereof as most recently determined under clause 8.2.2 (b);

"**Vessel**" means each of Vessel A, Vessel B, Vessel C and Vessel D and in the plural means all of them as defined in Schedule 7; and

"**Write-down and Conversion Powers**" means:

(a) in relation to any Bail In Legislation described in the EU Bail In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation; and

(c) in relation to the UK Bail-in Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers.

Words and expressions defined in Schedule 7 (Vessel and Third Party Manager Details) shall have the meanings given to them therein as if the same were set out in full in this clause 1.2.

1.3 **Construction**

In this Agreement, unless the context otherwise requires:

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

1.3.2 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement include its schedules and any supplemental agreements executed pursuant hereto;

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

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

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

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

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

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

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

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

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

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

1.3.13 time shall be of the essence in respect of all obligations whatsoever of the Borrowers under this Agreement, howsoever and whensoever arising;

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

1.4 **Accounting terms and references to currencies**

All accounting terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted international accounting principles (or such other accounting principles as the Agent deems appropriate).

Currencies are referred to in this Agreement by the three letter currency codes (ISO 4217) allocated to them by the International Organisation for Standardisation.

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

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

1.6 **Insurance terms**

In this Agreement:

1.6.1 "**excess risks**" means, in relation to a Vessel, the proportion (if any) of claims for general average, salvage and salvage charges and under the ordinary collision clause not recoverable in consequence of the value at which such Vessel is assessed for the purpose of such claims exceeding her insured value;

1.6.2 "**policy**" in relation to insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

1.6.3 "**protection and indemnity risks**" means the usual risks (including oil pollution and freight, demurrage and defence cover) covered by a protection and indemnity association which is a member of the International Group of P&I Clubs (including, without limitation, the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation therein of Clause 1 of the Institute Time Clauses (Hulls) (1/10/83) or Clause 8 of the Institute Time Clauses (Hulls) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision which may be insured by entry with such association;

1.6.4 “**war risks**” includes the risk of mines and all risks excluded by Clause 23 of the Institute Time Clauses (Hulls) (1/10/83) or Clause 24 of the Institute Time Clauses (Hulls) (1/11/1995) or Clause 29 of the International Hull Clauses (1/11/02 and 1/11/03).

1.7 **Majority Lenders**

Where this Agreement or any other Security Document provides for any matter to be determined by reference to the opinion of the Majority Lenders or to be subject to the consent or request of the Majority Lenders or for any decision or action to be taken on the instructions in writing of the Majority Lenders, such opinion, consent, request or instructions shall (as between the Lenders) only be regarded as having been validly given or issued by the Majority Lenders if all the Lenders with a Commitment and/or Contribution shall have received prior notice of the matter on which such opinion, consent, request or instructions are required to be obtained and the relevant majority of such Lenders shall have given or issued such opinion, consent, request or instructions but so that (as between the Borrowers and the Banks) the Borrowers shall be entitled (and bound) to assume that such notice shall have been duly received by each relevant Lender and that the relevant majority shall have been obtained to constitute Majority Lenders whether or not this is in fact the case.

2 THE AVAILABLE COMMITMENT AND CANCELLATION

2.1 Agreement to lend

The Lenders, relying upon each of the representations and warranties in clause 7, agree to provide to the Borrowers upon and subject to the terms of this Agreement, the Loan for the purpose of (i) enabling Emery and Rondine to repay all amounts outstanding under the E/R Loan Agreement and (ii) the Borrowers making part of the proceeds of the Loan available to the Shareholder, which the Shareholder will use to pay to the current shareholder of each of Mandora and Solange the purchase price of the shares in Mandora and Solange. Subject to the terms of this Agreement, the obligations of the Lenders shall be to contribute to the Loan, the proportion of the Loan which their respective Commitments bear to the Total Commitment on the Drawdown Date.

2.2 Obligations several

The obligations of the Lenders under this Agreement are several according to their respective Commitments and/or Contributions. The failure of any Lender to perform such obligations shall not relieve any other party to this Agreement of any of its respective obligations or liabilities under this Agreement nor shall any Bank be responsible for the obligations of any other Bank (except for its own obligations, if any, as a Lender) under this Agreement.

2.3 Interests several

Notwithstanding any other term of this Agreement (but without prejudice to the provisions of this Agreement relating to or requiring action by the Majority Lenders) the interests of the Banks are several and the amount due to any Bank is a separate and independent debt. Each Bank shall have the right to protect and enforce its rights arising out of this Agreement and it shall not be necessary for any other Bank to be joined as an additional party in any Proceedings for this purpose.

2.4 **Drawdown**

2.4.1 On the terms and subject to the conditions of this Agreement, the Loan shall be advanced to the Borrowers on the Drawdown Date following receipt by the Agent from the Borrowers of the Drawdown Notice not later than 10 a.m. on the third Banking Day before the proposed Drawdown Date.

2.4.2 The Drawdown Notice shall be effective on actual receipt by the Agent and, once given, shall, subject as provided in clause 3.6, be irrevocable.

2.5 **Limitation and application of the Loan**

2.5.1 The amount of the Loan shall not exceed the lesser of (i) fifty eight million Dollars (USD58,000,000) and (ii) 65% of the aggregate of the Valuation Amount of the Vessels as at the Drawdown Date.

2.5.2 The Loan shall be paid forthwith upon drawdown to such account or accounts as the Borrowers shall stipulate in the Drawdown Notice.

2.6 **Availability**

Upon receipt of the Drawdown Notice complying with the terms of this Agreement, the Agent shall promptly notify each Lender and each Lender shall make available to the Agent its portion of the Loan for payment by the Agent in accordance with clause 6.2. The Borrowers acknowledge that payment of the Loan to the account referred to in the Drawdown Notice shall satisfy the obligation of the Lenders to lend the Loan to the Borrowers under this Agreement.

2.7 **Voluntary cancellation of Facility**

The Borrowers may, without penalty or cost but after payment of any Break Costs, at any time during the Drawdown Period by notice to the Agent (effective only on actual receipt) cancel with effect from a date not less than three (3) Banking Days after the receipt by the Agent of such notice the whole or any part of the Total Commitment. Any such notice of cancellation, once given, shall be irrevocable and the Total Commitment shall be reduced accordingly and each Lender’s Commitment shall be reduced pro rata according to the proportion which its Commitment bears to the Total Commitment.

2.8 **Cancellation in changed circumstances**

The Borrowers may also at any time during the Facility Period by notice to the Agent (effective only on actual receipt) prepay and cancel with effect from a date not less than three (3) days after receipt by the Agent of such notice, the whole but not part only, but without prejudice to the Borrowers’ obligations under clauses 6.6 and 12, of the Contribution and Commitment (if any) of any Lender to which the Borrowers shall have become obliged to pay additional amounts under clause 12 or clause 6.6. Upon any notice of such prepayment and cancellation being given, the Commitment of the relevant Lender shall be reduced to zero, the Borrowers shall be obliged to prepay the Contribution of such Lender and such Lender’s related costs (including but not limited to Break Costs) on such date and such Lender shall be under no obligation to participate in the Loan.

2.9 **Cancellation**

If any part of the Loan is not drawn down by the end of the Drawdown Period, the Commitment shall thereupon be automatically cancelled and the Lenders shall have no further obligation under this Agreement.

2.10 **Use of proceeds**

Without prejudice to the Borrowers' obligations under clause 8.1.4, no Bank shall have any responsibility for the application of the proceeds of the Loan or any part thereof by the Borrowers.

3 **INTEREST AND INTEREST PERIODS**

3.1 **Normal interest rate**

The Borrowers agree to pay interest on the Loan or part thereof in respect of each Interest Period relating thereto on each Interest Payment Date (or, in the case of Interest Periods of more than three (3) months, by instalments, the first of such instalments three (3) months from the commencement of the Interest Period and the subsequent instalments at intervals of three (3) months and on the last day of such Interest Period) at the rate per annum determined by the Agent to be the aggregate of (a) the Margin in respect of the Loan and (b) LIBOR for such period.

3.2 **Selection of Interest Periods**

3.2.1 The Borrowers may by notice received by the Agent not later than 10:00 a.m. on the second Banking Day before the beginning of each Interest Period request that such Interest Period shall have a length of three (3) months or such other period as the Borrowers may select and the Agent (acting on the instructions of the Lenders) may, subject to the same being available in the London Interbank Market, agree.

3.2.2 If the Borrowers wish to specify an Interest Period of more than 12 months, they must give at least 5 Banking Days prior notice thereof.

3.2.3 The Borrowers acknowledge that if they wish to specify an Interest Period of less than 3 months, and the Agent (acting on the instructions of the Lenders) agrees, extra funding costs may apply.

3.3 **Determination of Interest Periods**

The length of each Interest Period shall be as requested by the Borrowers under clause 3.2 but so that:

3.3.1 the first Interest Period shall start on the Drawdown Date and end the first Repayment Date, and each subsequent Interest Period shall start the day falling after the last day of the previous Interest Period;

3.3.3 if any Interest Period would otherwise overrun a Repayment Date, then, in the case of the last Repayment Date, such Interest Period shall end on the last Repayment Date, and in the case of any other Repayment Date the Loan shall be divided into parts so that there is one part in the amount of the repayment instalment due on each Repayment Date falling in that Interest Period and having an Interest Period ending on the relevant Repayment Date and another part consisting of the balance of the Loan having an Interest Period ascertained in accordance with the other provisions of this clause 3; and

3.3.4 if the Borrowers fail to specify the length of an Interest Period in accordance with the provisions of clause 3.2 and this clause 3.3 such Interest Period shall last three months or such other period as complies with this clause 3.3.

3.4 **Default interest**

If the Borrowers fail to pay any sum whatsoever (including, without limitation, any sum payable pursuant to this clause 3.4) on its due date for payment under any of the Security Documents, the Borrowers must pay interest on such sum on demand from the due date up to the date of actual payment (as well after as before judgment) at a rate determined by the Agent pursuant to this clause 3.4. The period starting on such due date and ending on such date of payment shall be divided into successive periods of not more than one (1) month as selected by the Agent each of which (other than the first, which shall start on such due date) shall start on the last day of the preceding such period. The rate of interest applicable to each such period shall be the aggregate (as determined by the Agent) of (a) two per cent (*2*%) per annum, (b) the Margin and (c) LIBOR for such period. Such interest shall be due and payable on the last day of each such period as determined by the Agent and on the day on which all amounts in respect of which interest is being paid under this clause are paid, and each such day shall be treated as an Interest Payment Date, provided that if such unpaid sum is (i) an amount of principal which became due and payable by reason of a declaration by the Agent under clause 10.2.2 or (ii) a prepayment pursuant to clauses 4.3, 4.4, 8.2.1(a) or 12.1 on a date other than an Interest Payment Date relating thereto, the first such period selected by the Agent shall be of a length equal to the period between the due date of such principal sum and such Interest Payment Date and interest shall be payable on such principal sum during such period at a rate of two per cent (*2*%) above the rate applicable thereto immediately before it shall have become so due and payable. If, for the reasons specified in clause 3.6.1, the Agent is unable to determine a rate in accordance with the foregoing provisions of this clause 3.4, each Lender shall promptly notify the Agent of the cost of funds to such Lender and interest on any sum not paid on its due date for payment shall be calculated at a rate determined by the Agent to be two per cent (*2*%) per annum above the aggregate of the Margin and the arithmetic mean of the cost of funds to the Lenders compounded at such intervals as the Agent selects.

3.5 **Notification of Interest Periods and interest rate**

The Agent agrees to notify (i) the Lenders promptly of the length of each Interest Period and (ii) the Borrowers and the Lenders promptly of each rate of interest determined by it under this clause 3.

3.6 **Market disruption; non-availability**

3.6.1 Market Disruption Event: If and whenever, at any time prior to the commencement of any Interest Period, the Agent shall have determined (which determination shall be conclusive in the absence of manifest error) that a Market Disruption Event has occurred in relation to the Loan for any such Interest Period, then the Agent shall forthwith give notice thereof (a "**Determination Notice**") to the Borrowers and the rate of interest on each Lender's share in the Loan (or the relevant part thereof) for that Interest Period shall be the percentage rate per annum which is the sum of:

(a) the Margin; and

(b) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling three (3) Banking Days after the Interest Rate Determination Date (or, if earlier, the date falling three (3) Banking Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in the Loan from whatever source it may reasonably select.

3.6.2 Suspension of drawdown: If the Determination Notice is given before the Commitment (or a part thereof) is advanced, the Lenders' obligation to make the Commitment (or a part thereof) available shall be suspended while the circumstances referred to in the Determination Notice continue.

3.6.3 Meaning of "Market Disruption Event": In this Agreement "**Market Disruption Event**" means:

(a) at or about noon on the Interest Rate Determination Date for the relevant Interest Period no Screen Rate is available for Dollars or Replacement Benchmark; and/or

(b) before close of business on the Interest Rate Determination Date for the relevant Interest Period, the Agent receives notifications from a Lender that the cost to it of obtaining matching deposits in the London Interbank Market or the international market relevant to the Replacement Benchmark (as the case may be) to fund its participation in the Loan (or the relevant part thereof) for such Interest Period would be in excess of the Screen Rate or, as the case may be, the Replacement Benchmark for that Interest Period; and/or

(c) before close of business on the Interest Rate Determination Date for the relevant Interest Period, the Agent receives notifications from a Lender that deposits in Dollars are not available to that Lender in the London Interbank Market or the international market relevant to the Replacement Benchmark (as the case may be) in the ordinary course of business in sufficient amounts to fund its participation in the Loan (or the relevant part thereof) for that Interest Period.

3.6.4 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Borrowers so require, the Agent and the Borrowers shall enter into negotiations (for a period of not more than twenty (20) days (the "**Negotiation Period**")) after the giving of the relevant Determination Notice with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall be binding on the Lenders and all Security Parties.

3.6.5 Alternative basis of interest in absence of agreement: If the Agent and the Borrowers will not enter into negotiations as provided in Clause 3.6.4 (Alternative basis of interest or funding) or if an alternative interest rate or alternative basis is not agreed within the Negotiation Period, and the relevant circumstances are continuing at the end of the Negotiation Period, then the Agent shall set the following Interest Period and an interest rate representing the cost of funding of the relevant Lender in Dollars of its participation in the Loan (or the relevant part thereof) plus the Margin for such Interest Period; if the relevant circumstances are continuing at the end of the Interest Period so set by the Agent, the Agent shall continue to set the following Interest Period and an interest rate representing its cost of funding in Dollars of the Loan (or the relevant part thereof) plus the Margin for such Interest Period.

3.6.6 Notice of prepayment: If the Borrowers do not agree with an interest rate set by the Agent under Clause 3.6.5 (Alternative basis of interest in absence of agreement), the Borrowers may give the Agent not less than 3 Banking Days' notice of its intention to prepay the Loan at the end of the interest period set by the Agent.

3.6.7 Prepayment; termination of Commitment: A notice under Clause 3.6.6 (Notice of prepayment) shall be irrevocable; and on the last Banking Day of the interest period set by the Agent the Borrowers shall prepay (without premium or penalty) the Loan, together with accrued interest thereon at the applicable rate plus the Margin and the balance of all other amounts payable under this Agreement and the other Security Documents or, if the Commitment has not been advanced, the Commitment shall be reduced to zero and the Loan shall not be made to the Borrowers under this Agreement thereafter.

3.6.8 Application of prepayment: The provisions of Clause 4 (Repayment and Prepayment) shall apply in relation to the prepayment made hereunder.

3.7 Replacement of Screen Rate

If a Screen Rate Replacement Event has occurred in relation to the Screen Rate for dollars, any amendment or waiver which relates to:

(a) providing for the use of a Replacement Benchmark in relation to that currency in place of that Screen Rate; and

(b)

(i) aligning any provision of any Security Document to the use of that Replacement Benchmark;

(ii) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);

(iii) implementing market conventions applicable to that Replacement Benchmark;

(iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or

(v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party hereto to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Majority Lenders and the Borrowers.

4 REPAYMENT AND PREPAYMENT

4.1 Repayment

4.1.1 Subject as otherwise provided in this Agreement, the Borrowers must repay the Loan by twenty (20) quarterly instalments to be repaid on each of the Repayment Dates and a balloon instalment (the “**Balloon Instalment**”) to be repaid on the final Repayment Date. The amount of the first two instalments shall be USD2,000,000, the amount of the next eighteen instalments shall be USD1,600,000 and the amount of the Balloon Instalment shall be USD25,200,000.

4.1.2 If the Commitment in respect of the Loan is not drawn in full, the amount of each repayment instalments including the Balloon Instalment shall be reduced proportionately.

4.1.3 The Borrowers shall on the Maturity Date also pay to the Agent and the Lenders the whole of the Loan then outstanding and all other amounts in respect of interest or otherwise then due and payable under this Agreement and the Security Documents.

4.2 Voluntary prepayment

Subject to clauses 4.7 and 4.8 the Borrowers may prepay any specified amount (such part being in an amount of five hundred thousand Dollars (USD500,000) or any larger sum which is an integral multiple of such amount) of the Loan on any Interest Payment Date relating to the part of the Loan to be repaid without premium or penalty.

4.3 **Mandatory Prepayment on Total Loss**

On the date falling one hundred and eighty (180) days after that on which a Mortgaged Vessel became a Total Loss or, if earlier, on the date upon which the relevant insurance proceeds are, or Requisition Compensation in respect of such Mortgaged Vessel is, received by the relevant Borrower (or the Security Trustee pursuant to the Security Documents), the Borrowers must prepay the Loan by an amount equal to the aggregate of:

(a) an amount equal to the amount of the Loan on the date on which such prepayment is required to be made multiplied by the Prepayment Ratio; and

(b) any additional amount required to ensure that the Security Value after such prepayment is at least equal to the Required Security Amount.

4.4 **Interpretation**

For the purpose of this Agreement, a Total Loss shall be deemed to have occurred:

(a) in the case of an actual total loss of a Vessel, on the actual date and at the time such Vessel was lost or, if such date is not known, on the date on which such Vessel was last reported;

(b) in the case of a constructive total loss of a Vessel, upon the date and at the time notice of abandonment of the ship is given to the then insurers of such Vessel (provided a claim for total loss is admitted by such insurers) or, if such insurers do not immediately admit such a claim, at the date and at the time at which either a total loss is subsequently admitted by such insurers or a total loss is subsequently adjudged by a competent court of law or arbitration tribunal to have occurred;

(c) in the case of a compromised or arranged total loss of a Vessel, on the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the then insurers of such Vessel;

(d) in the case of Requisition, on the date when that occurs; and

(e) in the case of hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation of a Vessel (other than within the definition of Requisition) on the date falling ninety (90) days after such incident.

4.5 **Mandatory prepayment on sale of Mortgaged Vessel**

On the date of completion of the sale or transfer of ownership of either Mortgaged Vessel the Borrowers must prepay the Loan by an amount equal to the aggregate of:

(a) an amount equal to the amount of the Loan on the date on which such prepayment is required to be made multiplied by the Prepayment Ratio; and

(b) any additional amount required to ensure that the Security Value after such prepayment is at least equal to the Required Security Amount.

4.6 **Change of control**

On the date that (a) the "Permitted Holders" own less than (i) prior to the Merger Date, 15% and (ii) after the Merger Date, 5%, of the partnership interests in the Corporate Guarantor or (b) the "Permitted Holders" own less than 100% of the membership interest of Olympos Maritime Ltd of the Marshall Islands, the General Partner of the Corporate Guarantor or (c) the Corporate Guarantor owns and control, directly or through other companies, less than 100% of the issued shares of any Borrower, the Borrowers must prepay the Loan in full.

4.7 **Amounts payable on prepayment**

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

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

4.7.2 any additional amount payable under clauses 3.6, 6.6 or 12.2; and

4.7.3 all other sums payable by the Borrowers to the Banks under this Agreement or any of the other Security Documents including, without limitation any Break Costs.

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

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

4.8.2 Any amounts prepaid pursuant to clause 4.2 shall be applied against the Loan in reducing the repayment instalments thereof (including the Balloon Instalment) pro rata or in such other manner and order as shall be agreed between the Borrowers and the Lenders at the time of such prepayment.

4.8.3 Any amounts prepaid pursuant to clauses 4.3 or 4.5 shall be applied pro rata against the repayment instalments which are at that time outstanding (including the Balloon Instalment) or in such other manner and order as shall be agreed between the Borrowers and the Lenders at the time of such prepayment.

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

4.8.5 No amount prepaid may be re-borrowed.

5 FEES AND EXPENSES

5.1 Fees

The Borrowers shall pay any relevant fees in accordance with any Fee Letters.

5.2 Expenses

The Borrowers agree to reimburse the Banks on a full indemnity basis on demand for all expenses and/or disbursements whatsoever certified by the Banks or any of them as having been incurred by them from time to time and at any time:

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

5.2.2 in contemplation or furtherance of, or otherwise howsoever in connection with, the exercise or enforcement of, or preservation of any rights, powers, remedies or discretions under any of the Security Documents, or in consideration of the Banks' rights thereunder or any action proposed or taken,

together with interest at the rate referred to in clause 3.4 from the date on which such expenses and/or disbursements were incurred to the date of payment (as well after as before judgment).

5.3 Value Added Tax

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

5.4 Stamp and other duties

The Borrowers must pay all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by any of the Banks but excluding any FATCA Deduction) imposed on or in connection with any of the Underlying Documents, the Security Documents or the Loan and agree to indemnify the Banks or any of them against any liability arising by reason of any delay or omission by any Borrower to pay such duties or taxes.

6 PAYMENTS AND TAXES; ACCOUNTS AND CALCULATIONS

6.1 No set-off or counterclaim

All payments to be made by the Borrowers under any of the Security Documents must be made in full, without any set off or counterclaim whatsoever and, subject to clause 6.6, free and clear of any deductions or withholdings, in USD not later than 11 a.m. London time on the due date in freely available funds to such account at such bank and in such place as the Agent may from time to time specify for this purpose. Save as otherwise provided in this Agreement or any other relevant Security Documents, such payments shall be for the account of all Lenders and the Agent shall distribute such payments in like funds as are received by the Agent to the Lenders rateably, in the proportions which their respective Contributions bear to the aggregate of the Loan on the date on which such payment is made.

6.2 Payment by the Lenders

All sums to be advanced by the Lenders to the Borrowers under this Agreement shall be remitted in USD on the Drawdown Date to the account of the Agent at such bank as the Agent may have notified to the Lenders and shall be paid by the Agent on such date in like funds as are received by the Agent to the account or accounts specified in the Drawdown Notice.

6.3 Non-Banking Days

When any payment under any of the Security Documents would otherwise be due on a day which is not a Banking Day, the due date for payment shall be extended to the next following Banking Day unless such Banking Day falls in the next calendar month in which case payment shall be made on the immediately preceding Banking Day.

6.4 Calculations

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

6.5 Currency of account

If any sum due from the Borrowers under any of the Security Documents, or under any order or judgment given or made in relation thereto or for any other reason whatsoever, must be converted from the currency ("the first currency") in which the same is payable thereunder into another currency ("the second currency") for the purpose of (i) making or filing a claim or proof against the Borrowers, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation thereto, the Borrowers undertake to

indemnify and hold harmless the Lender from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Lender may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. Any amount due from the Borrowers under this clause 6.5 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of any of the Security Documents and the term “rate of exchange” includes any premium and costs of exchange payable in connection with the purchase of the first currency with the second currency.

6.6 **Grossing-up for Taxes—by the Borrowers**

If at any time the Borrowers must make any deduction or withholding in respect of Taxes (other than a FATCA Deduction) or deduction in respect of any royalty payment, duty, assessment or other charge or otherwise from any payment due under any of the Security Documents for the account of any Bank or if the Agent or the Security Trustee must make any deduction or withholding from a payment to another Bank or withholding in respect of Taxes from any payment due under any of the Security Documents, the sum due from the Borrowers in respect of such payment must then be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the relevant Bank receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding), a net sum equal to the sum which it would have received had no such deduction or withholding been made and the Borrowers agree to indemnify each Bank on demand against any losses or costs certified by such Bank to have been incurred by it by reason of any failure of the Borrowers to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment Provided however that if any Bank or the Agent or the Security Trustee shall be or become entitled to any Tax credit or relief in respect of any Tax which is deducted from any payment by the Borrowers and it actually receives a benefit from such Tax credit or relief in its country of domicile, incorporation or residence, the relevant Bank or the Agent or the Security Trustee, as the case may be, shall, subject to any laws or regulations applicable thereto, pay to the Borrowers after such benefit is effectively received by the relevant Bank or the Agent or the Security Trustee, as the case may be, such amounts (which shall be conclusively certified by the Agent) as shall ensure that the net amount actually retained by the relevant Bank or the Agent or the Security Trustee, as the case may be, is equal to the amount which would have been retained if there had been no such deduction **provided that** (i) nothing in this clause shall prevent the Banks from arranging their respective tax affairs in whichever manner they deem suitable, (ii) the declaration by any Bank of a rebate shall be conclusive and binding and (iii) no Bank shall be required to disclose its tax affairs to the Borrowers. The Borrowers must promptly deliver to the Agent any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

6.7 **Grossing-up for Taxes—by the Lenders**

If at any time a Lender must make any deduction or withholding in respect of Taxes from any payment due under any of the Security Documents for the account of the Agent or the Security Trustee, the sum due from such Lender in respect of such payment must be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Agent or, as the case may be, the Security Trustee receives on the due date for such payment (and retains free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to

be made and each Lender must indemnify the Agent and the Security Trustee against any losses or costs incurred by it by reason of any failure of such Lender to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment.

6.8 **Loan account**

Each Lender shall maintain, in accordance with its usual practice, an account evidencing the amounts from time to time lent by, owing to and paid to it under the Security Documents. The Agent and/or the Security Trustee shall maintain a control account showing the Loan and other sums owing by the Borrowers under the Security Documents and all payments in respect thereof being made from time to time. The control account shall, in the absence of manifest error, be conclusive as to the amount from time to time owing by the Borrowers under the Security Documents.

6.9 **Agent may assume receipt**

Where any sum is to be paid under the Security Documents to the Agent or, as the case may be, the Security Trustee for the account of another person, the Agent or, as the case may be, the Security Trustee may assume that the payment will be made when due and the Agent or, as the case may be, the Security Trustee may (but shall not be obliged to) make such sum available to the person so entitled. If it proves to be the case that such payment was not made to the Agent or, as the case may be, the Security Trustee, then the person to whom such sum was so made available must on request refund such sum to the Agent or, as the case may be, the Security Trustee together with interest thereon sufficient to compensate the Agent or, as the case may be, the Security Trustee for the cost of making available such sum up to the date of such repayment and the person by whom such sum was payable must indemnify the Agent or, as the case may be, the Security Trustee for any and all loss or expense which the Agent or, as the case may be, the Security Trustee may sustain or incur as a consequence of such sum not having been paid on its due date.

6.10 **Partial payments**

If, on any date on which a payment is due to be made by the Borrowers under any of the Security Documents (the "**due amount**"), the amount received by the Agent from the Borrowers on such date is less than the full due amount then, without prejudice to any rights or remedies available to the Agent, the Security Trustee, the Security Trustee and the Lenders under any of the Security Documents, the Agent must apply the amount actually received from the Borrowers in or towards discharge of the obligations of the Borrowers under the Security Documents in the following order, notwithstanding any appropriation made, or purported to be made, by the Borrowers:

6.10.1 first, in or towards payment, on a pro-rata basis, of any unpaid costs and expenses of the Banks or any of them under any of the Security Documents;

6.10.2 secondly, in or towards payment of any fees payable to the Arranger, the Agent or any of the other Banks under, or in relation to, the Security Documents which remain unpaid;

6.10.3 thirdly, in or towards payment to the Lenders, on a pro rata basis, of any accrued interest owing in respect of the Loan which shall have become due under any of the Security Documents but remains unpaid;

6.10.4 fourthly, in or towards payment to the Lenders, on a pro rata basis according to their respective Contributions, of any principal in respect of the Loan which shall have become due and payable but remains unpaid;

6.10.5 fifthly, in or towards payment to the Lenders, on a pro rata basis, for any loss suffered by reason of any such payment in respect of principal not being effected on an Interest Payment Date relating to the part of the Loan repaid and which amounts are so payable under this Agreement; and

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

The order of application set out in clauses 6.10.1 to 6.10.6 may be varied by the Agent if the Majority Lenders so direct, without any reference to, or consent or approval from, the Borrowers.

6.11 **FATCA**

6.11.1 Subject to clause 6.11.3 below, each Party shall, within ten (10) Banking Days of a reasonable request by another Party:

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

(i) a FATCA Exempt Party; or

(ii) not a FATCA Exempt Party; and

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

6.11.2 If a Party confirms to another Party pursuant to clause 6.11.1(a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

6.11.3 Clause 6.11.1(a) above shall not oblige any Bank to do anything which would or might in its reasonable opinion constitute a breach of:

(a) any law or regulation;

(b) any policy of such Bank;

(c) any fiduciary duty; or

(d) any duty of confidentiality.

6.11.4 If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with clause 6.11.1(a) above (including, for the avoidance of doubt, where clause 6.11.3 above applies), then:

(a) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Security Documents as if it is not a FATCA Exempt Party; and

(b) if that Party failed to confirm its applicable passthru percentage then such Party shall be treated for the purposes of the Security Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,

until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

6.12 **Gross-up in the event of a FATCA Deduction – Borrowers**

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

6.12.2 if a FATCA Deduction is required to be made by a Borrower, the amount of the payment due from that Borrower shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required;

6.12.3 each Borrower shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Agent and the Agent shall notify the other Banks; and

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

7 REPRESENTATIONS AND WARRANTIES

7.1 Continuing representations and warranties

The Borrowers represent and warrant to each Bank that:

7.1.1 Due incorporation

each of the Security Parties is duly incorporated or, as the case may be, formed and validly existing in good standing, under the laws of its respective country of incorporation, in each case, as a corporation or, as the case may be, a limited liability company or a limited partnership and has power to carry on its respective businesses as it is now being conducted and to own their respective property and other assets to which it has unencumbered legal and beneficial title except as disclosed to the Agent in writing;

7.1.2 Corporate power

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

7.1.3 Binding obligations

the Underlying Documents and the Security Documents, when executed, will constitute valid and legally binding obligations of the relevant Security Parties and the Managers enforceable in accordance with their respective terms;

7.1.4 No conflict with other obligations

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

7.1.5 No default

no Default has occurred;

7.1.6 No litigation or judgments

no Proceedings are current, pending or, to the knowledge of the officers of any Borrower, threatened against any of the Security Parties, the Managers or any other Group Members or their assets which could have a Material Adverse Effect and there exist no judgments, orders, injunctions which would materially affect the obligations of the Security Parties, the Managers under the Security Documents;

7.1.7 No filings required

except for the registration of the Mortgages in the relevant register under the laws of the relevant Flag State through the relevant Registry, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Underlying Documents or any of the Security Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Pertinent Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Pertinent Jurisdiction on or in relation to any of the Underlying Documents or the Security Documents and each of the Underlying Documents and the Security Documents is in proper form for its enforcement in the courts of each Pertinent Jurisdiction;

7.1.8 Required Authorisations and legal compliance

all Required Authorisations have been obtained or effected and are in full force and effect and none of the Security Party or the Managers has in any way contravened any applicable law, statute, rule or regulation (including all such as relate to Money Laundering);

7.1.9 Choice of law

the choice of English law to govern the Underlying Documents and the Security Documents (other than the Mortgages, the Earnings Account Pledges and the Retention Account Pledge), the choice of the law of the Flag State to govern the Mortgages, the choice of French law to govern the Earnings Account Pledges and the Retention Account Pledge and the submissions by the Security Parties and the Managers to the jurisdiction of the English courts and the obligations of such Security Parties and the Managers associated therewith, are valid and binding;

7.1.10 No immunity

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

7.1.11 Financial statements correct and complete

the latest audited and unaudited consolidated financial statements of the Corporate Guarantor in respect of the relevant financial year as delivered to the Agent present or will present fairly and accurately the financial position of the Corporate Guarantor and the consolidated financial

position of the Group as at the date thereof and the results of the operations of the Corporate Guarantor and the consolidated results of the operations of the Group for the financial year ended on such date and, as at such date, neither the Corporate Guarantor nor any of its subsidiaries have any significant liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements;

7.1.12 Pari passu

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

7.1.13 Information/ Material Adverse Effect

all information, whatsoever provided by any Security Party to the Agent in connection with the negotiation and preparation of the Security Documents or otherwise provided hereafter in relation to, or pursuant to this Agreement is, or will be, true and accurate in all material respects and not misleading, does or will not omit material facts and all reasonable enquiries have been, or shall have been, made to verify the facts and statements contained therein and there has not occurred any event which could have a Material Adverse Effect on any Security Party since such information was provided to the Agent; there are, or will be, no other facts the omission of which would make any fact or statement therein misleading;

7.1.14 No withholding Taxes

no Taxes anywhere are imposed whatsoever by withholding or otherwise on any payment to be made by any Security Party under the Underlying Documents or the Security Documents to which such Security Party is or is to be a party or are imposed on or by virtue of the execution or delivery by the Security Parties of the Underlying Documents or the Security Documents or any other document or instrument to be executed or delivered under any of the Security Documents;

7.1.15 Use of proceeds

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

7.1.16 The Mortgaged Vessels

throughout the Facility Period, each Mortgaged Vessel will be :

(a) in the absolute sole, legal and beneficial ownership of the relevant Owner;

(b) registered through the offices of the relevant Registry as a ship under the laws and flag of the relevant Flag State;

(c) in compliance with the ISM Code and the ISPS Code and operationally seaworthy and in every way fit for service;

(d) in good and sea-worthy and cargo-worthy condition; and

(e) classed with the relevant Classification free of all overdue requirements and recommendations of the relevant Classification Society;

7.1.17 Mortgaged Vessels' employment

except with the prior written consent of the Majority Lenders, there will not be any agreement or arrangement in respect of the employment of either Mortgaged Vessel whereby the Earnings of either Mortgaged Vessel may be shared howsoever with any other person except (a) for customary profit sharing arrangements under a charterparty or if (i) the aggregate Earnings of the Mortgaged Vessels are sufficient to cover the aggregate of the Borrowers' payment obligations under this Agreement and vessel operating expenses as they fall due and (ii) no Event of Default has occurred which is continuing;

7.1.18 Freedom from Encumbrances

neither Mortgaged Vessel nor its Earnings, Insurances or Requisition Compensation nor the Earnings Accounts, the Retention Account nor any Extended Employment Contract in respect of such Mortgaged Vessel nor any other properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will be subject to any Encumbrance except Permitted Encumbrances or Permitted Liens;

7.1.19 Environmental Matters

except as may already have been disclosed by the Borrowers in writing to, and acknowledged and accepted in writing by, the Agent:

(a) the Borrowers and, to the best of the Borrowers' knowledge and belief (having made due enquiry), their respective Environmental Affiliates, have complied with the provisions of all Environmental Laws;

(b) the Borrowers and, to the best of the Borrowers' knowledge and belief (having made due enquiry), their respective Environmental Affiliates have obtained all Environmental Approvals and are in compliance with all such Environmental Approvals;

(c) no Environmental Claim has been made or threatened or pending against any Borrower, or, to the best of the Borrowers' knowledge and belief (having made due enquiry), any of their respective Environmental Affiliates; and

(d) there has been no Environmental Incident;

7.1.20 ISM and ISPS Code

each of the Borrowers has complied with and continues to comply and has procured that the relevant Manager has complied with and continues to comply with the ISM Code, the ISPS Code and all other statutory and other requirements relative to its business and in particular each Borrower or the relevant Manager has obtained and maintains a valid DOC and SMC for each Mortgaged Vessels and that it and the relevant Manager has implemented and continues to implement an ISM SMS;

7.1.21 Copies true and complete

the Certified Copies or originals of the Underlying Documents delivered or to be delivered to the Agent pursuant to clause 8.1 are, or will when delivered be, true and complete copies or, as the case may be, originals of such documents; and such documents constitute valid and binding obligations of the parties thereto enforceable in accordance with their respective terms and there have been no amendments or variations thereof or defaults thereunder;

7.1.22 Ownership of Borrowers

as of the Drawdown Date, all the shares in each Borrower are legally and beneficially owned by the Shareholder;

7.1.23 Beneficiary of Loan

the Borrowers are the ultimate beneficiaries of the Loan;

7.1.24 Indebtedness

no Security Party has incurred any Indebtedness save under this Agreement or as otherwise disclosed in writing to, and acknowledged and accepted in writing by, the Agent or as disclosed in the Group's public filings;

7.1.25 Filings

each of the Corporate Guarantor and the Borrowers has filed all tax and other fiscal returns required to be filed by any tax authority to which it is subject or have timely received extensions from the relevant authority habilitated to provide such extension;

7.1.26 Office

no Borrower has an office in England or the USA;

7.1.27 Sanctions

(a) no Borrower nor any Security Party nor any Manager:

(i) is a Sanctions Restricted Person;

(ii) owns or controls directly or indirectly a Sanctions Restricted Person; or

(iii) has a Sanctions Restricted Person serving as a director, officer or, to the best of its knowledge, employee;

(b) no proceeds of the Loan shall be made available, directly or to the knowledge of the Borrowers (after reasonable enquiry) indirectly, to or for the benefit of a Sanctions Restricted Person contrary to Sanctions or for transactions in a Sanctions Restricted Jurisdiction nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions; and

(c) each Borrower and each other Security Party and each Managers are in compliance with Sanctions;

7.1.28 Insolvency

no Borrower is unable or has admitted inability to pay its debts as they fall due, has suspended making payments on any of its debts or has announced an intention to do so, is or has become insolvent; or, save as disclosed to the Lenders prior to the Execution Date, or has suffered the declaration of a moratorium in respect of any of its Indebtedness;

7.1.29 No business

no Borrower has undertaken any business or employed any person or incurred any obligations in respect of any pension scheme, save in respect of the Master, officers and crew of the Vessel owned by it;

7.1.30 FATCA

none of the Security Parties is a FATCA FFI or a US Tax Obligor;

7.1.31 Manager

each of the Managers is fit and proper commercial and technical manager of the Vessels with the sufficient and fully trained personnel, experience and ability to perform its obligations in accordance with all applicable laws and regulations and in accordance with first class international ship management practice;

7.1.32 Compliance policies and procedures

each Borrower, the Corporate Guarantor and each other Security Party or Group Member, each of the Managers has in place and effect policies and procedures designed to promote material compliance by each of them, their subsidiaries and their respective directors, managers, officers, employees and agents with Sanctions and Anti-Corruption Laws, anti-Money Laundering laws and anti-terrorism financing laws;

7.1.33 Anti-Money Laundering

in relation to the borrowing by the Borrowers of the Loan, the performance and discharge of their obligations and liabilities under the Security Documents, and the transactions and other arrangements affected or contemplated by the Security Documents to which any Borrower is a party, each Borrower confirms that:

(a) it is acting for its own account;

(b) it will use the proceeds of the Loan for its own benefit, under its full responsibility and exclusively for the purposes specified in this Agreement; and

(c) the foregoing will not involve or lead to a contravention of any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering and comparable United States federal and state laws, including without limitation the USA Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**") and the USA Bank Secrecy Act of 1070 (the "**Bank Secrecy Act**"); and

7.2 **Repetition of representations and warranties**

On each day throughout the Facility Period, the Borrowers shall be deemed to repeat the representations and warranties in clause 7 updated mutatis mutandis as if made with reference to the facts and circumstances existing on such day.

8 **UNDERTAKINGS**

8.1 **General**

Each Borrower undertakes with each Bank that, from the Execution Date until the end of the Facility Period, it will:

8.1.1 Notice of Default and Proceedings

promptly inform the Agent of:

(a) any Default and of any other circumstances or occurrence which might adversely affect the ability of any Security Party or any Manager to perform its obligations under any of the Security Documents;

(b) as soon as the same is instituted or threatened, details of any Proceedings involving any Security Party or any Manager which could have a Material Adverse Effect on that Security Party and/or the operation of any of the Vessels (including, but not limited to any Total Loss of a Vessel or the occurrence of any Environmental Incident);

(c) to the extent permitted by law, details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority,

and will from time to time, if so requested by the Agent, confirm to the Agent in writing that, save as otherwise stated in such confirmation, no Default has occurred and is continuing and no such Proceedings are on foot or threatened and no such claim, action, suit, proceedings or investigation with respect to Sanctions are on foot or threatened;

8.1.2 Authorisation

obtain or cause to be obtained, maintain in full force and effect and comply fully with all Required Authorisations, provide the Agent with Certified Copies of the same and do, or cause to be done, all other acts and things which may from time to time be necessary or desirable under any applicable law (whether or not in the Pertinent Jurisdiction) for the continued due performance of all the obligations of the Security Parties under each of the Security Documents;

8.1.3 Corporate Existence/Ownership

ensure that each Security Party maintains its corporate existence as a body corporate duly incorporated or, as the case may be, formed and validly existing and in good standing under the laws of the Pertinent Jurisdiction and ensure that each Borrower is owned and controlled, directly or through other companies, by the Corporate Guarantor;

8.1.4 Use of proceeds

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

8.1.5 Pari passu

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

8.1.6 Financial statements

send to the Agent (or procure that is sent):

(a) as soon as possible, but in no event later than 180 days after the end of each of its Financial Years, annual audited (prepared in accordance with US GAAP by a firm of accountants acceptable to the Agent) consolidated balance sheet and profit and loss accounts of the Corporate Guarantor and all companies which are owned, directly or indirectly, or controlled by it (commencing with the Financial Year ending 31 December 2020); and

(b) as soon as possible, but in no event later than 90 days after the end of each financial quarter in each of its Financial Years, the Corporate Guarantor's unaudited consolidated balance sheet and profit and loss accounts for that financial quarter certified as to their correctness by its chief financial officer (commencing with the financial quarter ending 31 December 2020);

8.1.7 Compliance Certificates

deliver to the Agent together with each set of financial statements delivered pursuant to clauses 8.1.6 (b) in respect of the financial quarter ending on 30 June and 31 December each year, a Compliance Certificate together with such supporting information as the Agent may require, and each Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with the relevant clauses of this Agreement;

8.1.8 Provision of further information

provide the Agent, and procure that the Corporate Guarantor provides the Agent, with such financial or other information concerning the Borrowers, the Corporate Guarantor, the other Group Members and their respective affairs, activities, financial standing, Indebtedness and operations and the performance of the Mortgaged Vessels and any other ship owned by any Group Member as the Agent or any Lender (acting through the Agent) may from time to time reasonably require and upon request therefor provide to the Agent information of any significant nature in respect of a Borrower and/or any other Group Member including, but not limited to, details of any loans borrowed or repaid by any of them, the purchase or sale of any substantial assets (including ships) by any of them and/or the restructuring of any loan of which any of them is a borrower, and all other documentation and information as the Agent or any Lender (acting through the Agent) may from time to time require in order to comply with its, and all other relevant, know-your-customer regulations;

8.1.9 Obligations under Security Documents

duly and punctually perform each of the obligations expressed to be imposed or assumed by them under the Security Documents and Underlying Documents and will procure that each of the other Security Parties and the Managers will, duly and punctually perform each of the obligations expressed to be assumed by it under the Security Documents and the Underlying Documents to which it is a party;

8.1.10 Compliance with ISM Code

comply with, and will procure that any Operator will comply with, and ensure that the Mortgaged Vessels and any Operator comply with the requirements of the ISM Code, including (but not limited to) the maintenance and renewal of valid certificates pursuant thereto throughout the Security Period (as defined in the Mortgages);

8.1.11 Withdrawal of DOC and SMC

immediately inform the Agent if there is any actual withdrawal of their or any Operator's DOC or the SMC of either Mortgaged Vessel;

8.1.12 Issuance of DOC and SMC

and will procure that any Operator will promptly inform the Agent of the receipt by any Borrower or any Operator of notification that its application for a DOC or any application for an SMC for either Mortgaged Vessel has been refused;

8.1.13 ISPS Code Compliance

and will procure that any Manager or any Operator will:

(a) maintain at all times a valid and current ISSC in respect of each Mortgaged Vessel;

(b) immediately notify the Agent in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC in respect of a Mortgaged Vessel; and

(c) procure that each Mortgaged Vessel will comply at all times with the ISPS Code;

8.1.14 Compliance with Laws, Sanctions, Anti-Corruption Laws and payment of taxes

(a) and shall procure that each Manager (other than the Third Party Manager) will, comply with all relevant Environmental Laws, laws, statutes and regulations (including, but not limited to, laws relating to any trading prohibition imposed by the Flag State, the country of incorporation of the Borrowers or the country of nationality of any crew member of any Vessel by which such Borrower is bound) where failure to do so would have or be likely to have a Material Adverse Effect, Sanctions, Anti-Corruption Laws, anti-terrorism financing laws and pay all taxes for which it is liable as they fall due provided, however, that the Borrowers shall not be required to pay and discharge, or cause to be paid and discharged, any such tax, so long as the legality thereof has been contested by them in good faith and by appropriate proceedings or other acts and they shall have set aside on their books adequate reserves with respect thereof; and

(b) without limiting paragraph (a) above, not employ any Vessel nor allow its employment, operation or management in any manner contrary to any law or regulation including, but not limited to, the ISM Code, the ISPS Code and all Environmental Laws which has or is likely to have a Material Adverse Effect, Sanctions, Anti-Corruption Laws and anti-terrorism financing laws;

8.1.15 Charters etc.

(i) deliver to the Agent a Certified Copy of each Extended Employment Contract upon its execution, (ii) forthwith on the Agent's request execute (a) a Charter Assignment in respect thereof and (b) any notice of assignment required in connection therewith and use reasonable efforts to procure the acknowledgement of any such notice of assignment by the relevant charterer (provided that any failure to procure the same shall not constitute an Event of Default) and (iii) pay all legal and other costs incurred by the Agent in connection with any such Charter Assignments, forthwith following the Agent's demand;

8.1.16 Financial Covenants of the Group

procure that, throughout the Facility Period and as evidenced by the financial statements delivered to the Agent pursuant to 8.1.6 (b) in respect of the financial quarter ending on 30 June and 31 December each year:

(a) the Liquidity of the Group shall not be less than (i) prior to the Merger Date, USD650,000 and (ii) after the Merger Date, USD500,000, multiplied by the number of vessels owned by the Corporate Guarantor or any of its subsidiaries;

(b) the Net Total Debt divided by the Total Assets (adjusted (i) for market values of vessels owned and (ii) by deducting (A) the value of the assets relating to operating leases as defined under rule ASC 842 of the US GAAP and (B) cash (which shall have the meaning given thereto under US GAAP meaning both restricted and freely available cash) shall be less than 75%;

(c) the ratio of EBITDA to Interest Expense shall at be at least 2 to 1; and

(d) the Net Worth shall at all times be equal to or more than USD135,000,000;

8.1.17 Indebtedness

not incur any Indebtedness other than (i) in the ordinary course of trading the Vessels or (ii) with the prior written consent of the Lenders;

8.1.18 Subordination

ensure that all Indebtedness of any Borrower to its shareholders or to any other Group Member or to any other party (other than incurred (i) in the ordinary course of trading the Vessels or (ii) with the prior written consent of the Lenders) is fully subordinated to the Loan (and will procure that such subordination is acknowledged and agreed by the creditor of such Indebtedness), and to subordinate to the Loan any Indebtedness issued to a Borrower by the Corporate Guarantor, all in a form acceptable to the Agent (acting on the instructions of the Majority Lenders); and

8.1.19 Sanctions

(a) without limiting clause 8.1.14, procure that:

(i) no Vessel is used by or for the benefit of a Sanctions Restricted Person contrary to Sanctions;

(ii) no Vessel is used in trading in any Sanctions Restricted Jurisdiction or in any manner contrary to Sanctions;

(iii) no Vessel trades in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances;

(b) not fund all or part of any payment under the Loan out of proceeds derived directly or to their knowledge (after reasonable enquiry) indirectly from any activity or transaction with a Sanctions Restricted Person, contrary to Sanctions or in a Sanctions Restricted Jurisdiction or which would otherwise cause any party to be in breach of any Sanctions;

(c) procure that no proceeds to their knowledge (after reasonable enquiry) from activities or business with a Sanctions Restricted Person contrary to Sanctions or in a Sanctions Restricted Jurisdiction are credited to any Earnings Account;

(d) ensure, and shall procure that each Security Party, each of the Managers will ensure, that:

(i) it is not a Sanctions Restricted Person;

(ii) it does not directly or, to its knowledge (after reasonable enquiry), indirectly hold an ownership interest in or control a Sanctions Restricted Person;

(iii) it is not acting directly or, to its knowledge (after reasonable enquiry), indirectly for the benefit of a Sanctions Restricted Person; and

(iv) no proceeds of the Loan shall be made available, to its knowledge (after thorough enquiry), directly or indirectly, to or for the benefit of a Sanctions Restricted Person or otherwise shall be directly or indirectly applied in a manner or for a purpose prohibited by Sanctions.

8.1.20 Delivery of reports

deliver to the Agent upon request as many Certified Copies as the Agent may reasonably require of every report, circular, notice or like document issued by any Security Party to its shareholders or creditors generally, unless the contents of such report, circular, notice or like document has already been disclosed in filings made with the US Securities and Exchange Commission;

8.1.21 Anti-Money Laundering

comply, and cause each of its subsidiaries to comply, with any applicable law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering and comparable United States federal and state laws, including without limitation the PATRIOT Act and the Bank Secrecy Act;

8.1.22 Dividends

Provided that (i) no Event of Default has occurred and is continuing or shall be caused thereby and (ii) no default (howsoever thereunder defined) has occurred or shall be caused thereby in respect of any Indebtedness of the Corporate Guarantor, the Corporate Guarantor may declare or pay dividends or distribute (in cash or in kind) any of its present or future assets, undertakings, rights or revenues.

8.2 **Security value**

8.2.1 Security shortfall

If at any time the Security Value shall be less than the Required Security Amount, the Agent (acting on the instructions of the Majority Lenders) shall give notice to the Borrowers requiring that such deficiency be remedied and then the Borrowers must either:

(a) prepay within a period of thirty (30) days of the date of receipt by the Borrowers of the Agent's said notice such part of the Loan as will result in the Security Value after such prepayment (taking into account any other repayment of the Loan made between the date of the notice and the date of such prepayment) being equal to or higher than the Required Security Amount; or

(b) within thirty (30) days of the date of receipt by the Borrowers of the Agent's said notice provide to the satisfaction of the Agent such further security for the Loan as shall be acceptable to the Majority Lenders having a value for security purposes (as determined by the Agent in its absolute discretion) at the date upon which such further security shall be constituted which, when added to the Security Value, shall not be less than the Required Security Amount as at such date.

The provisions of clauses 4.7 and 4.8 shall apply to prepayments under clause 8.2.1(a) provided that the Agent shall apply such prepayments in reduction of the repayment instalments under clause 4.1 (including the Balloon Instalment) pro rata (or in such other manner and order as shall be agreed between the Borrowers and the Lenders at the time of such prepayment) and the amounts of the Loan prepaid hereunder shall not be available to be re-borrowed.

For the purpose of determining compliance of the Security Value with the Required Security Amount in accordance with this clause, the Security Value shall be tested against the Required Security Amount as at 30 June and 30 December each year, commencing on 31 December 2020, and using the Valuation of the Vessels as at the relevant date in accordance with clause 8.2.2.

8.2.2 Valuation of Mortgaged Vessels

Each Mortgaged Vessel shall, for the purposes of this Agreement, be valued in USD by taking the arithmetic mean of two valuations, each prepared by an Approved Broker appointed by the Borrowers, however the Borrowers may provide the Agent with one valuation only prepared by an Approved Broker but subject to the Agent's approval in its sole discretion.

Such valuations (or such valuation as the case may be) shall be addressed to the Agent and shall be made without physical inspection, and on the basis of a sale for prompt delivery for cash at arms' length, on normal commercial terms, as between a willing buyer and a willing seller without taking into account the benefit or burden of any charterparty or other engagement concerning the relevant Mortgaged Vessel and shall be dated no more than 30 days prior to the date the Valuation Amount is required to be determined for the purposes of this Agreement.

Valuations shall be obtained:

(a) on 30 June and 31 December each year, commencing on 30 June 2021;

(b) on the date of each prepayment made under clause 4.3 or clause 4.5; and

(c) (in addition to (a) above) at any other time as the Agent (acting on the reasonable instructions of the Majority Lenders) shall require.

The valuation of each Mortgaged Vessel determined in accordance with the provisions of this clause 8.2.2 shall be binding upon the Parties until such time as any further such valuation shall be obtained.

8.2.3 Information

The Borrowers undertake with the Banks to supply to the Agent and to the Approved Brokers such information concerning the relevant Mortgaged Vessel and its condition as such shipbrokers may require for the purpose of determining any Valuation Amount.

8.2.4 Costs

All costs in connection with (a) the obtaining and any determining of any Valuation Amount pursuant to clause 8.2.2(a) and 8.2.2(b), (b) valuations obtained following the occurrence of an Event of Default which is continuing, unremedied and unwaived and (c) any valuation either of any additional security for the purposes of ascertaining the Security Value at any time or necessitated by the Borrowers electing to constitute additional security pursuant to clause 8.2.1(b), must be paid by the Borrowers. The costs of any other valuations shall be paid by the Lenders.

8.2.5 Valuation of additional security

For the purposes of this clause 8.2, the market value (i) of any additional security over a ship (other than the Vessels) shall be determined in accordance with clause 8.2.2 and (ii) of any other additional security provided or to be provided to the Banks or any of them shall be determined by the Agent after consultation with the Lenders and the Borrowers, provided that additional security in the form of cash in Dollars will be valued on a Dollar for Dollar basis.

8.2.6 Documents and evidence

In connection with any additional security provided in accordance with this clause 8.2, the Agent shall be entitled to receive (at the Borrowers' expense) such evidence and documents of the kind referred to in schedule 3 as may in the Agent's opinion be appropriate and such favourable legal opinions as the Agent shall in its absolute discretion require.

8.3 **Negative undertakings**

The Borrowers jointly and severally undertake with each Bank that, from the Execution Date until the end of the Facility Period, they will not, without the prior written consent of the Agent (acting on the reasonable instructions of the Majority Lenders):

8.3.1 Negative pledge

permit any Encumbrance (other than a Permitted Encumbrance) to subsist, arise or be created or extended over all or any part of their respective present or future undertakings, assets, rights or revenues to secure or prefer any present or future Indebtedness or other liability or obligation of any Group Member or any other person;

8.3.2 No merger or transfer

merge or consolidate with any other person or permit any change to the direct or indirect ownership of their shares from that existing at the Execution Date;

8.3.3 Disposals

sell, transfer, assign, create security or option over, pledge, pool, abandon, lend or otherwise dispose of or cease to exercise direct control over any part of their present or future undertaking, assets, rights or revenues (otherwise than a transfer, sale or disposal of a Mortgage Vessel and in compliance with Clauses 4.5, 4.7 and 4.8, or by transfers, sales or disposals for full consideration in the ordinary course of trading) whether by one or a series of transactions related or not;

8.3.4 Other business or manager

undertake any business other than the ownership and operation of the Vessels or employ anyone other than the relevant Manager as, respectively, commercial and technical manager of the Vessels;

8.3.5 Acquisitions or investments

own or acquire any further assets other than the Vessels and rights arising under contracts entered into by or on behalf of the Borrowers in the ordinary course of their businesses of owning, operating and chartering the Vessels, or make any expenditures or financial investments other than expenditures or investments related to the ordinary operation and maintenance of the Vessels, compliance with laws and regulatory requirements and normal capital expenditures;

8.3.6 Other obligations

incur any obligations (to any Group Member or otherwise) except for obligations arising under the Underlying Documents or the Security Documents or contracts entered into (or in the case of any obligation to any Group Member, reasonably entered into) in the ordinary course of their business of owning, operating and chartering the Vessels (and for the purposes of this Agreement any obligations incurred under the Management Agreements are deemed to have been reasonably incurred in the ordinary course of business);

8.3.7 No borrowing

incur any Borrowed Money except for Borrowed Money pursuant to the Security Documents or as otherwise disclosed in writing by the Borrowers to, and acknowledged and accepted in writing by, the Agent on or prior to the Execution Date other than Borrowed Money borrowed from its Shareholder or any other member of the Group which is fully subordinated and assigned in favour of the Security Trustee on such terms and conditions as the as the Agent and the Majority Lenders may agree in their sole discretion;

8.3.8 Repayment of borrowings

repay or prepay the principal of, or pay interest on or any other sum in connection with any of their Borrowed Money except for Borrowed Money pursuant to the Security Documents or as otherwise disclosed in writing by the Borrowers to, and acknowledged and accepted in writing by, the Agent on or prior to the Execution Date;

8.3.9 Guarantees

issue any guarantees or otherwise become directly or contingently liable or give security or quasi security for the obligations of any person, firm, or corporation except pursuant to the Security Documents and except for (i) guarantees from time to time required in the ordinary course of business and/or by any protection and indemnity or war risks association with which a Vessel is entered, guarantees required to procure the release of such Vessel from any arrest, detention, attachment or levy or guarantees required for the salvage of a Vessel and (ii) such other guarantees to which the Agent and the Majority Lenders shall have consented in writing;

8.3.10 Loans

make any loans or grant any credit (save for normal trade credit in the ordinary course of business) to any person or agree to do so;

8.3.11 Sureties

permit any Indebtedness of any Borrower to any person (other than the Banks pursuant to the Security Documents) to be guaranteed by any person (except for guarantees from time to time required in the ordinary course of business and in the ordinary course by any protection and indemnity or war risks association with which a Vessel is entered, guarantees required to procure the release of such Vessel from any arrest, detention, attachment or levy or guarantees or undertakings required for the salvage of a Vessel);

8.3.12 Subsidiaries

form or acquire any Subsidiaries;

8.3.13 Change of name, manager, flag or class

change the name, Manager (other than as contemplated by the definition of Manager), flag, Classification or Classification Society of any Vessel (other than to another Classification Society or flag of a Flag State and with prior notification to the Agent) without the prior consent of the Agent, such consent not to be unreasonably withheld or delayed (provided that the Borrowers shall notify the Agent no less than 30 days, and enter into any documentation required by, and satisfactory to, the Lenders before any change of flag);

8.3.14 Charters

without the prior written consent of the Agent, such consent not to be unreasonably withheld, let or agree to let any Vessel:

(i) on demise charter for any period; or

(ii) by any time or consecutive voyage charter for a term which exceeds or which by virtue of any optional extensions therein contained may exceed twenty four (24) months' duration; or

(iii) on terms whereby more than two (2) months' hire (or the equivalent) is payable in advance; or

(iv) below a fair and reasonable arms-length rate obtainable at the time when the relevant Vessel is fixed; or

(v) enter in any pool under a pool arrangement providing for a cancellation notice in excess of 120 days;

8.3.15 Nuclear waste

permit any Vessel to carry nuclear waste or radioactive material;

8.3.16 Change in constitutional documents

amend or vary its constitutional documents;

8.3.17 Employees

employ any person except the Master, officers and crew of the Vessel owned by it;

8.3.18 FATCA

become a FATCA FFI or a US Tax Obligor and shall procure that no Security Party shall do so;

8.3.19 Anti-corruption law

(and shall procure that none of the other Security Parties or Group Members will) directly or indirectly use the proceeds of the Loan for any purpose which would breach any Anti-Corruption Laws or anti-terrorism financing laws;

8.3.20 Accounts

open or maintain any account with any bank or financial institution other than the Earnings Accounts and the Retention Account.

8.4 **Insurances undertakings**

Each Borrower covenants with each Bank, and undertakes from the Execution Date until the end of the Facility Period, in respect of the Mortgaged Vessel owned by it:

(a) Insured risks, amounts and terms

to insure and keep such Mortgaged Vessel insured free of cost and expense to the Banks and in the sole name of the relevant Owner or, if so required by the Agent, in the joint names of the relevant Owner and the Security Trustee (but without liability on the part of the Security Trustee for premiums or calls):

(i) against fire and usual marine risks (including increased value, excess risks, freight interest and hull interest) and war risks, including the London Blocking and Trapping Addendum or similar arrangement, on an agreed value basis, in such amounts (but not in any event less than the greater of the market value of such Mortgaged Vessel for the time being (as shall be determined by the Agent in accordance with clause 8.2.2) and such amount as when added to the insurance cover on the other Mortgaged Vessels, is equal to one hundred and ten per cent (110%) of the Loan, and upon such terms as shall from time to time be approved in writing by the Agent;

(ii) against protection and indemnity risks (including pollution risks for the highest amount in respect of which cover is or may become available for ships of the same type, size, age and flag as such Mortgaged Vessel (for the time being USD1,000,000,000) and a freight, demurrage and defence cover) for the full value and tonnage of such Mortgaged Vessel (as approved in writing by the Agent) and upon such terms as shall from time to time be approved in writing by the Agent;

(iii) if and when so requested by the Agent, against political risks on such terms and in such amounts as shall from time to time be approved in writing by the Agent and as shall be in line with market practice prevailing at the time and in relation to the trading of such Mortgaged Vessel; and

(iv) in respect of such other matters of whatsoever nature and howsoever arising in respect of which insurance would be maintained by a prudent owner of a vessel of the same age and type as such Mortgaged Vessel, in accordance with current industry practice and taking into account that Mortgage Vessel's trading area,

and to pay to the Security Trustee all costs, premiums and expenses reasonably paid or incurred by the Security Trustee (as evidenced by copies of invoices for such costs, premiums and expenses) of (aa) any mortgagee's interest insurance (including mortgagee's interest insurance ("**MII**")—additional perils (pollution) ("**MAP**") coverage) which the Security Trustee may from time to time effect in respect of such Mortgaged Vessel and the other Mortgaged Vessels upon such terms and in such amounts (being in any event no less than one hundred and ten per cent (110%) of the Loan in respect of MII coverage and 110% of the Loan in respect of MAP coverage) as it shall deem desirable; and (bb) any other insurance cover which the Security Trustee may from time to time effect in respect of such Mortgaged Vessel and/or in respect of its interest and potential third party liability as mortgagee of such Mortgaged Vessel as the Security Trustee shall deem desirable having regard to any limitations in respect of amount or extent of cover which may from time to time be applicable to any of the other insurances referred to in this clause 8.4(a);

(b) Approved Insurance Brokers, insurers and associations

to effect the insurances aforesaid in such currency as the Agent may approve and through the Approved Insurance Brokers and with such insurance companies and/or underwriters as shall from time to time be approved in writing by the Agent; provided however that the insurances against war risks and protection and indemnity risks may be effected by the entry of such Mortgaged Vessel with such war risks and protection and indemnity associations which is a member of the International Group of P&I Clubs as shall from time to time be approved in writing by the Agent;

(c) Fleet liens, set-off and cancellation

if any of the insurances referred to in clause 8.4(a) form part of a fleet cover, to procure that the Approved Insurance Brokers shall undertake to the Security Trustee that they shall neither set off against any claims in respect of such Mortgaged Vessel any premiums due in respect of any vessel under such fleet cover which is not a Mortgaged Vessel or any premiums due for other insurances, nor cancel the insurance for reason of non-payment of premiums for any vessel under such fleet cover which is not a Mortgaged Vessel or of premiums for such other insurances, and shall undertake to issue a separate policy in respect of such Mortgaged Vessel if and when so requested by the Agent;

(d) Payment of premiums and calls

punctually to pay all premiums, calls, contributions or other sums payable in respect of all such insurances and to produce all relevant receipts or other evidence of payment when so required by the Agent;

(e) Renewal

(i) before the expiry of any obligatory insurance effected by it

(A) notify the Agent of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Security Party proposes to renew that obligatory insurance and of the proposed terms of renewal; and

(B) obtain the Agent's approval to the matters referred to in paragraph (A);

(ii) as soon as practicable but in any event before the expiry of any obligatory insurance effected by it, renew that obligatory insurance in accordance with the Agent's approval pursuant to paragraph (i); and

(iii) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Agent in writing of the terms and conditions of the renewal:

(f) Guarantees

to arrange for the execution and delivery of such guarantees or indemnities as may from time to time be required by any protection and indemnity or war risks association;

(g) Hull policy documents, notices, loss payable clauses and brokers' undertakings

to deposit with the Approved Insurance Brokers (or procure the deposit of) all slips, cover notes, policies, certificates of entry or other instruments of insurance from time to time issued in connection with such of the insurances referred to in clause 8.4(a) as are effected through the Approved Insurance Brokers and procure that the interest of the Security Trustee shall be endorsed thereon by incorporation of the relevant Loss Payable Clause (and in particular on terms that the deductible in respect of the hull and machinery insurances shall not exceed the amount agreed upon and stated in the Loss Payable Clause) and, where the insurances have been assigned to the Security Trustee, by means of a Notice of Assignment of Insurances (signed by the relevant Owner and by any other assured who shall have assigned its interest in the insurances to the Security Trustee) and that the Agent shall be furnished with pro forma copies thereof and a letter or letters of undertaking from the Approved Insurance Brokers in such form as shall from time to time be required by the Agent;

(h) Associations' loss payable clauses, undertakings and certificates

to procure that any protection and indemnity and/or war risks associations in which such Mortgaged Vessel is for the time being entered shall endorse the relevant Loss Payable Clause on the relevant certificate of entry or policy and shall furnish the Agent with a copy of such certificate of entry or policy and a letter or letters of undertaking in such form as may from time to time be required by the Agent;

(i) Extent of cover and exclusions

to take all necessary action and comply with all requirements which may from time to time be applicable to the Insurances (including, without limitation, the making of all requisite declarations within any prescribed time limits and the payment of any additional premiums or calls) so as to ensure that the Insurances are not made subject to any exclusions or qualifications to which the Agent have not given their prior written consent and are otherwise maintained on terms and conditions from time to time approved in writing by the Agent;

(j) Correspondence with brokers and associations

to provide to the Agent, forthwith upon this request, copies of all material written communications between the relevant Owner and the Approved Insurance Brokers and approved war risks and protection and indemnity associations which relate to compliance with requirements from time to time applicable to the Insurances including, without limitation, all requisite declarations and payments of additional premiums or calls referred to in clause 8.4(d);

(k) Independent report

if so requested by the Agent at any time after a material change in the Insurances of such Mortgage Vessel, but at the cost of the Borrowers, to furnish the Agent from time to time with a detailed report signed by an independent firm of marine insurance brokers appointed by the Agent dealing with the insurances maintained on such Mortgaged Vessel and stating the opinion of such firm as to the adequacy thereof;

(l) Collection of claims

to do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which shall at any time become due in respect of the Insurances;

(m) Employment of Mortgaged Vessel

not to employ such Mortgaged Vessel or suffer such Mortgaged Vessel to be employed otherwise than in conformity with the terms of the Insurances (including any warranties express or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements such as to extra premium or otherwise as the insurers may prescribe;

(n) Application of recoveries

to apply all sums receivable under the Insurances which are paid to the relevant Owner in accordance with the Loss Payable Clauses in repairing all damage and/or in discharging the liability in respect of which such sums shall have been received; and

(o) Named assureds

not to permit the fire and usual marine risks and war risk insurances referred to in Clause 8.4(a) to be effected in the name of any other person (other than the Security Trustee) unless such person has to the satisfaction of the Agent executed a first priority assignment in favour of the Security Trustee of such person’s interest in the Insurances of such Mortgaged Vessel in similar terms (mutatis mutandis) to the General Assignment relating thereto.

8.5 **Vessel undertakings**

Each Borrower undertakes with each Bank that, from the Execution Date until the end of the Facility Period, it will, in respect of the Mortgaged Vessel owned by it:

8.5.1 Ship's name and registration

not change the name of such Mortgaged Vessel and to keep such Mortgaged Vessel registered with the relevant Registry under the laws of its Flag State and not do or suffer to be done anything, or omit to do anything the doing or omission of which could or might result in such registration being forfeited or imperilled or which could or might result in such Mortgaged Vessel being required to be registered otherwise than with the relevant Registry and not register such Mortgaged Vessel or permit its registration under any other flag or at any other port other than the flag or port of a Flag State without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed (provided that the Borrowers shall notify the Agent no less than 30 days, and enter into any documentation required by, and satisfactory to, the Lenders before any change of flag);

8.5.2 Repair

keep such Mortgaged Vessel in a good and efficient state of repair and procure that all repairs to or replacement of any damaged, or lost parts of equipment are effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of such Mortgaged Vessel;

8.5.3 Modification; removal of parts; equipment owned by third parties

not without the prior written consent of the Agent to, or suffer any other person to:

(a) make any modification to such Mortgaged Vessel in consequence of which her structure, type or performance characteristics could or might be materially altered or her value materially reduced; or

(b) remove any material part of such Mortgaged Vessel or any equipment the value of which is such that its removal from such Mortgaged Vessel would materially reduce the value of such Mortgaged Vessel without replacing the same with equivalent parts or equipment which are owned by the relevant Owner free from Encumbrances; or

(c) install on such Mortgaged Vessel any equipment owned by a third party which cannot be removed without causing material damage to the structure or fabric of such Mortgaged Vessel;

8.5.4 Maintenance of class; compliance with regulations

maintain the Classification as the class of such Mortgaged Vessel and to comply with and ensure that such Mortgaged Vessel at all times complies with the provisions of all relevant legislations and all regulations and requirements (statutory or otherwise) from time to time applicable to vessels registered under the laws and flag of the Flag State or otherwise applicable to such Mortgaged Vessel and it shall procure that the relevant Classification Society shall make available to the Agent upon its request such information and documents in respect of such Mortgaged Vessel as are maintained in the records of such Classification Society;

8.5.5 Surveys

submit such Mortgaged Vessel to continuous surveys and such periodical or other surveys as may be required for classification purposes and if so required to supply to the Agent copies of all survey reports issued in respect thereof;

8.5.6 Inspection

permit the Agent, upon receipt of at least 15 days written notice, by surveyors or other persons appointed by it for such purpose, to board such Mortgaged Vessel once per calendar year or at any time after the occurrence of an Event of Default which is continuing, provided in each case that the Agent shall use reasonable endeavours to ensure that such inspections or surveys shall not interfere with the operation of such Mortgaged Vessel for the purpose of inspecting her and to afford all proper facilities for such inspections and for this purpose to give the Agent reasonable advance notice of any intended drydocking of such Mortgaged Vessel (whether for the purpose of classification, survey or otherwise) and to pay the costs in respect of each such inspection or survey;

8.5.7 Prevention of and release from arrest

(a) when they fall due, pay and discharge all debts, damages, liabilities and outgoings whatsoever which have given, or where there are reasonable grounds to expect that they may give, rise to maritime, statutory or possessory liens on, or claims enforceable against, such Mortgaged Vessel, her Earnings or Insurances or any part thereof; and

(b) in the event of:

(i) a writ or libel being filed against such Mortgaged Vessel or her Earnings or Insurances or any part thereof, or

(ii) of any of the same being arrested, attached or levied upon pursuant to legal process or purported legal process, or

(iii) in the event of detention of such Mortgaged Vessel in exercise or purported exercise of any such lien or claim as aforesaid,

to procure the release of such Mortgaged Vessel, her Earnings and Insurances from such arrest, detention attachment or levy or, as the case may be, the discharge of the writ or libel forthwith upon the relevant Owner receiving notice thereof (or, in the case of an arrest of such Mortgaged Vessel, within 30 days thereof) by providing bail or procuring the provision of security or otherwise as the circumstances may require;

8.5.8 Employment

not employ such Mortgaged Vessel or permit her employment in any manner, trade or business which is forbidden by laws of the Flag State or international law, or which is unlawful or illicit under the law of any relevant jurisdiction, or in carrying illicit or prohibited goods, or in any manner whatsoever which may render her liable to condemnation in a prize court, or to destruction, seizure, confiscation, penalty or sanctions and, in the event of hostilities in any part of the world (whether war be declared or not), not employ such Mortgaged Vessel or permit her employment in carrying any contraband goods, or enter or trade to or to continue to trade in any zone which is declared a war zone by any Government Entity or by such Mortgaged Vessel's war risks insurers unless the prior written consent of such Mortgaged Vessel's war risks insurers is obtained and such special insurance cover as such Mortgaged Vessel's war risks insurers may require shall have been effected by the relevant Owner at its expense;

8.5.9 Vessel information

provide the Agent promptly on request with all such information as it may from time to time require in relation to such Mortgaged Vessel, her Insurances, her employment, position and engagements, particulars of all towages and salvages, and copies of all charters and other contracts for her employment, or otherwise howsoever concerning her, as well as copies of all original class records held by the Classification Society in relation to such Mortgaged Vessel, all reports of port state control inspections of such Mortgaged Vessel and information on the financial and operating performance of such Mortgaged Vessel and all such information as it may from time to time require to determine the Valuation Amount of such Mortgaged Vessel in accordance with clause 8.2.2;

8.5.10 Notification of certain events

notify the Agent forthwith upon becoming aware of the same, by fax thereafter confirmed by letter of:

(a) any damage to such Mortgaged Vessel requiring repairs the cost of which will or might exceed the Casualty Amount; or

(b) any occurrence in consequence of which such Mortgaged Vessel has or may become a Total Loss; or

(c) any requisition of such Mortgaged Vessel for hire; or

(d) any requirement or recommendation made by any insurer or Classification Society or by any competent authority which is not, or cannot be, complied with in accordance with its terms; or

(e) any arrest or detention of such Mortgaged Vessel of over 5 Banking Days or any exercise of a lien or other claim on such Mortgaged Vessel or her Earnings or Insurances or any part thereof; or

(f) any petition or notice of meeting to consider any resolution to wind-up the relevant Owner (or any event analogous thereto under the laws of the place of its incorporation); or

(g) the occurrence of any Default; or

(h) the occurrence of any Environmental Claim against the relevant Owner, such Mortgaged Vessel, the Manager (other than the Third Party Manager) or any Group Member or the Corporate Guarantor or any incident, event or circumstance which may give rise to any such Environmental Claim; or

(i) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code and or the ISPS Code not being complied with; or

(j) the occurrence of any event which could have a Material Adverse Effect on any Borrower;

(k) the occurrence of any material default under any contract relating to a Mortgage Vessel

(l) the occurrence of, in relation to any Borrower, in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their assets is subject, any event which, in the reasonable opinion of the Agent, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 10.1.6 to 10.1.12 (inclusive) or the fact that any Borrower otherwise has become subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation;

8.5.11 Payment of outgoings and evidence of payments

promptly pay all tolls, dues and other outgoings whatsoever in respect of such Mortgaged Vessel and her Earnings and Insurances and to keep proper books of account in respect of such Mortgaged Vessel and her Earnings (provided that, for the avoidance of doubt, this does not mean the Borrowers preparing financial statements similar to financial statements required to be provided under clause 8.1.6) and, as and when the Agent may so require, to make such books available for inspection on behalf of the Agent;

8.5.12 Encumbrances

not without the prior written consent of the Agent (and then only subject to such conditions as the Agent may impose) hypothecate, create or purport or agree to create or permit to arise or subsist any Encumbrance (other than Permitted Encumbrances or Permitted Liens) over or in respect of such Mortgaged Vessel, any share or interest therein or in the Insurances, Earnings or Requisition Compensation or any part thereof or interest therein other than to or in favour of the Security Trustee;

8.5.13 Chartering

not without the prior written consent of the Agent (which the Agent shall have full liberty to withhold) and, if such consent is given, only subject to such conditions as the Agent may impose, let such Mortgaged Vessel:

(a) on demise charter for any period; or

(b) by any time or consecutive voyage charter for a term which exceeds or which by virtue of any optional extensions therein contained may exceed twenty four (24) months’ duration; or

(c) on terms whereby more than two (2) months' hire (or the equivalent) is payable in advance; or

(d) below a fair and reasonable arms-length rate obtainable at the time when such Mortgaged Vessel is fixed;

8.5.14 Payment of Earnings

to procure that the Earnings are paid to the Security Trustee at all times if and when the same shall be or shall have become so payable in accordance with the Security Documents after the Security Trustee shall have directed pursuant to clause 2.1.1 of the General Assignment that the same shall be no longer receivable by the relevant Owner and that any Earnings which are so payable and which are in the hands of the relevant Owner's brokers or agents are duly accounted for and paid over to the Security Trustee forthwith on demand;

8.5.15 Repairers' liens

not without the previous consent in writing of the Agent, which consent shall not be unreasonably withheld, put such Mortgaged Vessel into the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed the Casualty Amount unless such person shall first have given to the Agent in terms satisfactory to them, a written undertaking not to exercise any lien on such Mortgaged Vessel or her Earnings for the cost of such work or otherwise;

8.5.16 Managers

not without the prior written consent of the Agent appoint, or permit the appointment of, anyone other than a Manager or Sub-Manager as commercial or technical manager of such Mortgaged Vessel nor to terminate or amend the terms of the relevant Management Agreement;

8.5.17 Notice of Mortgage

place and at all times and places to retain a properly certified copy of the Mortgage in respect of such Mortgaged Vessel (which shall form part of such Mortgaged Vessel's documents) on board such Mortgaged Vessel with her papers and cause such certified copy of such Mortgage to be exhibited to any and all persons having business with such Mortgaged Vessel which might create or imply any commitment or encumbrance whatsoever on or in respect of such Mortgaged Vessel (other than a lien for crew's wages and salvage) and to any representative of the Security Trustee and to place and keep prominently displayed in the navigation room and in the Master's cabin of such Mortgaged Vessel a framed printed notice in plain type reading as follows:

"NOTICE OF MORTGAGE

This Ship is mortgaged by the Owner thereof, **[ ]** of Trust Company Complex, Ajeltake Road, Ajeltake Island Majuro, Marshall Islands MH 96960 to **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** of 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France as Security Trustee pursuant to [the provisions of Law No. 55 of 2008 of the Republic of Panama] and other pertinent legislation and pursuant also to the terms of the said Mortgage a certified copy of which is preserved with the Ship's papers. Therefore, neither the Owner nor any charterer nor the Master of this Ship has any right, power or authority to create, incur or permit to be imposed upon this Ship any commitments or encumbrances whatsoever other than for crew's wages and salvage";

8.5.18 Conveyance on default

where such Mortgaged Vessel is (or is to be) sold in exercise of any power contained in this Mortgage, execute, forthwith upon request by the Security Trustee, such form of conveyance of such Mortgaged Vessel as the Security Trustee may require;

8.5.19 Anti-drug abuse

without prejudice to clause 5.1.9, take all necessary and proper precautions to prevent any infringements of the Anti-Drug Abuse Act of 1986 of the United States of America or any similar legislation applicable to such Mortgaged Vessel in any jurisdiction in or to which such Mortgaged Vessel shall be employed or located or trade or which may otherwise be applicable to such Mortgaged Vessel and/or the relevant Owner;

8.5.20 Compliance with Environmental Laws

comply with, and use all reasonable and proper endeavours to procure that all Environmental Affiliates of the relevant Owner comply with, all Environmental Laws in relation to such Mortgaged Vessel including, without limitation, requirements relating to manning, submission of oil spill response plans, designation of qualified individuals and establishing and establishment of financial responsibility and to obtain and comply with, and use all reasonable and proper endeavours to procure that all Environmental Affiliates of the relevant Owner obtain and comply with, all Environmental Approvals in relation to such Mortgaged Vessel, where failure to do so would have or be likely to have a Material Adverse Effect;

8.5.21 Trading

not permit such Mortgaged Vessel to trade in any area prohibited by the government of the Flag State or in breach of Sanctions;

8.5.22 Recycling

if its Vessel is intended to be scrapped during the Facility Period, use its commercially reasonable endeavours to take into account social and environmental matters when selecting the recycling yard and to comply with the Hong Kong International Convention for the for the Safe and Environmentally Sound Recycling of Ships (2009);

8.5.23 Inventory of Hazardous Materials

maintain a green passport notification (based on the Inventory of Hazardous Materials) for its Vessel from its Classification Society throughout the Facility Period (commencing on 1 January 2021).

8.6 Poseidon Principles

Each Borrower shall, upon the request of any Lender and at the cost of the Borrowers, on or before 31st July in each calendar year, supply or procure the supply by the relevant Classification Society (as specified by the relevant Lender) to the Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, together with a Carbon Intensity and Climate Alignment Certificate, in each case relating to the Ship owned by it for the preceding calendar year provided always that, for the avoidance of doubt, such information shall be "Confidential Information" for the purposes of Clause 15.9 (*Disclosure of Information*) but the Borrowers acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment.

For the purposes of this Clause 8.6 (*Poseidon Principles*):

"**Annex VI**" means Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 ("MARPOL"), as modified by the Protocol of 1978 relating thereto;

"**Carbon Intensity and Climate Alignment Certificate**" means a certificate from a Recognised Organisation relating to a Ship and a calendar year setting out:

(a) the average efficiency ratio of that Ship for all voyages performed by it over that calendar year using ship fuel oil consumption data required to be collected and reported in accordance with regulation 22A of Annex VI in respect of that calendar year; and

(b) the climate alignment of that Ship for such calendar year,

in each case as calculated in accordance with the Poseidon Principles.

"Recognised Organisation" means, in respect of a Vessel, an organisation which is likely to be the Classification Society representing that Vessel's flag state and, for the purposes of Clause 8.6 (Poseidon Principles), duly authorised to determine whether the relevant Owner has complied with regulation 22A of Annex VI.

"**Poseidon Principles**" means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published in June 2019 as the same may be amended or replaced from time to time; and

"**Statement of Compliance**" means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

9 CONDITIONS

9.1 Documents and evidence

The obligation of each Lender to make its Commitment available in respect of the Loan is conditional upon:

9.1.1 that, on or before the service of the Drawdown Notice hereunder, the Agent has received the documents described in Part A of Schedule 3 in form and substance satisfactory to the Agent and its lawyers;

9.1.2 that, on or before the drawdown of the Loan, the Agent has received the documents described in Part B of Schedule 3 in respect of the Relevant Vessel (as defined in Schedule 3) in form and substance satisfactory to the Agent and its lawyers;

9.1.3 the representations and warranties contained in clause 7 and clauses 4.1 and 4.2 of the Corporate Guarantee being then true and correct as if each was made with respect to the facts and circumstances existing at such time; and

9.1.4 no Default having occurred and being continuing and there being no Default which would result from the making of the Loan.

9.2 Waiver of conditions precedent

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

9.3 Further conditions precedent/conditions subsequent

Not later than five (5) Banking Days prior to the Drawdown Date and not later than five (5) Banking Days prior to each Interest Payment Date, the Agent (acting on the instructions of the Majority Lenders) may request and the Borrowers must, not later than two (2) Banking Days prior to such date, deliver to the Agent (at the Borrowers' expense) on such request further favourable certificates and/or opinions as to any or all of the matters which are the subject of clauses 7, 8, 9 and 10.

9.4 **English language**

All documents required to be delivered under and/or supplied in connection with any of the Security Documents must either be in the English language or accompanied by an English translation certified by a notary, lawyer or consulate acceptable to the Agent.

10 EVENTS OF DEFAULT

10.1 **Events**

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

10.1.1 **Non-payment:** any Security Party fails to pay any sum payable by it under any of the Security Documents at the time, in the currency and in the manner stipulated in the Security Documents or the Underlying Documents (and so that, for this purpose, sums payable (i) under clauses 3.1 and 4.1 shall be treated as having been paid at the stipulated time if (aa) received by the Agent within three (3) Banking Days of the dates therein referred to and (bb) such delay in receipt is caused by administrative or other delays or errors within the banking system and (ii) on demand shall be treated as having been paid at the stipulated time if paid within three (3) Banking Days of demand); or

10.1.2 **Breach of Insurance and certain other obligations:** any Owner or, as the context may require, any Manager or any other person fails to obtain and/or maintain the Insurances for any of the Mortgaged Vessels or if any insurer in respect of such Insurances cancels the Insurances or disclaims liability by reason, in either case, of mis-statement in any proposal for the Insurances or for any other failure or default on the part of a Borrowers or any other person or a Borrower commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by them under clause 8; or

10.1.3 **Breach of other obligations:** any Security Party or any Manager commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Security Documents (other than those referred to in clauses 10.1.1 and 10.1.2 above) unless such breach or omission, in the opinion of the Agent (following consultation with the Banks) is capable of remedy, in which case the same shall constitute an Event of Default if it has not been remedied within fifteen calendar (15) days of the occurrence thereof; or

10.1.4 **Misrepresentation:** any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party in or pursuant to any of the Security Documents or in any notice, certificate or statement referred to in or delivered under any of the Security Documents is or proves to have been incorrect or misleading in any material respect; or

10.1.5 **Cross-default:** any Indebtedness of the Group in an amount exceeding in aggregate fifteen million Dollars (USD 15,000,000) or any Indebtedness of any Borrower is not paid when due (subject to applicable grace or cure periods) or any such Indebtedness of any Borrower or any other Security Party becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by the relevant

Borrower or other Security Party of a voluntary right of prepayment), or any creditor of any Borrower or any other Security Party becomes entitled to declare any such Indebtedness due and payable or any facility or commitment available to any Borrower or any other Security Party relating to Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned; or

10.1.6 **Execution:** any uninsured judgment or order made against any Security Party is not stayed, appealed against or complied with within thirty (30) days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of any Security Party and is not discharged within forty (40) days; or

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

10.1.8 **Reduction or loss of capital:** a meeting is convened by any Security Party (other than the Corporate Guarantor) without the Agent's prior written consent, for the purpose of passing any resolution to purchase, reduce or redeem any of its authorised and issued shares without the Agent's prior written consent; or

10.1.9 **Dissolution:** any corporate action, Proceedings or other steps are taken to dissolve or wind-up any Security Party or an order is made or resolution passed for the dissolution or winding up of any Security Party or a notice is issued convening a meeting for such purpose; or

10.1.10 **Administration:** any petition is presented, notice given or other steps are taken anywhere to appoint an administrator of any Security Party or the Agent reasonably believes that any such petition or other step is imminent or an administration order is made in relation to any Security Party; or

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

10.1.12 **Compositions:** any corporate action, legal proceedings or other procedures or steps are taken, or negotiations commenced, by any Security Party or by any of its creditors (other than the Corporate Guarantor) or any legal proceedings are taken in respect of the Corporate Guarantor, with a view to the general readjustment or rescheduling of all or part of its Indebtedness or to proposing any kind of composition, compromise or arrangement involving such company and any of its creditors; or

10.1.13 **Analogous proceedings:** there occurs, in relation to any Security Party, in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their assets is subject, any event which, in the reasonable opinion of the Agent, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 10.1.6 to 10.1.12 (inclusive) or any Security Party otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation; or

10.1.14 **Cessation of business:** any Security Party suspends or ceases or threatens to suspend or cease to carry on its business without the prior written consent of the Agent, such consent not to be unreasonably withheld (it being agreed that a sale of a Vessel by the Borrower who is the owners thereof shall not constitute an Event of Default provided that the Borrowers comply with clause 4.4); or

10.1.15 **Seizure:** all or a material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, any Security Party are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any Government Entity; or

10.1.16 **Invalidity:** any of the Security Documents and the Underlying Documents shall at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Security Documents and the Underlying Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any such Security Party shall deny that it has any, or any further, liability thereunder; or

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

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

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

10.1.20 **Arrest:** a Mortgaged Vessel is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim or otherwise taken from the possession of its Owner and that Owner shall fail to procure the release of such Mortgaged Vessel within a period of thirty (30) days thereafter (this clause does not include capture of a Vessel by pirates for up to 12 months (but does apply if such capture exceeds 12 months) if relevant underwriters confirm in writing (in terms satisfactory to the Lenders) within ninety (90) day of capture, that such capture will be covered by the relevant Borrower’s war risks insurance); or

10.1.21 **Registration:** the registration of a Mortgaged Vessel under the laws and flag of the relevant Flag State is cancelled or terminated without the prior written consent of the Majority Lenders; or

10.1.22 **Unrest:** the Flag State of a Mortgaged Vessel or the country in which any Security Party is incorporated or domiciled becomes involved in hostilities or civil war or there is a seizure of power in the Flag State by unconstitutional means (which hostilities or civil war or seizure of power would reasonably be expected to have a Material Adverse Effect) unless the Owner of the Vessel registered in such Flag State shall have transferred its Vessel onto a new flag acceptable to the Banks within sixty (60) days of the start of such hostilities or civil war or seizure of power; or

10.1.23 **Environmental Incidents:** an Environmental Incident occurs which gives rise, or may give rise, to an Environmental Claim which could, in the opinion of the Agent be expected to have a Material Adverse Effect (i) on the business, assets or financial condition of any Security Party or the Group taken as a whole or (ii) on the security constituted by any of the Security Documents or the enforceability of that security in accordance with its terms; or

10.1.24 **P&I:** an Owner or a Manager or any other person fails or omits to comply with any requirements of the protection and indemnity association or other insurer with which a Mortgaged Vessel is entered for insurance or insured against protection and indemnity risks (including oil pollution risks) to the effect that any cover (including, without limitation, any cover in respect of liability for Environmental Claims arising in jurisdictions where such Mortgaged Vessel operates or trades) is or may be liable to cancellation, qualification or exclusion at any time; or

10.1.25 **Material events:** any other event occurs or circumstance arises which, in the opinion of the Agent (following consultation with the Banks), is likely materially and adversely to affect either (i) the ability of any Security Party to perform all or any of its obligations under or otherwise to comply with the terms of any of the Security Documents or (ii) the security created by any of the Security Documents; or

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

10.1.27 **Ownership/management**: there is any change in the direct or indirect ownership of any Borrower or any Vessel (from that disclosed pursuant to paragraph (h) of Schedule 2, Part A) or a change of Manager (other than as contemplated by the definition of Manager) of any Vessel without the prior written consent of the Agent (such consent not to be unreasonably withheld in the case of a change of Manager); or

10.1.28 **Anti-Money Laundering**: any Security Party is in breach of or fails to observe any law, requirement, measure or procedure implemented to combat Money Laundering or comparable United States federal and state laws, including without limitation the PATRIOT Act and the Bank Secrecy Act.

10.2 **Acceleration**

The Agent may, and if so requested by the Majority Lenders shall, without prejudice to any other rights of the Lenders, at any time after the happening of an Event of Default so long as the same is continuing by notice to the Borrowers declare that:

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

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

10.3 Demand basis

If, under clause 10.2.2, the Agent has declared the Loan to be due and payable on demand, at any time thereafter the Agent may (and if so instructed by the Majority Lenders shall) by further written notice to the Borrowers demand repayment of the Loan on such date as may be specified whereupon the Loan shall become due and payable accordingly with all interest accrued and all other sums payable under this Agreement.

11 INDEMNITIES

11.1 General indemnity

The Borrowers agree to indemnify each Bank on demand, without prejudice to any of such Bank's other rights under any of the Security Documents, against any loss (including loss of Margin) or expense (including, without limitation, any Break Costs) which such Bank shall certify as sustained by it (a) as a consequence of any Default, any prepayment of the Loan being made under clauses 4.2, 4.3, 4.5, 8.2.1(a) or 12.1 or any other repayment or prepayment of the Loan or part thereof being made otherwise than on an Interest Payment Date relating to the part of the Loan prepaid or repaid; and/or the Loan or any part thereof not being made for any reason (excluding any default by the Agent, the Security Trustee or any Lender) after the Drawdown Notice has been given or (b) in connection with Sanctions.

11.2 Environmental indemnity

The Borrowers shall indemnify each Bank on demand and hold it harmless from and against all costs, claims, expenses, payments, charges, losses, demands, liabilities, actions, Proceedings, penalties, fines, damages, judgements, orders, sanctions or other outgoings of whatever nature which may be incurred or made or asserted whensoever against such Bank at any time, whether before or after the repayment in full of principal and interest under this Agreement, arising howsoever out of an Environmental Claim made or asserted against such Bank which would not have been, or been capable of being, made or asserted against such Bank had it not entered into any of the Security Documents or been involved in any of the resulting or associated transactions.

11.3 Capital adequacy and reserve requirements indemnity

The Borrowers shall promptly indemnify each Lender on demand against any cost incurred or loss suffered by such Lender as a result of its complying with (i) the minimum reserve requirements from time to time of the European Central Bank (ii) any capital adequacy directive of the European Union and/or (iii) any revised framework for international convergence of capital measurements and capital standards and/or any regulation imposed by any Government Entity in connection therewith, and/or in connection with maintaining required reserves with a relevant national central bank to the extent that such compliance or maintenance relates to such Lender's Commitment and/or Contribution or deposits obtained by it to fund the whole or part thereof and to the extent such cost or loss is not recoverable by such Lender under clause 12.2.

12 UNLAWFULNESS AND INCREASED COSTS

12.1 Unlawfulness

If, regardless of any other provision of this Agreement, by reason of:

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

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

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

12.2 Increased costs

If the result of any change (which occurs after the Execution Date) in, or in the interpretation or application of, or the introduction of, any law or any regulation, request or requirement or the effect of complying with any applicable directive, request or requirement (whether or not having the force of law, but, if not having the force of law, with which a Lender or, as the case may be, its holding company habitually complies) of any central bank or Government Entity (including, but not limited to, the 1988 Basle Convergence Agreement and including those relating to Taxation or any kind of liquidity, stock or capital adequacy controls, reserve assets, cash ratio deposits and special deposits or other banking or monetary controls or requirements which affect the manner in which a Lender or its holding company allocates capital resources to the Lender's obligations hereunder), is to:

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

12.2.2 increase the cost to, or impose an additional cost on, any Lender or its holding company in making or keeping such Lender's Commitment available or maintaining or funding all or part of such Lender's Contribution; and/or

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

12.2.4 reduce any Lender's or its holding company's rate of return on its overall capital by reason of a change in the manner in which it is required to allocate capital resources to such Lender's obligations under any of the Security Documents; and/or

12.2.5 require any Lender or its holding company to make a payment or forgo a return on or calculated by reference to any amount received or receivable by such Lender under any of the Security Documents; and/or

12.2.6 require any Lender or its holding company to incur or sustain a loss (including a loss of future potential profits) by reason of being obliged to deduct all or part of its Contribution or the Loan from its capital for regulatory purposes,

then and in each such case (subject to clause 12.3):

(a) such Lender shall notify, via the Agent, the Borrowers in writing of such event promptly upon its becoming aware of the same; and

(b) the Borrowers shall on demand made at any time whether or not such Lender's Contribution has been repaid, pay to the Agent for the account of such Lender the amount which such Lender specifies (in a certificate setting forth the basis of the computation of such amount but not including any matters which such Lender or its holding company regards as confidential) is required to compensate such Lender and/or (as the case may be) its holding company for such liability to Taxes, cost, reduction, payment , forgone return or loss.

For the purposes of this clause 12.2 "**holding company**" means the company or entity (if any) within the consolidated supervision of which a Lender is included.

12.3 Exception

Nothing in clause 12.2 shall entitle any Lender to receive any amount relating to compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is the subject of an additional payment under clause 6.6.

13 APPLICATION OF MONEYS, SET OFF, PRO-RATA PAYMENTS AND MISCELLANEOUS

13.1 Application of moneys

All moneys received by the Agent and/or the Security Trustee under or pursuant to any of the Security Documents and expressed to be applicable in accordance with the provisions of this clause 13.1 or in a manner determined in the Security Trustee's or (as the case may be) the Agent's discretion, shall be applied in the following manner:

13.1.1 first, in or towards payment, on a pro-rata basis, of any unpaid costs and expenses of the Banks or any of them under any of the Security Documents;

13.1.2 secondly, in or towards payment of any fees payable to the Arranger, the Agent or any of the other Banks under, or in relation to, the Security Documents which remain unpaid;

13.1.3 thirdly, in or towards payment to the Lenders, on a pro rata basis, of any accrued interest owing in respect of the Loan which shall have become due under any of the Security Documents but remains unpaid;

13.1.4 fourthly, in or towards payment to the Lenders, on a pro rata basis according to their respective Contributions, of any principal in respect of the Loan (whether the same is due and payable or not); and

13.1.5 fifthly, in or towards payment to the Lenders, on a pro rata basis, for any loss suffered by reason of any such payment in respect of principal not being effected on an Interest Payment Date relating to the part of the Loan repaid and which amounts are so payable under this Agreement;

13.1.6 sixthly in or towards payment to the relevant person of any other sum which shall have become due under any of the Security Documents but remains unpaid (and, if more than one such sum so remains unpaid, on a pro rata basis;

13.1.7 seventhly, the surplus (if any) shall be paid to the Borrowers or to whomsoever else may then be entitled to receive such surplus.

13.2 **Set-off**

13.2.1 Each Borrower irrevocably authorises each Bank (without prejudice to any of such Bank's rights at law, in equity or otherwise), at any time and without notice to the Borrowers, to apply any credit balance to which any Borrower is then entitled standing upon any account of any Borrower with any branch of such Bank in or towards satisfaction of any sum due and payable from the Borrowers to such Bank under any of the Security Documents. For this purpose, each Bank is authorised to purchase with the moneys standing to the credit of such account such other currencies as may be necessary to effect such application.

13.2.2 No Bank shall be obliged to exercise any right given to it by this clause 13.2. Each Bank shall notify the Borrowers through the Agent forthwith upon the exercise or purported exercise of any right of set off giving full details in relation thereto and the Agent shall inform the other Banks.

13.2.3 Nothing in this clause 13.2 shall be effective to create a charge or other security interest.

13.3 **Pro rata payments**

13.3.1 If at any time any Lender (the "**Recovering Lender**") receives or recovers any amount owing to it by the Borrowers under this Agreement (other than pursuant to any other Security Document) by direct payment, set-off or in any manner other than by payment through the Agent pursuant to clauses 6.1 or 6.9 (not being a payment received from a Transferee Bank or a sub-participant in such Lender's Contribution or any other payment of an amount due to the Recovering Lender for its sole account pursuant to clauses 3.6, 5, 6.6, 11.1, 11.2, 11.3, 12.1, or

12.2), the Recovering Lender shall, within two (2) Banking Days of such receipt or recovery (a "**Relevant Receipt**") notify the Agent of the amount of the Relevant Receipt. If the Relevant Receipt exceeds the amount which the Recovering Lender would have received if the Relevant Receipt had been received by the Agent and distributed pursuant to clause 6.1 or 6.10 (as the case may be) then:

(a) within two (2) Banking Days of demand by the Agent, the Recovering Lender shall pay to the Agent an amount equal (or equivalent) to the excess;

(b) the Agent shall treat the excess amount so paid by the Recovering Lender as if it were a payment made by the Borrowers and shall distribute the same to the Lenders (other than the Recovering Lenders) in accordance with clause 6.10; and

(c) as between the Borrowers and the Recovering Lender the excess amount so re-distributed shall be treated as not having been paid but the obligations of the Borrowers to the other Lenders shall, to the extent of the amount so re-distributed to them, be treated as discharged.

13.3.2 If any part of the Relevant Receipt subsequently has to be wholly or partly refunded by the Recovering Lender (whether to a liquidator or otherwise) each Lender to which any part of such Relevant Receipt was so re-distributed shall on request from the Recovering Lender repay to the Recovering Lender such Lender's pro-rata share of the amount which has to be refunded by the Recovering Lender.

13.3.3 Each Lender shall on request supply to the Agent such information as the Agent may from time to time request for the purposes of this clause 13.3.

13.3.4 Notwithstanding the foregoing provisions of this clause 13.3, no Recovering Lender shall be obliged to share any Relevant Receipt which it receives or recovers pursuant to Proceedings taken by it to recover any sums owing to it under this Agreement with any other party which has a legal right to, but does not, either join in such Proceedings or commence and diligently pursue separate Proceedings to enforce its rights in the same or another court (unless the Proceedings instituted by the Recovering Lender are instituted by it without prior notice having been given to such party through the Agent).

13.4 **No release**

For the avoidance of doubt it is hereby declared that failure by any Recovering Lender to comply with the provisions of clause 13.3 shall not release any other Recovering Lender from any of its obligations or liabilities under clause 13.3.

13.5 **No charge**

The provisions of this clause 13 shall not, and shall not be construed so as to, constitute a charge or create or declare a trust by a Lender over all or any part of a sum received or recovered by it in the circumstances mentioned in clause 13.3.

13.6 **Further assurance**

Each Borrower undertakes with each Bank that the Security Documents shall both at the date of execution and delivery thereof and throughout the Facility Period be valid and binding obligations of the Security Parties party thereto which, with the rights of each Lender thereunder, are enforceable in accordance with their respective terms and that they will, at their

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

13.7 **Conflicts**

In the event of any conflict between this Agreement and any of the other Security Documents, the provisions of this Agreement shall prevail.

13.8 **No implied waivers, remedies cumulative**

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

13.9 **Severability**

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

13.10 **Force Majeure**

Regardless of any other provision of this Agreement, none of the Banks shall be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from (i) the action or inaction or purported action of any governmental or local authority (ii) any strike, lockout, boycott or blockade (including any strike, lockout, boycott or blockade effected by or upon any Bank or any of its representatives or employees) (iii) any act of God (iv) any act of war (whether declared or not) or terrorism (v) any failure of any information technology or other operational systems or equipment affecting any Bank or (vi) any other circumstances whatsoever outside any Bank's control.

13.11 **Amendments**

This Agreement may be amended or varied only by an instrument in writing executed by all parties hereto who irrevocably agree that the provisions of this clause 13.11 may not be waived or modified except by an instrument in writing to that effect signed by all of them.

13.12 **Counterparts**

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

13.13 **English language**

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

13.14 **Contractual recognition of bail-in**

Notwithstanding any other term of any Security Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Security Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Security Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

14 **ACCOUNTS AND RETENTIONS**

14.1 **General**

Each Borrower undertakes with each Bank that it will ensure that:

14.1.1 it will on or before the Drawdown Date, open an Earnings Account in its name; and

14.1.2 all moneys payable to any Borrower in respect of the Earnings or Insurances of its Mortgaged Vessel shall, unless and until the Agent (acting on the instructions of the Majority Lenders) directs to the contrary, be paid to its Earnings Account, Provided however that if any of the moneys paid to an Earnings Account are payable in a currency other than USD the Account Bank shall then convert such moneys into USD at the Account Bank's spot rate of exchange at the relevant time for the purchase of USD with such currency and the term "spot rate of exchange" shall include any premium and costs of exchange payable in connection with the purchase of USD with such currency.

14.2 **Earnings Accounts: withdrawals**

Any sums standing to the credit of the Earnings Accounts may be applied from time to time:

(i) firstly, in or towards payment, on a pro-rata basis, of any unpaid fees, costs and expenses of the Banks or any of them under any of the Security Documents;

(ii) secondly, subject to there being no breach of clause 14.3 and to no Event of Default having occurred which is continuing, in the operation of the Vessels (operating and voyage expenses);

(iii) thirdly, in or towards payment of the Retention Amount and payment to the Lenders, on a pro rata basis, of any accrued interest and any principal in respect of the Loan which shall have become due and payable; and

(iv) fourthly, subject to there being no breach of clause 14.3 and to no Event of Default having occurred which is continuing and to there being at any time sufficient funds to maintain or pay amounts due under (i) to (iii) above as they fall due, for the general corporate purposes of the Borrowers, including payment of dividend (subject to Clause 8.1.23).

14.3 **Minimum Balance**

Each Borrower shall deposit on the Drawdown Date and maintain thereafter throughout the Facility Period on its Earnings Account a balance of not less than USD300,000.

14.4 **Retention Account: credits and withdrawals**

14.4.1 The Borrowers undertake with each Bank that, throughout the Facility Period, they will procure that, on each Retention Date there is paid (whether from the Earnings Accounts or elsewhere) to the Retention Account, the Retention Amount for such date.

14.4.2 Unless and until there shall occur an Event of Default (whereupon the provisions of clause 14.4 shall apply), all Retention Amounts credited to the Retention Account together with interest from time to time accruing or at any time accrued thereon must be applied by the Account Bank (and the Borrowers hereby irrevocably authorise the Account Bank so to apply the same) upon each Repayment Date and/or on each day that interest is payable on the Loan pursuant to clause 3.1, in or towards payment to the Agent of the instalment then falling due for repayment or, as the case may be, the amount of interest then due. Each such application by the Account Bank shall constitute a payment in or towards satisfaction of the Borrowers' corresponding payment obligations under this Agreement but shall be strictly without prejudice to the obligations of the Borrowers to make any such payment to the extent that the aforesaid application by the Account Bank is insufficient to meet the same.

14.4.3 Unless the Agent (acting on the instructions of the Majority Lenders) otherwise agrees in writing and subject to clause 14.3.2, Borrowers shall not be entitled to withdraw any moneys from the Retention Account at any time during the Facility Period.

14.5 Application of accounts

At any time after the occurrence of an Event of Default, the Agent may (and on the instructions of the Majority Lenders shall), without notice to the Borrowers, instruct the Account Bank to apply all moneys then standing to the credit of the Earnings Accounts and/or the Retention Account (together with interest from time to time accruing or accrued thereon) in or towards satisfaction of any sums due to the Banks or any of them under the Security Documents in the manner specified in clause 13.1.

14.6 Charging of accounts

The Earnings Accounts, the Retention Account and all amounts from time to time respectively standing to the credit thereof shall be subject to the security constituted and the rights conferred by, respectively, the Earnings Account Pledges and the Retention Account Pledge.

15 ASSIGNMENT, TRANSFER AND LENDING OFFICE

15.1 Benefit and burden

This Agreement shall be binding upon, and enure for the benefit of, the Banks and the Borrowers and their respective successors in title.

15.2 No assignment by Borrowers

No Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Lenders.

15.3 Transfers by Banks

any Lender (the "**Transferor Lender**") may at any time, without the consent of, but after consultation with, the Borrowers, cause all or any part of its rights, benefits and/or obligations under this Agreement and the other Security Documents to be transferred to (i) another Lender, (ii) another branch, subsidiary or affiliate of a Lender, (iii) another first class international bank or financial institution, (iv) any member of the European System of Central Banks, (v) a trust corporation, insurance company, fund, capital investment company or other person which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets or (vi) (without prior notification to, nor prior consent from, the Borrowers) following the occurrence of an Event of Default which is continuing, any other person (in each case a "**Transferee Lender**"), in each case by delivering to the Agent a Transfer Certificate duly completed and duly executed by the Transferor Lender and the Transferee Lender. No such transfer is binding on, or effective in relation to, the Borrowers or the Agent unless (i) it is effected or evidenced by a Transfer Certificate which complies with the provisions of this clause 15.3 and is signed by or on behalf of the Transferor Lender, the Transferee Lender and the Agent (on behalf of itself, the Borrowers and the other Banks) and (ii) such transfer of rights under the other Security Documents has been effected and registered. Upon signature of any such Transfer Certificate by the Agent, which signature shall be effected as promptly as is practicable after such Transfer Certificate has been delivered to the Agent, and subject to the terms of such Transfer Certificate, such Transfer Certificate shall have effect as set out below.

The following further provisions shall have effect in relation to any Transfer Certificate:

15.3.1 a Transfer Certificate may be in respect of a Lender's rights in respect of all, or part of, its Commitment and shall be in respect of the same proportion of its Contribution;

15.3.2 a Transfer Certificate shall only be in respect of rights and obligations of the Transferor Lender in its capacity as a Lender and shall not transfer its rights and obligations (if applicable) as the Agent and/or Security Trustee, or in any other capacity, as the case may be and such other rights and obligations may only be transferred in accordance with any applicable provisions of this Agreement;

15.3.3 a Transfer Certificate shall take effect in accordance with English law as follows:

(a) to the extent specified in the Transfer Certificate, the Transferor Lender's payment rights and all its other rights (other than those referred to in clause 15.3.2 above) under this Agreement are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender's title and of any rights or equities which the Borrowers had against the Transferor Lender and the Transferee Lender assumes all obligations of the Transferor Lender as are transferred by such Transfer Certificate;

(b) the Transferor Lender's Commitment is discharged to the extent specified in the Transfer Certificate;

(c) the Transferee Lender becomes a Lender with a Contribution and/or a Commitment in respect of the Loan of the amounts specified in the Transfer Certificate;

(d) the Transferee Lender becomes bound by all the provisions of this Agreement and the Security Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and to the extent that the Transferee Lender becomes bound by those provisions, the Transferor Lender ceases to be bound by them;

(e) the Loan or part of the Loan which the Transferee Lender makes after the Transfer Certificate comes into effect ranks in point of priority and security in the same way as it would have ranked had it been made by the Transferor Lender, assuming that any defects in the Transferor Lender's title and any rights or equities of any Security Party against the Transferor Lender had not existed; and

(f) the Transferee Lender becomes entitled to all the rights under this Agreement which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under clauses 3.6, 5 and 12 and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them;

15.3.4 the rights and equities of the Borrowers or of any other Security Party referred to above include, but are not limited to, any right of set-off and any other kind of cross-claim; and

15.3.5 the Borrowers, the Account Bank, the Security Trustee, the Agent and the Lenders hereby irrevocably authorise and instruct the Agent to sign any such Transfer Certificate on their behalf and undertake not to withdraw, revoke or qualify such authority or instruction at any time. Promptly upon its signature of any Transfer Certificate, the Agent shall notify the Borrowers, the Transferor Lender and the Transferee Lender.

15.4 **Reliance on Transfer Certificate**

15.4.1 The Agent shall be entitled to rely on any Transfer Certificate believed by it to be genuine and correct and to have been presented or signed by the persons by whom it purports to have been presented or signed, and shall not be liable to any of the parties to this Agreement and the Security Documents for the consequences of such reliance.

15.4.2 The Agent shall at all times during the continuation of this Agreement maintain a register in which it shall record the name, Commitments, Contributions and administrative details (including the lending office) from time to time of the Lenders holding a Transfer Certificate and the date at which the transfer referred to in such Transfer Certificate held by each Lender was transferred to such Lender, and the Agent shall make the said register available for inspection by any Lender or the Borrowers during normal banking hours upon receipt by the Agent of reasonable prior notice requesting the Agent to do so.

15.4.3 The entries on the said register shall, in the absence of manifest error, be conclusive in determining the identities of the Commitments, the Contributions and the Transfer Certificates held by the Lenders from time to time and the principal amounts of such Transfer Certificates and may be relied upon by all parties to this Agreement.

15.5 **Transfer fees and expenses**

Any Transferor Lender who causes the transfer of all or any part of its rights, benefits and/or obligations under the Security Documents in accordance with the foregoing provisions of this clause 15, must, on each occasion, pay to the Agent a transfer fee of three thousand Dollars (USD3,000) and, in addition, be responsible for all other costs and expenses (including, but not limited to, reasonable legal fees and expenses) associated therewith and all value added tax thereon, as well as those of the Agent (in addition to its fee as aforesaid) in connection with such transfer.

15.6 **Documenting transfers**

If any Lender assigns all or any part of its rights or transfers all or any part of its rights, benefits and/or obligations as provided in clause 15.3, each Borrower undertakes, immediately on being requested to do so by the Agent and at the cost of the Transferor Lender, to enter into, and procure that the other Security Parties shall (at the cost of the Transferor Lender) enter into, such documents as may be necessary or desirable to transfer to the Transferee Lender all or the relevant part of such Lender's interest in the Security Documents and all relevant references in this Agreement to such Lender shall thereafter be construed as a reference to the Transferor Lender and/or its Transferee Lender (as the case may be) to the extent of their respective interests.

15.7 **Sub-Participation, securitisation, subrogation assignment**

15.7.1 A Lender may sub-participate or include in a securitisation or similar transaction all or any part of its rights and/or obligations under or in connection with the Security Documents without the prior consent of the Borrowers, any Security Party, the Agent or the Security Trustee and the Lenders may assign, in any manner and terms all or any part of those rights to an insurer or surety who has become subrogated to them.

15.7.2 The Borrowers shall, and shall procure that each Security Party shall, do everything desirable or necessary to assist the Lenders (or any of them) to achieve a successful (in the opinion of the Lender concerned) securitisation (or similar transaction) or any sub-participation or subrogation assignment.

15.8 **Lending office**

Each Lender shall lend through its office at the address specified in schedule 1 or, as the case may be, in any relevant Transfer Certificate or through any other office of such Lender selected from time to time by it through which such Lender wishes to lend for the purposes of this Agreement. If the office through which a Lender is lending is changed pursuant to this clause 15.8, such Lender shall notify the Agent promptly of such change and the Agent shall notify the Borrowers, the Security Trustee, the Account Bank and the other Lenders.

15.9 **Disclosure of information**

15.9.1 A Bank may disclose to any of its branches and affiliates, its head office, any relevant fiscal authorities a prospective assignee, transferee or to any other person who may propose entering into contractual relations with such Bank in relation to this Agreement such information about the Borrowers and/or the other Security Parties and/or the Loan and/or the Security Documents as such Bank shall consider appropriate in relation to any transfer and/or enforcement hereunder.

15.9.2 The Lenders agree to treat all confidential information as "confidential" and not to disclose it to anyone, other than to any potential assignee or transferee or to any of their affiliates and affiliated funds and any of their officers, directors, employees, professional advisers, auditors, partners and representative, to any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, or pursuant to any applicable law or regulation; and also agree to ensure that all confidential information is protected with security measures and degree of care that would apply to their own confidential information.

15.9.3 The Lenders further acknowledge that some or all of the confidential information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Lenders undertakes not to use any confidential information for any unlawful purpose.

16 **ARRANGER, AGENT AND SECURITY TRUSTEE**

16.1 **Appointment of the Agent**

Each Lender irrevocably appoints the Agent as its agent for the purposes of this Agreement and such of the Security Documents to which it may be appropriate for the Agent to be party. Accordingly each of the Lenders hereby authorises the Agent:

16.1.1 to execute such documents as may be approved by the Majority Lenders for execution by the Agent; and

16.1.2 (whether or not by or through employees or agents) to take such action on such Lender's behalf and to exercise such rights, remedies, powers and discretions as are specifically delegated to the Agent by any Security Document, together with such powers and discretions as are reasonably incidental thereto.

16.2 **Agent's actions**

Any action taken by the Agent under or in relation to any of the Security Documents whether with requisite authority or on the basis of appropriate instructions received from the Majority Lenders (or as otherwise duly authorised) shall be binding on all the Banks.

16.3 **Agent's and Agent's duties**

16.3.1 The Agent shall promptly notify each Lender of (i) the contents of each notice, certificate or other document received by it from the Borrowers under or pursuant to clauses 8.1.1, 8.1.6, 8.1.9, 8.1.10, 8.1.13 and 8.1.17 and (ii) any information it receives which is material to the Borrowers' ability to repay the Loan; and

16.3.2 The Agent shall (subject to the other provisions of this clause 16) take (or instruct the Security Trustee to take) such action or, as the case may be, refrain from taking (or authorise the Security Trustee to refrain from taking) such action with respect to the exercise of any of its rights, remedies, powers and discretions as agent, as the Majority Lenders may direct.

16.4 **Security Trustee's and Agent's rights**

The Security Trustee and the Agent may:

16.4.1 in the exercise of any right, remedy, power or discretion in relation to any matter, or in any context, not expressly provided for by this Agreement or any of the other Security Documents, act or, as the case may be, refrain from acting (or authorise the Security Trustee to act or refrain from acting) in accordance with the instructions of the Lenders, and shall be fully protected in so doing;

16.4.2 unless and until it has received directions from the Majority Lenders, take such action or, as the case may be, refrain from taking such action (or authorise the Security Trustee to take or refrain from taking such action) in respect of a Default of which the Agent has actual knowledge as it shall consider advisable in the best interests of the Lenders (but shall not be obliged to do so);

16.4.3 refrain from acting (or authorise the Security Trustee to refrain from acting) in accordance with any instructions of the Lenders to institute any Proceedings arising out of or in connection with any of the Security Documents until it and/or the Security Trustee has been indemnified and/or secured to its satisfaction against any and all costs, expenses or liabilities (including legal fees) which it would or might incur as a result;

16.4.4 deem and treat (i) each Lender as the person entitled to the benefit of the Contribution of such Lender for all purposes of this Agreement unless and until a notice shall have been filed with the Agent pursuant to clause 15.3 and shall have become effective, and (ii) the office set opposite the name of each of the Lenders in schedule 1 as its lending office unless and until a written notice of change of lending office shall have been received by the Agent and the Agent may act upon any such notice unless and until the same is superseded by a further such notice;

16.4.5 rely as to matters of fact which might reasonably be expected to be within the knowledge of any Security Party upon a certificate signed by any officer of the relevant Security Party on behalf of the relevant Security Party; and

16.4.6 do anything which is in its opinion necessary or desirable to comply with any law or regulation in any jurisdiction.

16.5 **No Liability of Agent or Arranger**

Neither of the Security Trustee, the Agent nor any of their respective employees and agents shall:

16.5.1 be obliged to make any enquiry as to the use of any of the proceeds of the Loan unless (in the case of the Agent) so required in writing by a Lender, in which case the Agent shall promptly make the appropriate request to the Borrowers; or

16.5.2 be obliged to make any enquiry as to any breach or default by the Borrowers or any other Security Party in the performance or observance of any of the provisions of the Security Documents or as to the existence of a Default unless (in the case of the Agent) the Agent has actual knowledge thereof or has been notified in writing thereof by a Bank, in which case the Agent shall promptly notify the Banks of the relevant event or circumstance; or

16.5.3 be obliged to enquire whether or not any representation or warranty made by the Borrowers or any other Security Party pursuant to this Agreement or any of the other Security Documents is true; or

16.5.4 be obliged to do anything (including, without limitation, disclosing any document or information) which would, or might in its opinion, be contrary to any law or regulation or be a breach of any duty of confidentiality or otherwise be actionable or render it liable to any person; or

16.5.5 be obliged to account to any Lender for any sum or the profit element of any sum received by it for its own account; or

16.5.6 be obliged to institute any Proceedings arising out of or in connection with any of the Security Documents other than on the instructions of the Majority Lenders; or

16.5.7 be liable to any Lender for any action taken or omitted under or in connection with any of the Security Documents unless caused by its gross negligence or wilful misconduct.

For the purposes of this clause 16, neither of the Security Trustee, the Arranger or the Agent shall be treated as having actual knowledge of any matter of which the corporate finance or any other division outside the agency or loan administration department of the Arranger, the Security Trustee or the Agent or the person for the time being acting as the Arranger, the Security Trustee or the Agent may become aware in the context of corporate finance, advisory or lending activities from time to time undertaken by the Arranger, the Security Trustee or the Agent or, as the case may be, the Security Trustee or Agent for any Security Party or any other person which may be a trade competitor of any Security Party or may otherwise have commercial interests similar to those of any Security Party.

16.6 **Non–reliance on Arranger, Security Trustee or Agent**

Each Lender acknowledges that it has not relied on any statement, opinion, forecast or other representation made by the Arranger, the Security Trustee or the Agent to induce it to enter into any of the Security Documents and that it has made and will continue to make, without reliance on the Arranger, the Security Trustee or the Agent and based on such documents as it considers appropriate, its own appraisal of the creditworthiness of the Security Parties and its own independent investigation of the financial condition, prospects and affairs of the Security Parties in connection with the making and continuation of such Lender's Commitment or Contribution under this Agreement. None of the Arranger, the Security Trustee and the Agent shall have any duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect to any Security Party whether coming into its possession before the making of the Loan or at any time or times thereafter other than as provided in clause 16.3.1.

16.7 **No responsibility on Arranger, Security Trustee or Agent for Borrowers' performance**

None of the Arranger, the Security Trustee or the Agent shall have any responsibility or liability to any Lender:

16.7.1 on account of the failure of any Security Party to perform its obligations under any of the Security Documents; or

16.7.2 for the financial condition of any Security Party; or

16.7.3 for the completeness or accuracy of any statements, representations or warranties in any of the Security Documents or any document delivered under any of the Security Documents; or

16.7.4 for the execution, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any of the Security Documents or of any certificate, report or other document executed or delivered under any of the Security Documents; or

16.7.5 to investigate or make any enquiry into the title of the Borrowers or any other Security Party to the Vessels or any other security or any part thereof; or

16.7.6 for taking or omitting to take any other action under or in relation to any of the Security Documents or any aspect of any of the Security Documents; or

16.7.7 on account of the failure of the Security Trustee to perform or discharge any of its duties or obligations under the Security Documents; or

16.7.8 otherwise in connection with the Security Documents or their negotiation or for acting (or, as the case may be, refraining from acting) in accordance with the instructions of the Lenders.

16.8 **Reliance on documents and professional advice**

Each of the Arranger, the Security Trustee and the Agent shall be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper person and shall be entitled to rely as to legal or other professional matters on opinions and statements of any legal or other professional advisers selected or approved by it (including those in the Arranger's, Security Trustee's or Agent's employment).

16.9 **Other dealings**

Each of the Arranger, the Security Trustee and the Agent may, without any liability to account to the Lenders, accept deposits from, and generally engage in any kind of banking or other business with, and provide advisory or other services to, any Security Party or any company in the same group of companies as such Security Party or any of the Lenders as if it were not the Arranger, the Security Trustee or Agent.

16.10 **Rights of Agent, Agent as Lender; no partnership**

With respect to its own Commitment and Contribution (if any) the Security Trustee and the Agent shall have the same rights and powers under the Security Documents as any other Lender and may exercise the same as though it were not performing the duties and functions delegated to it under this Agreement and the term "Lenders" shall, unless the context clearly otherwise indicates, include the Security Trustee and the Agent in their respective individual capacity as a Lender. This Agreement shall not be construed so as to constitute a partnership between the parties or any of them.

16.11 **Amendments and waivers**

16.11.1 Subject to clause 16.11, the Arranger, the Security Trustee and/or the Agent (as the case may be) may, with the consent of the Majority Lenders (or if and to the extent expressly permitted by the other provisions of any of the Security Documents) and, if so instructed by the Majority Lenders, shall:

16.11.2 agree (or authorise the Security Trustee to agree) amendments or modifications to any of the Security Documents with the Borrowers and/or any other Security Party; and/or

16.11.3 vary or waive breaches of, or defaults under, or otherwise excuse performance of, any provision of any of the other Security Documents by the Borrowers and/or any other Security Party (or authorise the Security Trustee to do so).

Any such action so authorised and effected by the Agent shall be documented in such manner as the Security Trustee and/or the Agent (as the case may be) shall (with the approval of the Majority Lenders) determine, shall be promptly notified to the Lenders by the Security Trustee and/or the Agent (as the case may be) and (without prejudice to the generality of clause 16.2) shall be binding on the Lenders.

16.11.4 Except with the prior written consent of the Lenders, the Security Trustee and the Agent shall have no authority on behalf of the Lenders to agree (or authorise the Security Trustee to agree) with the Borrowers and/or any other Security Party any amendment or modification to any of the Security Documents or to grant (or authorise the Security Trustee to grant) waivers in respect of breaches or defaults or to vary or excuse (or authorise the Security Trustee to vary or excuse) performance of or under any of the Security Documents by the Borrowers and/or any other Security Party, if the effect of such amendment, modification, waiver or excuse would be to:

(a) reduce the Margin, postpone the due date or reduce the amount of any payment of principal, interest or other amount payable by any Security Party under any of the Security Documents;

(b) change the currency in which any amount is payable by any Security Party under any of the Security Documents;

(c) increase any Lender's Commitment;

(d) extend any Maturity Date;

(e) change any provision of any of the Security Documents which expressly or impliedly requires the approval or consent of all the Lenders such that the relevant approval or consent may be given otherwise than with the sanction of all the Lenders;

(f) change the order of distribution under clauses 6.10 and 13.1;

(g) change this clause 16.11;

(h) change the definition of "**Majority Lenders**" in clause 1.2;

(i) release any Security Party from the security constituted by any Security Document (except as required by the terms thereof or by law) or change the terms and conditions upon which such security or guarantee may be, or is required to be, released.

16.12 **Reimbursement and indemnity by Lenders**

Each Lender shall reimburse the Security Trustee and the Agent (rateably in accordance with such Lender's Commitment or, after the Loan has been drawn, its Contribution,) to the extent that the Security Trustee or the Agent is not reimbursed by the Borrowers, for the costs, charges and expenses incurred by the Security Trustee or the Agent which are expressed to be payable by the Borrowers under clause 5.3 including (in each case), without limitation, the fees and expenses of legal or other professional advisers provided that, if following any payment to the Security Trustee or the Agent by a Lender under this clause the Security Trustee or the Agent receives payment from the Borrowers in respect of the same costs, fees or expenses, the Security Trustee or the Agent shall upon receipt thereof reimburse the relevant Lender. Each Lender must on demand indemnify the Security Trustee or the Agent (rateably in accordance with such Lender's Commitment or, after the Loan has been drawn, its Contribution) against all liabilities, damages, costs and claims whatsoever incurred by the Security Trustee in connection with any of the Security Documents or the performance of its duties under any of the Security Documents or any action taken or omitted by the Security Trustee or, as the case may be, the Agent, under any of the Security Documents, unless such liabilities, damages, costs or claims arise from the Security Trustee's or as the case may be, the Agent's own gross negligence or wilful misconduct.

16.13 **Retirement of the Agent**

16.13.1 The Agent may, having given to the Borrowers and each of the Lenders not less than fifteen (15) days' notice of its intention to do so, retire from its appointment as the Agent under this Agreement, provided that no such retirement shall take effect unless there has been appointed by the Lenders as a successor agent:

(a) a company in the same group of companies as the Agent,

(b) a Lender nominated by the Majority Lenders or, failing such a nomination,

(c) any reputable and experienced bank or financial institution nominated by the retiring Agent.

and written confirmation (in a form acceptable to the Lenders) of such acceptance agreeing to be bound by this Agreement in the capacity of the Agent as if it had been an original party to this Agreement.

Any corporation into which the retiring Agent and/or the retiring Security Trustee (as the case may be) may be merged or converted or any corporation with which the Security Trustee and/or the Agent (as the case may be) may be consolidated or any corporation resulting from any merger, conversion, amalgamation, consolidation or other reorganisation to which the Security Trustee or the Agent (as the case may be) shall be a party shall, to the extent permitted by applicable law, be the successor Agent or Security Trustee under this Agreement and the other Security Documents without the execution or filing of any document or any further act on the part of any of the parties to the Security Documents save that notice of any such merger, conversion, amalgamation, consolidation or other reorganisation shall forthwith be given to each Security Party and the Lenders. Prior to any such successor being appointed, the Agent agrees to consult with the Borrowers and the Lenders as to the identity of the proposed successor and to take account of any reasonable objections which the Borrowers and the Lenders may raise to such successor being appointed.

16.13.2 If the Majority Lenders, acting reasonably, are of the opinion that the Security Trustee or Agent is unable to fulfil its respective obligations under this Agreement in a professional and acceptable manner, then they may require the Security Trustee or Agent, by written notice, to resign in accordance with clause 16.13.1, which the Agent shall promptly do, and the terms of clause 16.13.1 shall apply to the appointment of any substitute Security Trustee or Agent, save that the same shall be appointed by the Majority Lenders and not by all of the Lenders.

16.13.3 Upon any such successor as aforesaid being appointed, the retiring Agent or, as the case may be, the Security Trustee shall be discharged from any further obligation under the Security Documents (but shall continue to have the benefit of this clause 16 in respect of any action it has taken or refrained from taking prior to such discharge) and its successor and each of the other parties to this Agreement shall have the same rights and obligations among themselves as they would have had if such successor had been a party to this Agreement in place of the retiring Agent or Security Trustee. The retiring Agent or Agent shall (at its own expense) provide its successor with copies of such of its records as its successor reasonably requires to carry out its functions under the Security Documents.

16.14 **Appointment and retirement of Security Trustee**

16.14.1 Appointment

Each of the Banks irrevocably appoints the Security Trustee as its Security Trustee and trustee for the purposes of the Security Documents, in each case on the terms set out in this Agreement. Accordingly, each of the Lenders and the Agent hereby authorises the Security Trustee

(whether or not by or through employees or agents) to take such action on its behalf and to exercise such rights, remedies, powers and discretions as are specifically delegated to the Security Trustee by this Agreement and/or the Security Documents, together with such powers and discretions as are reasonably incidental thereto.

16.14.2 Retirement

Without prejudice to clause 16.13, the Security Trustee may, having given to the Borrowers and each of the Lenders not less than fifteen (15) days' notice of its intention to do so, retire from its appointment as Security Trustee under this Agreement and any Trust Deed, provided that no such retirement shall take effect unless there has been appointed by the Lenders and the Agent as a successor Security Trustee and trustee:

(a) a company in the same group of companies of the Security Trustee nominated by the Security Trustee which the Lenders hereby irrevocably and unconditionally agree to appoint or, failing such nomination,

(b) a Lender or trust corporation nominated by the Majority Lenders or, failing such a nomination,

(c) any bank or trust corporation nominated by the retiring Security Trustee,

and, in any case, such successor Security Trustee and trustee shall have duly accepted such appointment by delivering to the Agent (i) written confirmation (in a form acceptable to the Agent) of such acceptance agreeing to be bound by this Agreement in the capacity of Security Trustee as if it had been an original party to this Agreement and (ii) a duly executed Trust Deed.

Any corporation into which the retiring Security Trustee may be merged or converted or any corporation with which the Security Trustee may be consolidated or any corporation resulting from any merger, conversion, amalgamation, consolidation or other reorganisation to which the Security Trustee shall be a party shall, to the extent permitted by applicable law, be the successor Security Trustee under this Agreement, any Trust Deed and the other Security Documents without the execution or filing of any document or any further act on the part of any of the parties to this Agreement, any Trust Deed and the other Security Documents save that notice of any such merger, conversion, amalgamation, consolidation or other reorganisation shall forthwith be given to each Security Party and the Lenders. Prior to any such successor being appointed, the Security Trustee agrees to consult with the Borrowers as to the identity of the proposed successor and to take account of any reasonable objections which the Borrowers may raise to such successor being appointed.

Upon any such successor as aforesaid being appointed, the retiring Security Trustee shall be discharged from any further obligation under the Security Documents (but shall continue to have the benefit of this clause 16 in respect of any action it has taken or refrained from taking prior to such discharge) and its successor and each of the other parties to this Agreement shall have the same rights and obligations among themselves as they would have had if such successor had been a party to this Agreement in place of the retiring Security Trustee. The retiring Security Trustee shall (at its own expense) provide its successor with copies of such of its records as its successor reasonably requires to carry out its functions under the Security Documents.

16.15 **Powers and duties of the Security Trustee**

16.15.1 The Security Trustee shall have no duties, obligations or liabilities to any of the Lenders and the Agent beyond those expressly stated in any of the Security Documents. Each of the Agent and the Lenders hereby authorises the Security Trustee to enter into and execute:

(a) each of the Security Documents to which the Security Trustee is or is intended to be a party; and

(b) any and all such other Security Documents as may be approved by the Agent in writing (acting on the instructions of the Majority Lenders) for entry into by the Security Trustee,

and, in each and every case, to hold any and all security thereby created upon trust for the Lenders and the Agent for the time being in the manner contemplated by this Agreement.

16.15.2 Subject to clause 16.15.3 the Security Trustee may, with the prior consent of the Majority Lenders communicated in writing by the Agent, concur with any of the Security Parties to:

(a) amend, modify or otherwise vary any provision of the Security Documents to which the Security Trustee is or is intended to be a party; or

(b) waive breaches of, or defaults under, or otherwise excuse performance of, any provision of the Security Documents to which the Security Trustee is or is intended to be a party; or

(c) give any consents to any Security Party in respect of any provision of any Security Document.

Any such action so authorised and effected by the Security Trustee shall be promptly notified to the Lenders and the Agent by the Security Trustee and shall be binding on the other Banks.

16.15.3 The Security Trustee shall not concur with any Security Party with respect to any of the matters described in clause 16.11.4 without the consent of the Lenders communicated in writing by the Agent.

16.15.4 The Security Trustee shall (subject to the other provisions of this clause 16) take such action or, as the case may be, refrain from taking such action, with respect to any of its rights, powers and discretions as Security Trustee and trustee, as the Agent may direct. Subject as provided in the foregoing provisions of this clause, unless and until the Security Trustee has received such instructions from the Agent, the Security Trustee may, but shall not be obliged to, take (or refrain from taking) such action under or pursuant to the Security Documents referred to in clause 16.14 as the Security Trustee shall deem advisable in the best interests of the Banks provided that (for the avoidance of doubt), to the extent that this clause might otherwise be construed as authorising the Security Trustee to take, or refrain from taking, any action of the nature referred to in clause 16.15.2—and for which the prior consent of the Lenders is expressly required under clause 16.15.3—clauses 16.15.2 and 16.15.3 shall apply to the exclusion of this clause.

16.15.5 None of the Lenders nor the Agent shall have any independent power to enforce any of the Security Documents referred to in clause 16.14 or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to such Security Documents or any of them or otherwise have direct recourse to the security and/or guarantees constituted by such Security Documents or any of them except through the Security Trustee.

16.15.6 For the purpose of this clause 16, the Security Trustee may, rely and act in reliance upon any information from time to time furnished to the Security Trustee by the Agent (whether pursuant to clause 16.15.7 or otherwise) unless and until the same is superseded by further such information, so that the Security Trustee shall have no liability or responsibility to any party as a consequence of placing reliance on and acting in reliance upon any such information unless the Security Trustee has actual knowledge that such information is inaccurate or incorrect.

16.15.7 Without prejudice to the foregoing each of the Agent and the Lenders (whether directly or through the Agent) shall provide the Security Trustee with such written information as it may reasonably require for the purpose of carrying out its duties and obligations under the Security Documents referred to in clause 16.14.

16.16 **Trust provisions**

16.16.1 The trusts constituted or evidenced in or by this Agreement and the Trust Deed shall remain in full force and effect until whichever is the earlier of:

(a) the expiration of a period of eighty (80) years from the Execution Date; and

(b) receipt by the Security Trustee of confirmation in writing by the Agent that there is no longer outstanding any Indebtedness (actual or contingent) which is secured or guaranteed or otherwise assured by or under any of the Security Documents,

and the parties to this Agreement declare that the perpetuity period applicable to this Agreement and the trusts declared by the Trust Deed shall for the purposes of the Perpetuities and Accumulations Act 1964 be the period of eighty (80) years from the Execution Date.

16.16.2 In its capacity as trustee in relation to the Security Documents specified in clause 16.14, the Security Trustee shall, without prejudice to any of the powers, discretions and immunities conferred upon trustees by law (and to the extent not inconsistent with the provisions of any of those Security Documents), have all the same powers and discretions as a natural person acting as the beneficial owner of such property and/or as are conferred upon the Security Trustee by any of those Security Documents.

16.16.3 It is expressly declared that, in its capacity as trustee in relation to the Security Documents specified in clause 16.14, the Security Trustee shall be entitled, subject to the consent of the Lenders, to invest moneys forming part of the security and which, in the opinion of the Security Trustee, may not be paid out promptly following receipt in the name or under the control of the Security Trustee in any of the investments for the time being authorised by law for the investment by trustees of trust moneys or in any other property or investments whether similar to the aforesaid or not or by placing the same on deposit in the name or under the control of the Security Trustee as the Security Trustee may think fit without being under any duty to diversify its investments and the Security Trustee may at any time vary or transpose any such property

or investments for or into any others of a like nature and shall not be responsible for any loss due to depreciation in value or otherwise of such property or investments. Any investment of any part or all of the security may, at the discretion of the Security Trustee, be made or retained in the names of nominees.

16.17 **Independent action by Banks**

None of the Banks shall enforce, exercise any rights, remedies or powers or grant any consents or releases under or pursuant to, or otherwise have a direct recourse to the security and/or guarantees constituted by any of the Security Documents without the prior written consent of the Majority Lenders but, provided such consent has been obtained, it shall not be necessary for any other Bank to be joined as an additional party in any Proceedings for this purpose.

16.18 **Common Agent and Security Trustee**

The Agent and the Security Trustee have entered into the Security Documents in their separate capacities (a) as agent for the Lenders under and pursuant to this Agreement (in the case of the Agent) and (b) as Security Trustee and trustee for the Lenders and the Agent under and pursuant to this Agreement, to hold the guarantees and/or security created by the Security Documents specified in clause 16.14 on the terms set out in such Security Documents (in the case of the Security Trustee). If and when the Agent and the Security Trustee are the same entity and any Security Document provides for the Agent to communicate with or provide instructions to the Security Trustee (and vice versa), all parties to this Agreement agree that any such communications or instructions on such occasions are unnecessary and are hereby waived.

16.19 **Co-operation to achieve agreed priorities of application**

The Lenders and the Agent shall co-operate with each other and with the Security Trustee and any receiver under the Security Documents in realising the property and assets subject to the Security Documents and in ensuring that the net proceeds realised under the Security Documents after deduction of the expenses of realisation are applied in accordance with clause 13.1.

16.20 **The Prompt distribution of proceeds**

Moneys received by any of the Banks (whether from a receiver or otherwise) pursuant to the exercise of (or otherwise by virtue of the existence of) any rights and powers under or pursuant to any of the Security Documents shall (after providing for all costs, charges, expenses and liabilities and other payments ranking in priority) be paid to the Agent for distribution (in the case of moneys so received by any of the Banks other than the Agent or the Security Trustee) and shall be distributed by the Agent or, as the case may be, the Security Trustee (in the case of moneys so received by the Agent or, as the case may be, the Security Trustee) in each case in accordance with clause 13.1. The Agent or, as the case may be, the Security Trustee shall make each such application and/or distribution as soon as is practicable after the relevant moneys are received by, or otherwise become available to, the Agent or, as the case may be, the Security Trustee save that (without prejudice to any other provision contained in any of the Security Documents) the Agent or, as the case may be, the Security Trustee (acting on the instructions of the Majority Lenders) or any receiver may credit any moneys received by it to a suspense account for so long and in such manner as the Agent or such receiver may from time to time determine with a view to preserving the rights of the Agent and/or the Security Trustee and/or the Arranger and/or the Account Bank and/or the Lenders or any of them to provide for the whole of their respective claims against the Borrowers or any other person liable.

16.21 **Reconventioning**

After consultation with the Borrowers and the Lenders and notwithstanding clause 16.11, the Agent shall be entitled to make such amendments to this Agreement as it may determine to be necessary to take account of any changes in market practices as a consequence of the European Monetary Union (whether as to the settlement or rounding of obligations, business days, the calculation of interest or otherwise whatsoever). So far as possible such amendments shall be such as to put the parties in the same position as if the event or events giving rise to the need to amend this Agreement had not occurred. Any amendment so made to this Agreement by the Agent shall be promptly notified to the other parties hereto and shall be binding on all parties hereto.

16.22 **Exclusivity**

Without prejudice to the Borrowers' rights, in certain instances, to give their consent thereunder, clauses 15 and 16 are for the exclusive benefit of the Banks.

17 **NOTICES AND OTHER MATTERS**

17.1 **Notices**

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

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

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

17.2.1 Subject to clause 17.2.2, clause 17.2.5 and 17.3 notices to the Borrowers shall be deemed to have been given and shall take effect when received in full legible form by the Borrowers at the address and/or fax number and/or email address appearing below (or at such other address or fax number or email address as the Borrowers may hereafter specify for such purpose to the Agent by notice in writing);

Address c/o Navios Shipmanagement Inc.
85 Akti Miaouli
185 38 Piraeus
Greece

Fax no: + 30 210 453 1984
Email: legal_corp@Navios.com

17.2.2 notwithstanding the provisions of clause 17.2.1 or clause 17.2.5, a notice of Default and/or a notice given pursuant to clause 10.2 or clause 10.3 to the Borrowers shall be deemed to have been given and shall take effect when delivered, sent or transmitted by the Banks or any of them to the Borrowers to the address or fax number or email address referred to in clause 17.2.1;

17.2.3 subject to clause 17.2.5, notices to the Agent and/or Account Bank and/or Security Trustee shall be deemed to be given, and shall take effect, when received in full legible form by the Agent and/or the Security Trustee at the address and/or fax number and/or email address address appearing below (or at any such other address or fax number or email address as the Agent and/or the Security Trustee (as appropriate) may hereafter specify for such purpose to the Borrowers and the other Lenders by notice in writing);

Agent: Crédit Agricole Corporate and Investment Bank

Address: 12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Fax: + 33 1 41 89 19 34
Attn: Agency and Middle Office Shipping – Clementine Costil / Romy Roussel
Email: clementine.costil@ca-cib.com / romy.roussel@ca-cib.com

With copy to:
Attn: Shipping Metier – Typhaine Hirgorom
Fax: + 33 1 41 89 29 87
Email: typhaine.hirgorom@ca-cib.com / CSF-Box@ca-cib.com

17.2.4 subject to clause 17.2.5 and 17.3, notices to a Lender shall be deemed to be given and shall take effect when received in full legible form by such Lender at its address and/or fax number and/or email address specified in schedule 1 or in any relevant Transfer Certificate (or at any other address or fax number or email address as such Lender may hereafter specify for such purpose to the other Banks); and

17.2.5 if under clause 17.2.1 or clause 17.2.3 a notice would be deemed to have been given and been effective on a day which is not a working day in the place of receipt or is outside the normal business hours in the place of receipt, the notice shall be deemed to have been given and to have taken effect at the opening of business on the next working day in such place.

17.3 **Electronic Communication**

17.3.1 Any communication to be made by and/or between the Banks or any of them and the Security Parties or any of them under or in connection with the Security Documents or any of them may be made by electronic mail or other electronic means, if and provided that all such parties:

(a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(b) notify each other of any change to their electronic mail address or any other such information supplied by them.

17.3.2 Any electronic communication made by and/or between the Banks or any of them and the Security Parties or any of them will be effective only when actually received in readable form and, in the case of any electronic communication made by the Borrowers or the Lenders to the Agent, only if it is addressed in such manner as the Agent shall specify for this purpose.

17.4 **Notices through the Agent**

Every notice under this Agreement or (unless otherwise provided therein) any other Security Document to be given by the Borrowers to any other party, shall be given to the Agent for onward transmission as appropriate and every notice under this Agreement to be given to the Borrowers shall (except as otherwise provided in the Security Documents) be given to the Borrowers by the Agent.

18 BORROWERS' OBLIGATIONS

18.1 **Joint and several**

Regardless of any other provision in any of the Security Documents, all obligations and liabilities whatsoever of the Borrowers herein contained are joint and several and shall be construed accordingly. Each of the Borrowers agrees and consents to be bound by the Security Documents to which it becomes a party notwithstanding that the other Borrower may not do so or be effectually bound and notwithstanding that any of the Security Documents may be invalid or unenforceable against the other Borrower, whether or not the deficiency is known to any Bank.

18.2 **Borrowers as principal debtors**

Each Borrower acknowledges that it is a principal and original debtor in respect of all amounts which may become payable by the Borrowers in accordance with the terms of any of the Security Documents and agrees that each Bank may continue to treat it as such, whether or not such Bank is or becomes aware that such Borrower is or has become a surety for the other Borrower.

18.3 **Indemnity**

The Borrowers undertake to keep the Banks fully indemnified on demand against all claims, damages, losses, costs and expenses arising from any failure of any Borrower to perform or discharge any purported obligation or liability of that Borrower which would have been the subject of this Agreement or any other Security Document had it been valid and enforceable and which is not or ceases to be valid and enforceable against the other Borrower on any ground whatsoever, whether or not known to any Bank including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of the other Borrower (or any legal or other limitation, whether under the Limitation Acts or otherwise or any disability or death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding up, administration, receivership, amalgamation, reconstruction or any other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Security Party)).

18.4 **Liability unconditional**

None of the obligations or liabilities of the Borrowers under any Security Document shall be discharged or reduced by reason of:

18.4.1 the death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Borrower or any other person liable;

18.4.2 any Bank granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of, any Borrower or any other person liable or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting, varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any Borrower or any other person liable; or

18.4.3 anything done or omitted which but for this provision might operate to exonerate the Borrowers or all of them.

18.5 **Recourse to other security**

No Bank shall be obliged to make any claim or demand or to resort to any security or other means of payment now or hereafter held by or available to them for enforcing any of the Security Documents against any Borrower or any other person liable and no action taken or omitted by any Bank in connection with any such security or other means of payment will discharge, reduce, prejudice or affect the liability of the Borrowers under the Security Documents to which any of them is, or is to be, a party.

18.6 **Waiver of Borrowers' rights**

Each Borrower agrees with the Banks that, throughout the Facility Period, it will not, without the prior written consent of the Agent:

18.6.1 exercise any right of subrogation, reimbursement and indemnity against the other Borrower or any other person liable under the Security Documents;

18.6.2 demand or accept repayment in whole or in part of any Indebtedness now or hereafter due to such Borrower from the other Borrower or from any other person liable for such Indebtedness or demand or accept any guarantee against financial loss or any document or instrument created or evidencing an Encumbrance in respect of the same or dispose of the same;

18.6.3 take any steps to enforce any right against the other Borrower or any other person liable in respect of any such moneys; or

18.6.4 claim any set-off or counterclaim against the other Borrower or any other Security Party or claim or prove in competition with any Bank in the liquidation of the other Borrower or any other person liable or have the benefit of, or share in, any payment from or composition with, the other Borrower or any other person liable or any security granted under any Security

Document now or hereafter held by any Bank for any moneys owing under this Agreement or for the obligations or liabilities of any other person liable but so that, if so directed by the Agent, it will prove for the whole or any part of its claim in the liquidation of the other Borrower or other person liable on terms that the benefit of such proof and all money received by it in respect thereof shall be held on trust for the Banks and applied in or towards discharge of any moneys owing under this Agreement in such manner as the Agent shall require.

19 GOVERNING LAW

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

20 JURISDICTION

20.1 Exclusive Jurisdiction

For the benefit of the Banks, and subject to clause 20.4 below, the Borrowers hereby irrevocably agree that the courts of England shall have exclusive jurisdiction:

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

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

20.2 Submission and service of process

Each Borrower accordingly irrevocably and unconditionally submits to the jurisdiction of the English courts. Without prejudice to any other mode of service each Borrower:

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

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

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

20.2.4 without prejudice to the effectiveness of service of process on its agent under clause 20.2.1 above but as an alternative method, consents to the service of process relating to any such proceedings by mailing or delivering a copy of the process to its address for the time being applying under clause 17.2;

20.2.5 agrees that if the appointment of any person mentioned in clause 20.2.1 ceases to be effective, the Borrowers shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within seven (7) days the Agent shall thereupon be entitled and is hereby irrevocably authorised by the Borrowers in those circumstances to appoint such person by notice to the Borrowers.

20.3 **Forum non conveniens and enforcement abroad**

Each Borrower:

20.3.1 waives any right and agrees not to apply to the English court or other court in any jurisdiction whatsoever to stay or strike out any proceedings commenced in England on the ground that England is an inappropriate forum and/or that Proceedings have been or will be started in any other jurisdiction in connection with any dispute or related matter falling within clause 20.1; and

20.3.2 agrees that a judgment or order of an English court in a dispute or other matter falling within clause 20.1 shall be conclusive and binding on the Borrowers and may be enforced against them in the courts of any other jurisdiction.

20.4 **Right of Security Trustee, but not Borrowers, to bring proceedings in any other jurisdiction**

20.4.1 Nothing in this clause 20 limits the right of any Lender to bring Proceedings, including third party proceedings, against any one or all Borrowers, or to apply for interim remedies, in connection with this Agreement in any other court and/or concurrently in more than one jurisdiction;

20.4.2 the obtaining by any Lender of judgment in one jurisdiction shall not prevent such Lender from bringing or continuing proceedings in any other jurisdiction, whether or not these shall be founded on the same cause of action.

20.5 **Enforceability despite invalidity of Agreement**

Without prejudice to the generality of clause 13.9, the jurisdiction agreement contained in this clause 20 shall be severable from the rest of this Agreement and shall remain valid, binding and in full force and shall continue to apply notwithstanding this Agreement or any part thereof being held to be avoided, rescinded, terminated, discharged, frustrated, invalid, unenforceable, illegal and/or otherwise of no effect for any reason.

20.6 **Effect in relation to claims by and against non-parties**

20.6.1 For the purpose of this clause "Foreign Proceedings" shall mean any Proceedings except proceedings brought or pursued in England arising out of or in connection with (i) or in any way related to any of the Security Documents or any assets subject thereto or (ii) any action of any kind whatsoever taken by any Bank pursuant thereto or which would, if brought by any or all of the Borrowers against the Banks, have been required to be brought in the English courts;

20.6.2 no Borrower shall bring or pursue any Foreign Proceedings against any Bank and shall use its best endeavours to prevent persons not party to this Agreement from bringing or pursuing any Foreign Proceedings against any Bank;

20.6.3 If, for any reason whatsoever, any Security Party and/or any person connected howsoever with any Security Party brings or pursues against any Bank any Foreign Proceedings, the Borrowers shall indemnify such Bank on demand in respect of any and all claims, losses, damages, demands, causes of action, liabilities, costs and expenses (including, but not limited to, legal costs) of whatsoever nature howsoever arising from or in connection with such Foreign Proceedings which such Bank (or the Agent on its behalf) certifies as having been incurred by it;

20.6.4 the Banks and the Borrowers hereby agree and declare that the benefit of this clause 20 shall extend to and may be enforced by any officer, employee, agent or business associate of any of the Banks against whom a Borrower brings a claim in connection howsoever with any of the Security Documents or any assets subject thereto or any action of any kind whatsoever taken by, or on behalf of or for the purported benefit of any Bank pursuant thereto or which, if it were brought against any Bank, would fall within the material scope of clause 20.1. In those circumstances this clause 20 shall be read and construed as if references to any Bank were references to such officer, employee, agent or business associate, as the case may be.

Execution Page

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

SIGNED as a deed for and on behalf of	)	
EMERY SHIPPING CORPORATION	)	
(as Borrower)	)	
by **GEORGE PANAGAKIS**	)	*/s/ George Panagakis*
(as attorney-in-fact under and pursuant to	)	
a power of attorney dated 16 March 2021)	)	
in the presence of DIMITRA KANTZRTZI	)	*/s/ Dimitra Kantzrtzi*
Ince		
Akti Miaouli 47-49		
Piraeus 18536 Greece		
SIGNED as a deed for and on behalf of	)	
MANDORA SHIPPING LTD	)	
(as Borrower)	)	
by **GEORGE PANAGAKIS**	)	*/s/ George Panagakis*
(as attorney-in-fact under and pursuant to	)	
a power of attorney dated 16 March 2021)	)	
in the presence of DIMITRA KANTZRTZI	)	*/s/ Dimitra Kantzrtzi*
Ince		
Akti Miaouli 47-49		
Piraeus 18536 Greece		
SIGNED as a deed for and on behalf of	)	
RONDINE MANAGEMENT CORP.	)	
(as Borrower)	)	
by **GEORGE PANAGAKIS**	)	*/s/ George Panagakis*
(as attorney-in-fact under and pursuant to	)	
a power of attorney dated 16 March 2021)	)	
in the presence of DIMITRA KANTZRTZI	)	*/s/ Dimitra Kantzrtzi*
Ince		
Akti Miaouli 47-49		
Piraeus 18536 Greece		
SIGNED as a deed for and on behalf of	)	
SOLANGE SHIPPING LTD.	)	
(as Borrower)	)	
by **GEORGE PANAGAKIS**	)	*/s/ George Panagakis*
(as attorney-in-fact under and pursuant to	)	
a power of attorney dated 16 March 2021)	)	
in the presence of DIMITRA KANTZRTZI	)	*/s/ Dimitra Kantzrtzi*
Ince		
Akti Miaouli 47-49		
Piraeus 18536 Greece		

SIGNED by Joanna Mitsaki for and on behalf of **CRÉDIT AGRICOLE CORPORATE** **AND INVESTMENT BANK** (as a Lender)	)))))	*/s/ Joanna Mitsaki*
in the presence of DIMITRA KANTZRTZI **Ince** Akti Miaouli 47-49 Piraeus 18536 Greece	)	*/s/ Dimitra Kantzrtzi*
SIGNED by Joanna Mitsaki for and on behalf of **CRÉDIT AGRICOLE CORPORATE** **AND INVESTMENT BANK** (as Arranger, Account Bank, Agent and Security Trustee)	)))))	*/s/ Joanna Mitsaki*
in the presence of DIMITRA KANTZRTZI **Ince** Akti Miaouli 47-49 Piraeus 18536 Greece	)	*/s/ Dimitra Kantzrtzi*

Exhibit 8.1

List of Subsidiaries of Navios Maritime Partners L.P.

(the below includes subsidiaries that will be included as part of the issuer following its acquisition of Navios Maritime Containers LP to be effective on March 31, 2021)

Navios Partners Europe Finance Inc.

Navios Partners Finance (US) Inc.

JTC Shipping and Trading Ltd

Navios Maritime Operating LLC

Rondine Management Corp.

Emery Shipping Corporation

Alegria Shipping Corporation

Aurora Shipping Enterprises Ltd.

Ammos Shipping Corp.

Avery Shipping Company

Beryl Shipping Corporation

Casual Shipholding Co.

Cheryl Shipping Corporation

Chilali Corp.

Christal Shipping Corporation

Coasters Ventures LTD

Customized Development S.A.

Fantastiks Shipping Corporation

Felicity Shipping Corporation

Finian Navigation Co.

Floral Marine Ltd.

Galaxy Shipping Corporation

Gemini Shipping Corporation

Golem Navigation Limited

Hyperion Enterprises Inc.

Joy Shipping Corporation

Ianthe Maritime S.A.

Kohylia Shipmanagement S.A.

Kymata Shipping Co.

Libra Shipping Enterprises Corporation

Micaela Shipping Corporation

Orbiter Shipping Corp.

Pandora Marine Inc.

Pearl Shipping Corporation

Perigiali Navigation Limited

Rubina Shipping Corporation

Sagittarius Shipping Corporation

Surf Maritime Co.

Topaz Shipping Corporation

Velvet Shipping Corporation

Wave Shipping Corp.

Cavos Navigation Co.

Cavalli Navigation Inc.

Seymour Trading Limited

Goldie Services Company

Esmeralda Shipping Corporation

Triangle Shipping Corporation

Andromeda Shiptrade Limited

Palermo Shipping S.A.

Prosperity Shipping Corporation

Aldebaran Shipping Corporation

Dune Shipping Corp.

Citrine Shipping Corporation

Pleione Management Limited

Perivoia Shipmanagement Co.

Oceanus Shipping Corporation

Cronus Shipping Corporation

Leto Shipping Corporation

Dionysus Shipping Corporation

Prometheus Shipping Corporation

Camelia Shipping Inc.

Anthos Shipping Inc.

Amaryllis Shipping Inc.

Azalea Shipping Inc.

Fandango Shipping Corporation

Flavescent Shipping Corporation

Sunstone Shipping Corporation

Wenge Shipping Corporation

Zaffre Shipping Corporation

Migen Shipmanagement Ltd

Navios Maritime Containers L.P.

Navios Partners Containers Finance Inc.

Navios Partners Containers Inc.

Anthimar Marine Inc.

Bertyl Ventures Co.

Enplo Shipping Limited

Evian Shiptrade Ltd

Isolde Shipping Inc.

Rodman Maritime Corp.

Silvanus Marine Company

Velour Management Corp.

Morven Chartering Inc.

Clan Navigation Limited

Ebba Navigation Limited

Sui Ann Navigation Limited

Pingel Navigation Limited

Olympia II Navigation Limited

Theros Ventures Limited

Legato Shipholding Inc.

Inastros Maritime Corp.

Thetida Marine Co.

Jaspero Shiptrade S.A.

Jasmer Shipholding Ltd

Boheme Navigation Company

Peran Maritime Inc.

Zoner Shiptrade S.A.

Nefeli Navigation S.A.

Vythos Marine Corp.

Iliada Shipping S.A.

Afros Maritime Inc.

Vinetree Marine Company

Fairy Shipping Corporation

Limestone Shipping Corporation

Crayon Shipping Limited

Chernava Marine Corp.

Proteus Shiptrade S.A.

Solagne Shipping Ltd.

Mandora Shipping Ltd.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Angeliki Frangou, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2020 of Navios Maritime Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report on such evaluation; and

d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls over financial reporting.

Date: March 31, 2021

/s/ Angeliki Frangou

Angeliki Frangou
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Efstratios Desypris, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2020 of Navios Maritime Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report on such evaluation; and

d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls over financial reporting.

Date: March 31, 2021

/s/ Efstratios Desypris

Efstratios Desypris
Chief Financial Officer
(Principal Financial Officer)

Exhibit 13.1

Certification
Pursuant To Section 906 of the Sarbanes-Oxley Act Of 2002
(Subsections (A) And (B) Of Section 1350,
Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Navios Maritime Partners L.P., (the "Company"), does hereby certify, to such officer's knowledge, that:

(i) the Annual Report on Form 20-F for the fiscal year ended December 31, 2020 (the "Form 20-F") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;

(ii) and the information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2021

/s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer

Dated: March 31, 2021

/s/ Efstratios Desypris
Efstratios Desypris
Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-237934) and Form F-4 (No. 333-252139) of Navios Maritime Partners L.P. of our report dated March 31, 2021 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece
March 31, 2021

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(a) Registration Statement (Form F-3 No. 333-237934) of Navios Maritime Partners L.P. ; and

(b) Registration Statement (Form F-4 No. 333-252139) of Navios Maritime Partners L.P.

of our report dated March 31, 2021, with respect to the consolidated financial statements of Navios Maritime Containers L.P., included in Exhibit 15.3 to this Annual Report (Form 20-F) for the year ended December 31, 2020.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
March 31, 2021

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners and the Board of Directors of Navios Maritime Containers L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Navios Maritime Containers L.P. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of income, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.
We have served as Company's auditor since 2018.

Athens, Greece
March 31, 2021

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	3,9	$ 7,573	$ 16,685
Restricted cash	3,9	—	1,424
Accounts receivable, net	4	3,456	2,287
Inventories		4,505	4,457
Balance due from related parties, current	12	150	—
Other current assets	5	674	4,525
Prepaid expenses		326	72
Total current assets		**16,684**	**29,450**
Non-current assets			
Vessels, net	6	384,970	395,621
Intangible assets	7	—	6,288
Deferred drydock and special survey costs, net		19,068	19,522
Balance due from related parties, non-current	9,12	8,436	8,195
Other long-term assets		1,632	1,226
Total non-current assets		**414,106**	**430,852**
Total assets		**$ 430,790**	**$ 460,302**
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable		$ 3,168	$ 2,343
Accrued expenses	11	2,813	4,928
Deferred income and cash received in advance		1,105	807
Balance due to related parties, current	12	—	16,586
Financial liabilities short term, net of deferred finance costs	8,9	22,165	8,237
Current portion of long-term debt, net of deferred finance costs	8,9	10,611	38,496
Total current liabilities		**39,862**	**71,397**
Non-current liabilities			
Long-term financial liabilities, net of current portion and net of deferred finance costs	8,9	154,272	69,863
Long-term debt, net of current portion and net of deferred finance costs	8,9	45,111	129,062
Total non-current liabilities		**199,383**	**198,925**
Total liabilities		**239,245**	**270,322**
Commitment and contingencies	11	—	—
Partners' capital			
Common unit holders —32,445,577 and 34,603,100 common units issued and outstanding at December 31, 2020 and December 31, 2019, respectively	16	191,545	189,980
Total Partners' capital		**191,545**	**189,980**
Total liabilities and Partners' capital		**$ 430,790**	**$ 460,302**

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Notes	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue	13	$ 127,188	$ 141,532	$ 133,921
Time charter and voyage expenses		(6,327)	(5,754)	(4,178)
Direct vessel expenses		(5,488)	(4,077)	(1,314)
Vessel operating expenses (management fees entirely through related parties transactions)	12	(69,147)	(65,638)	(53,772)
General and administrative expenses	12	(10,890)	(10,223)	(7,413)
Transaction costs	14	(1,626)	—	(4,990)
Depreciation and amortization	6,7	(16,598)	(28,647)	(38,552)
Interest expense and finance cost	8	(13,912)	(16,846)	(11,785)
Interest income		—	—	90
Other income		409	603	1,017
Other expense	11	(261)	(3,443)	(324)
Net income		**$ 3,348**	**$ 7,507**	**$ 12,700**
Net earnings per common unit, basic and diluted	15	**$ 0.10**	**$ 0.22**	**$ 0.38**
Weighted average number of common units, basic and diluted	15	**34,007,718**	**34,603,100**	**33,527,135**

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Note	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
OPERATING ACTIVITIES:				
Net income		$ 3,348	$ 7,507	$ 12,700
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	6,7	16,598	28,647	38,552
Amortization of deferred financing costs		2,361	1,943	1,598
Amortization of deferred drydock and special survey costs		5,311	3,639	1,314
Changes in operating assets and liabilities:				
(Increase)/decrease in accounts receivable		(1,169)	356	(2,001)
(Increase)/decrease in balance due from related companies, current		(150)	—	5,643
Increase in inventories		(48)	(3,858)	(63)
Decrease/(increase) in other current assets		4,409	(1,622)	(2,854)
(Increase)/decrease in prepaid expenses		(254)	28	(100)
Increase in balance due from related parties, non-current		(242)	(333)	(2,097)
Increase in other long term assets		(407)	(127)	(1,099)
Increase/(decrease) in accounts payable		828	(1,230)	2,992
Increase/(decrease) in accrued expenses		885	2,626	(1,631)
(Decrease)/increase in due to related companies		(15,664)	12,521	4,065
Increase/(decrease) in deferred income and cash received in advance		298	(1,345)	(392)
Payments for drydock and special survey costs		(5,416)	(11,776)	(9,118)
Net cash provided by operating activities		**$ 10,688**	**$ 36,976**	**$ 47,509**
INVESTING ACTIVITIES:				
Acquisition of/additions to vessels	6,7,12	(581)	(62,513)	(170,503)
Purchase option fee	11	(3,000)	—	—
Net cash used in investing activities		**$ (3,581)**	**$ (62,513)**	**$ (170,503)**
FINANCING ACTIVITIES:				
Proceeds from long-term debt and financial liabilities, net	8	119,060	125,022	216,200
Repayment of long-term debt and financial liabilities		(132,400)	(98,417)	(114,255)
Debt issuance costs		(2,520)	(1,851)	(3,615)
Proceeds from issuance of common units, net of offering costs	16	—	—	29,055
Repurchase of common units	16	(1,783)	—	—
Net cash (used in)/provided by financing activities		**$ (17,643)**	**$ 24,754**	**$ 127,385**
Net (decrease)/increase in cash and cash equivalents and restricted cash		(10,536)	(783)	4,391
Cash and cash equivalents and restricted cash, beginning of period		**18,109**	**18,892**	**14,501**
Cash and cash equivalents and restricted cash, end of period		**$ 7,573**	**$ 18,109**	**$ 18,892**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash paid for interest, net		$ 12,016	$ 14,296	$ 9,028

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Note	Common unit holders Units	Amount	Total Partners' Capital
Balance, December 31, 2017		**29,148,554**	**$140,718**	**$140,718**
Proceeds from private placements, net of offering costs	16	5,454,546	29,055	29,055
Net income		—	12,700	12,700
Balance, December 31, 2018		**34,603,100**	**$182,473**	**$182,473**
Net income		—	7,507	7,507
Balance, December 31, 2019		**34,603,100**	**$189,980**	**$189,980**
Repurchase of common units	16	(2,157,523)	(1,783)	(1,783)
Net income		—	3,348	3,348
Balance, December 31, 2020		**32,445,577**	**$191,545**	**$191,545**

See notes to the consolidated financial statements

NOTE 1: DESCRIPTION OF BUSINESS

Navios Maritime Containers Inc. ("Navios Containers Inc.") was incorporated on April 28, 2017 under the laws of the Republic of the Marshall Islands.

Conversion into Limited Partnership

On November 30, 2018, Navios Containers Inc. was converted into a limited partnership, Navios Maritime Containers L.P. ("Navios Containers" or the "Company"). The Company is a growth-oriented international owner and operator of containerships.

The Company converted the issued common shares to common units at the conversion ratio of one common share of Navios Containers Inc. for each common unit of Navios Containers. In connection with the conversion, Navios Maritime Containers GP LLC, a Marshall Islands limited liability company, is the Company's general partner and holds a non-economic interest that does not provide the holder with any rights to profits or losses of, or distributions by, the partnership. The consolidated financial statements of the Company have been presented giving retroactive effect to the conversion described above, which was treated as a reorganization made within the context of the Company's above-mentioned transactions.

As of December 31, 2020, Navios Containers had a total of 32,445,577 common units outstanding. Navios Maritime Partners L.P. ("Navios Partners") held 11,592,276 common units representing 35.7% of the outstanding common units Navios Maritime Holdings Inc. ("Navios Holdings") held 1,263,276 common units representing 3.9% of the outstanding common units of Navios Containers.

The common units of the Company commenced trading on the Nasdaq Global Select Market on December 10, 2018 under the ticker symbol "NMCI".

The operations of the Company are managed by Navios Shipmanagement Inc. (the "Manager"), from its offices in Piraeus, Greece, Singapore and Monaco.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Presentation: The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company had no items of other comprehensive income for the years ended December 31, 2020, 2019 and 2018.

Impact of COVID-19 on the Company's Business: The spread of the COVID-19 virus, which has been declared a pandemic by the World Health Organization, in 2020 has caused substantial disruptions in the global economy and the shipping industry, as well as significant volatility in the financial markets, the severity and duration of which remains uncertain. Average time-charter rates have improved significantly in the second half of 2020, however, the underlying reasons for this improvement could reverse, which could negatively impact our business. As a result, many of the Company's estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company's estimates may change in future periods.

Based on internal forecasts and projections that take into account reasonably possible changes in our trading performance, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least twelve months from the date of issuance of these consolidated financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its consolidated financial statements.

(b) Recent Accounting Pronouncements: In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-04, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848)" which is intended to provide temporary optional expedients and exceptions to U.S. GAAP guidance on contracts, hedge accounting and other transactions affected by the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued "Reference Rate Reform (Topic 848): Scope", an amendment of the FASB Accounting Standards Codification. The amendments in this update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. This ASU is effective for all entities beginning on March 12, 2020 through December 31, 2022. The Company is currently assessing the impact that adopting this ASU will have on its disclosures to the consolidated financial statements.

In October 2018, FASB issued ASU 2018-17, Consolidation (Topic 810): "Targeted Improvements to Related Party Guidance for Variable Interest Entities" ("ASU 2018-17"). ASU 2018-17 provides that indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. This is consistent with how indirect interests held through related parties under common control are considered for determining whether a reporting entity must consolidate a Variable Interest Entity ("VIE"). For Public business entities the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Since there are no entities included in the Company's consolidation under the VIE model or required to be assessed for consolidation under the VIE model, the adoption of this ASU did not have a material impact on its consolidated financial statements.

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

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

(c) Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Navios Containers, a Marshall Islands limited partnership, and its subsidiaries that are all 100% owned. All significant intercompany balances and transactions have been eliminated in the consolidated financial 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.

Subsidiaries included in the consolidation:

Company name	Nature Name	Effective Ownership	Country of incorporation	Statements of Operations		
				2020	2019	2018
Navios Maritime Containers L.P.	Holding Company	—	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Navios Partners Containers Finance Inc.	Sub - Holding Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Navios Partners Containers Inc.	Sub - Holding Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Olympia II Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Pingel Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Ebba Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Clan Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Sui An Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Bertyl Ventures Co.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Silvanus Marine Company	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Anthimar Marine Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Enplo Shipping Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Morven Chartering Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Rodman Maritime Corp.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Isolde Shipping Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Velour Management Corp.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Evian Shiptrade Ltd.	Vessel Owning Company (1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Boheme Navigation Company	Sub—Holding Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Theros Ventures Limited	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Legato Shipholding Inc.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Inastros Maritime Corp.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Zoner Shiptrade S.A.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Jasmer Shipholding Ltd.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Thetida Marine Co.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Jaspero Shiptrade S.A.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Peran Maritime Inc.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	01/01 - 12/31
Nefeli Navigation S.A.	Vessel Owning Company(1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	03/13 - 12/31
Fairy Shipping Corporation	Vessel Owning Company(1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	07/02 - 12/31
Limestone Shipping Corporation	Vessel Owning Company(1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	07/02 - 12/31
Crayon Shipping Ltd	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	05/31 - 12/31
Chernava Marine Corp.	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	05/14 - 12/31
Proteus Shiptrade S.A	Vessel Owning Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	05/14 - 12/31
Vythos Marine Corp.	Vessel Owning Company(1)	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	05/31 - 12/31
Iliada Shipping S.A.	Operating Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	05/31 - 12/31
Vinetree Marine Company	Operating Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	04/04 - 12/31
Afros Maritime Inc.	Operating Company	100%	Marshall Is.	01/01 - 12/31	01/01 - 12/31	05/31 - 12/31

(1) Currently, vessel-operating company under the sale and leaseback transactions.

(d) Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivables, provisions for legal disputes and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

(e) Cash and Cash Equivalents: Cash and cash equivalents consist from time to time of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

(f) Restricted Cash: As of December 31, 2020 and 2019, restricted cash consisted of $0 and $1,424, respectively, which related to amounts held in retention accounts in order to service debt and interest payments, as required by certain credit facilities of the Company.

(g) Insurance Claims: Insurance claims at each balance sheet date consist of claims submitted and/or claims in the process of compilation or submission (claims pending). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reported period, which are probable to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. The classification of insurance claims into current and non-current assets is based on management's expectations as to their collection dates.

(h) Inventories: Inventories, which are comprised of: (i) bunkers (when applicable) on board of the vessels, are valued at cost as determined on the first-in, first-out basis and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, are valued at cost as determined on the first-in, first-out basis.

(i) Vessels, net: Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. Vessels acquired from entities under common control are recorded at historical cost. Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of the Company's containerships based on a scrap value of $340 per lightweight ton, as management believes these levels are common in the shipping industry. Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and the depreciation expense in the period of the revision and future periods.

Management estimates the useful life of the Company's vessels to be 30 years from the vessel's original construction. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective.

(j) Impairment of Long-Lived Assets: Vessels, other fixed assets and other long-lived assets held and used by the Company are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. The Company's management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel. Within the shipping industry, vessels are customarily bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to then-current market rates. The loss recognized either on impairment (or on disposition) will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

The management of the Company has considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook. As of June 30, 2020, the Company concluded that events and circumstances triggered the existence of potential impairment of its vessels. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the future operations. As a result, the Company performed step one of the impairment assessment of the Company's vessels by comparing the undiscounted projected net operating cash flows for each vessel for which an indication existed to its carrying value. As of June 30, 2020, the Company's assessment concluded that step two of the impairment analysis was not required for any vessel, as the undiscounted projected net operating cash flows of each of the Company's vessels exceeded the carrying value of the respective vessels. As of June 30, 2020, no vessel impairment loss was identified. As of December 31, 2020, the Company concluded that events and circumstances did not trigger the existence of potential impairment of its vessels, mainly due to the container market improvement and that step one of the impairment analysis was not required.

The assessments concluded that step two of the impairment analysis was not required and that no impairment of vessels existed for the years ended December 31, 2019 and 2018, as the undiscounted projected net operating cash flows exceeded the carrying values.

In the event that impairment would occur, the fair value of the related asset would be determined and a charge would be recognized in the consolidated statements of operations calculated by comparing the asset's carrying value to its fair value. Fair value is estimated primarily through the use of third-party valuations performed on an individual vessel basis.

(k) Deferred Drydock and Special Survey Costs: The Company's vessels are subject to regularly scheduled drydocking and special surveys which are carried out every 30 or 60 months to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained and under certain conditions. The costs of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined. Unamortized drydocking or special survey costs of vessels sold are written-off to the consolidated statements of operations in the year the vessel is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. The amortization expense for the years ended December 31, 2020, 2019 and 2018 was $5,311, $3,639 and $1,314 respectively. Accumulated amortization as of December 31, 2020 and 2019 amounted to $10,351 and $5,039, respectively.

(l) Deferred Financing Costs: Deferred financing costs include fees, commissions and legal expenses associated with obtaining or modifying loan facilities. Deferred financing costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related debt using the effective interest rate method, and are presented under the caption "Interest expense and finance cost" in the consolidated statements of operations. The total deferred unamortized financing costs, net were $3,711 and $3,552 as of December 31, 2020 and 2019, respectively and were presented net under the caption "Current portion of long-term debt, net of deferred finance costs", "Financial liabilities short term, net of deferred finance costs", "Long-term financial liabilities, net of current portion and net of deferred finance costs" and "Long-term debt, net of current portion and net of deferred finance costs" in the consolidated balance sheets. Amortization costs for the years ended December 31, 2020, 2019 and 2018 were $2,361, $1,943 and $1,598, respectively.

(m) Foreign Currency Translation: The Company's functional and reporting currency is the U.S. dollar. The Company engages in worldwide commerce with a variety of entities. Although, its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the statements of income. The foreign currency gain/(loss) recognized under the caption "Other income" or "Other expense" in the consolidated statements of operations for the years ended December 31, 2020, 2019 and 2018 was $(32), $1 and $(15), respectively.

(n) Provisions: The Company, in the ordinary course of business, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisers, will provide for a contingent loss in the consolidated financial statements if the contingency had occurred at the date of the consolidated financial statements, the likelihood of loss was probable and the amount can be reasonably estimated. If the Company has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Company will provide for the lower amount within the range. See also Note 11, "Commitments and Contingencies". As of December 31, 2020, 2019 and 2018, the amount of $428, $610 and $1,002, respectively, relating to settlement of outstanding claims was presented under the caption "Other income" of the consolidated statements of operations.

(o) Revenue and Expense Recognition: On January 1, 2018, the Company adopted the provisions of ASU No. 2014-09, "Revenue from Contracts with Customers" and the related amendments ("ASC 606" or "the new revenue standard") using the modified retrospective approach. The guidance provides a unified model to determine how revenue is recognized. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers control of the promised goods or services to its customers. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company generates revenue from time charter of vessels. Revenues from time chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average revenue over the rental periods of such charter agreements as service is performed, except for loss generating time charters, in which case the loss is recognized in the period when such loss is determined. A time charter involves placing a vessel at the charterer's disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Short period charters for less than three months are referred to as spot-charters. Charters extending three months to a year are generally referred to as medium term charters. All other charters are considered long-term. Under time charter agreements, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel whereas voyage expenses primarily consisting of port, canal and bunkers expenses that are unique to a particular charter are paid for by the charterer, except for commissions, which are always paid for by the Company, regardless of charter type.

The Company's contract revenues from time chartering are governed by ASC 842 "Leases". Upon adoption of the ASC 606 and ASC 842, the timing and recognition of earnings from time charter contracts to which the Company is party did not change from previous practice. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease component will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over the term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. As a result of the adoption of these standards, there was no cumulative impact to the Company's retained earnings at January 1, 2018.

Revenue is recorded when services are rendered, the Company has a signed charter agreement or other evidence of an arrangement, the price is fixed or determinable, and collection is reasonably assured.

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 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.

Expenses related to the revenue-generating contracts are recognized as incurred. See Note 2(q).

(p) Deferred Income and Cash Received In Advance: Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the charter period.

(q) Time Charter and Voyage Expenses: Time charter and voyage expenses comprise all expenses related to each particular voyage, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter and voyage expenses are charterers' liability insurances, provisions for losses on time charters in progress at year-end and other miscellaneous expenses.

(r) Direct Vessel Expenses: Direct vessel expenses comprise the amortization related to drydock and special survey costs of certain vessels of the Company's fleet as well as the reactivation cost of laid-up vessels and other expenses as per management agreement.

(s) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, trade receivables and payables, other receivables and other liabilities, long-term debt and financial liabilities. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

Financial Risk Management: The Company's activities expose it to a variety of financial risks including fluctuations in future time charter hire rates, fuel prices and credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

Credit Risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade receivables. The Company places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

For the year ended December 31, 2020 three customers, Hapag-Lloyd AG, NOL Liner PTE Ltd, CMA CGM, and COSCO (Cayman) Mercury Co., Ltd represented 21.5%, 19.6%, 15.1% and 10.3% of the total revenues, respectively. For the year ended December 31, 2019 two customers, NOL Liner PTE Ltd and Hapag-Lloyd AG, represented 30.8% and 17.9% of the total revenues, respectively. For the year ended December 31, 2018, two customers, NOL Liner PTE Ltd and Mitsui O.S.K. Lines represented 30.5% and 25.7% of the total revenues, respectively.

Liquidity Risk: Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company monitors cash balances adequately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are translated into the measurement currency at rates prevailing on the dates of the relevant transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of operations.

Fair Value Risk: See Note 2(w).

(t) Income Taxes: The Company is a Marshall Islands limited partnership. Pursuant to various treaties and the United States Internal Revenue Code, the Company believes that substantially all its operations are exempt from income taxes in the Marshall Islands and the United States of America.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece are subject to duties towards the Greek state which are calculated on the basis of the relevant vessel's tonnage. The payment of said duties exhausts the tax liability of the foreign ship owning company and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel. In case that tonnage tax and/or similar taxes/duties are paid to the vessel's flag state, these are deducted from the amount of the duty to be paid in Greece.

Marshall Islands do not impose a tax on international shipping income. Under the laws of Marshall Islands, the country of the companies' incorporation and formation and vessels' registration in addition to Panama and Liberia, the companies are subject to registration and tonnage taxes.

(u) Leases: Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases. In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the consolidated balance sheet and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a net investment in the lease. The Company acts as a lessor under operating leases in connection with all of its revenue arrangements.

In cases of sale and leaseback transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and leaseback and is accounted for as a financing transaction. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset. The Company has entered into sale and leaseback transactions which qualify as failed sale and leaseback transactions as the Company has a purchase obligation to acquire the vessels at the end of the lease term.

(v) Accounts Receivable, net: The amount shown as accounts receivable, net, at each balance sheet date, includes trade receivables from charterers for hire. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. No provision for doubtful accounts has been made for the years presented.

(w) Financial Instruments and Fair Value: Guidance on Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to guidance on Fair Value Measurements.

(x) Time Charters at Favorable Terms: When intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires the Company to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of the Company's vessels and the Company's weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on the Company's financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining lease term and the amortization expense is presented in the consolidated statements of operations under the caption "Depreciation and amortization".

NOTE 3: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

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

	December 31, 2020	December 31, 2019
Reconciliation of cash and cash equivalents and restricted cash:		
Current assets:		
Cash and cash equivalents	$ 7,573	$ 16,685
Restricted cash	—	1,424
Total cash and cash equivalents and restricted cash	**$ 7,573**	**$ 18,109**

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. The Company does maintain cash deposits and equivalents in excess of government-provided insurance limits. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

As of December 31, 2019, restricted cash amounted to $1,424, and related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of the Company's credit facilities. There was no restricted cash as of December 31, 2020.

NOTE 4: ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2020	December 31, 2019
Accounts receivable	$ 3,456	$ 2,287
Less: Provision for doubtful accounts	—	—
Accounts receivable, net	**$ 3,456**	**$ 2,287**

Financial instruments that potentially subject Navios Containers to concentrations of credit risk are accounts receivable. Navios Containers does not believe its exposure to credit risk is likely to have a material adverse effect on its financial position, results of operations or cash flows.

NOTE 5: OTHER CURRENT ASSETS

As of December 31, 2020 and 2019, other current assets amounted to $674 and $4,525, respectively, which mainly related to Company's claims receivable. Claims receivable mainly represent claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks.

NOTE 6: VESSELS, NET

Vessels consist of the following:

Vessels	Vessels' Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2017	**$178,136**	**$ (539)**	**$ 177,597**
Additions	170,503	—	170,503
Depreciation	—	(5,407)	(5,407)
Balance December 31, 2018	**$348,639**	**$ (5,946)**	**$ 342,693**
Additions	62,513	—	62,513
Depreciation	—	(9,585)	(9,585)
Balance December 31, 2019	**$411,152**	**$ (15,531)**	**$ 395,621**
Additions / Transfers to other assets	(341)	—	(341)
Depreciation	—	(10,310)	(10,310)
Balance December 31, 2020	**$410,811**	**$ (25,841)**	**$$384,970**

Acquisition of Vessels

2019

On April 23, 2019, the Company purchased from an unrelated third party the Navios Constellation, a 2011-built 10,000 TEU containership, for an acquisition cost of $53,360 (including $860 capitalized expenses), pursuant to the exercise of its purchase option in January 2019, based on the memorandum of agreement entered into in November 2018.

2018

On December 17, 2018, the Company purchased from an unrelated third party the Bermuda, a 2010-built 4,360 TEU containership, for an acquisition cost of approximately $11,098 (including $398 capitalized expenses).

On December 7, 2018, the Company purchased from an unrelated third party the Bahamas, a 2010-built 4,360 TEU containership, for an acquisition cost of approximately $13,422 (including $522 capitalized expenses).

In November 2018, Navios Containers Inc. agreed to acquire a 2011-built 10,000 TEU containership from an unrelated third party for a purchase price of $52,500, upon the exercise of the Company's purchase option prior to February 2019. See Note 11.

On September 12, 2018, Navios Containers Inc. purchased from an unrelated third party the Navios Miami, a 2009-built 4,563 TEU containership, for an acquisition cost of approximately $14,105 (including $205 capitalized expenses).

On July 2, 2018, Navios Containers Inc. purchased from Navios Partners the Navios Utmost (ex YM Utmost) and the Navios Unite (ex YM Unity), two 2006-built 8,204 TEU containerships, for an aggregate acquisition cost of approximately $67,496 (including $496 capitalized expenses).

On May 30, 2018, Navios Containers Inc. purchased from an unrelated third party the Navios Unison, a 2010-built 10,000 TEU containership, for an acquisition cost of approximately $50,318 (including $68 capitalized expenses).

On March 14, 2018, Navios Containers Inc. purchased from an unrelated third party the Navios Dorado (ex Niledutch Okapi), a 2010-built 4,250 TEU containership, for an acquisition cost of approximately $11,931 (including $151 capitalized expenses).

NOTE 7: INTANGIBLE ASSETS

Time charters with favorable terms consist of the charter out contracts acquired in relation to containerships purchased and are analyzed as following:

Time charters with favorable terms	December 31, 2020	December 31, 2019
Acquisition cost	$ 71,535	$ 71,535
Accumulated amortization	(71,535)	(65,247)
Time charters with favorable terms net book value	**$ —**	**$ 6,288**

Amortization expense for the years ended December 31, 2020, 2019 and 2018 amounted to $6,288, $19,062 and $33,146, respectively, and is presented under the caption "Depreciation and amortization" in the consolidated statements of operations.

Intangible assets subject to amortization were amortized using straight line method over their estimated useful lives to their estimated residual value of zero. As of December 31, 2020, the Company did not have any unamortized intangible assets.

NOTE 8: BORROWINGS

Borrowings consist of the following:

Navios Containers credit facilities	December 31, 2020	December 31, 2019
ABN AMRO Bank N.V. $50 million facility	$ 19,250	$ 25,800
BNP Paribas $54 million facility	37,240	44,688
HCOB $36 million facility	—	27,200
HCOB $127.2 million facility	—	57,131
Sellers' Credit	—	15,000
Total loans	**$ 56,490**	**$ 169,819**
Minsheng Financial Leasing Co. Ltd Financial liability	70,751	79,391
Bank of Communications Financial Leasing Co., Ltd Limited Financial liability	108,629	—
Total borrowings	**$ 235,870**	**$ 249,210**

Total borrowings	December 31, 2020	December 31, 2019
Total borrowings	$ 235,870	$ 249,210
Less: current portion of long-term debt	(10,611)	(38,496)
Less: current portion financial liabilities	(22,165)	(8,237)
Less: Deferred financing costs	(3,711)	(3,552)
Total long-term borrowings, net	**$ 199,383**	**$ 198,925**

ABN AMRO BANK N.V Facility: On December 3, 2018, the Company entered into a facility agreement with ABN AMRO for an amount of up to $50,000 divided into two tranches: (i) the first tranche is for an amount of up to $41,200 in order to refinance the outstanding debt of four containerships and to partially finance the acquisition of one containership; and (ii) the second tranche is for an amount of up to $8,800 in order to partially finance the acquisition of one containership. This loan bears interest at a rate of LIBOR plus 350 bps. The Company drew the entire amount under this facility, net of the loan’s discount of $500 in the fourth quarter of 2018. On June 28, 2019, the Company entered into a supplemental agreement with ABN AMRO, under which the Company made a partial prepayment of the loan in the aggregate amount of $9,400 and two containerships were released from the facility. The outstanding loan amount as of December 31, 2020 was $19,250 and is repayable in 8 quarterly installments, in the amount of $1,050 each, along with a final balloon payment of $10,850 payable together with the last installment due in December 2022.

BNP Paribas Facility: On June 26, 2019, the Company entered into a facility agreement with BNP Paribas for an amount of up to $54,000 to refinance the existing facilities of seven containerships. On June 27, 2019, the Company drew $48,750 net of loan’s discount of $405. This loan bears interest at a rate of LIBOR plus 300 bps. As of December 31, 2020, the facility is repayable in 14 quarterly installments in the amount of $1,693 each, along with a final balloon payment of $13,542 payable together with the last installment, falling due on June 2024. As of December 31, 2020, the outstanding loan amount under this facility was $37,240 and no amount remains to be drawn.

Hamburg Commercial Bank AG and Alpha Bank A.E.: On June 28, 2018, the Company entered into a facility agreement with Hamburg Commercial Bank AG and Alpha Bank A.E. for an amount of up to $36,000 to finance part of the purchase price of two containerships. This loan bears interest at a rate of LIBOR plus 325 bps. As of December 31, 2019, the Company had drawn $36,000 under this facility, net of the loan’s discount of $270. On March 13, 2020, the Company repaid the facility in full. There was no outstanding loan amount under the facility as of December 31, 2020.

On November 9, 2018, the Company entered into a facility agreement with Hamburg Commercial Bank AG divided into four tranches of up to $31,800 each to finance part of the purchase price of up to four 10,000 TEU containerships. This loan bears interest at a rate of LIBOR plus 325 bps and commitment fee of 0.75% per annum on the undrawn loan amount. On March 12, 2019 and October 16, 2019, Navios Containers cancelled two of the tranches of the facility at no cost. On March 13, 2019, the Company drew $30,150 of the second tranche, net of the loan’s discount of $166, to refinance the outstanding debt of one containership. On April 18, 2019, the Company drew $31,122 of the fourth tranche, net of the loan’s discount of $233, to finance part of the purchase price of one containership. On March 13, 2020, the Company repaid the facility in full. There was no outstanding loan amount under the facility as of December 31, 2020.

Sellers’ Credit: In January 2019, the Company entered into a sellers’ credit agreement (the “Sellers’ Credit”) in connection with the acquisition of two 10,000 TEU containerships, for an amount of up to $20,000 at a rate of 5% per annum, divided in two tranches of $15,000 and $5,000. On April 23, 2019, following the acquisition of one 2011-built 10,000 TEU containership, the Company drew $15,000, net of discount of $150. In July 2019, following the conversion of the purchase obligation of the second 2011-built 10,000 TEU containership into an option, the second tranche expired. The Sellers’ Credit was repaid in full in January 2020.

Financial liabilities: On May 25, 2018, the Company entered into a $119,000 sale and leaseback transaction with Minsheng Financial Leasing Co. Ltd in order to refinance the outstanding balance of the existing facilities of 18 containerships. The Company has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. On June 29, 2018, the Company completed the sale and leaseback of the first six vessels for $37,500. On July 27, 2018 and on August 29, 2018, the Company completed the sale and leaseback of four additional vessels for $26,000. On November 9, 2018, the Company completed the sale and leaseback of four additional vessels for $26,700. The Company did not proceed with the sale and leaseback transaction of the four remaining vessels. The Company is obligated to make 60 monthly payments in respect of all 14 vessels of approximately $1,097 each. The Company also has an obligation to purchase the vessels at the end of the fifth year for $45,100. As of December 31, 2020, the outstanding balance under this sale and leaseback transaction was $70,751.

On March 11, 2020, the Company completed a $119,060 sale and leaseback transaction with Bank of Communications Financial Leasing Co., Ltd Limited to refinance the existing credit facilities of two 8,204 TEU containerships and two 10,000 TEU containerships. The Company has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. The Company drew the entire amount on March 13, 2020, net of discount of $1,191. The Company also has an obligation at maturity to purchase: (i) the two 10,000 TEU containerships for $25,500 in the aggregate; and (ii) the two 8,204 TEU containerships for $18,000 in the aggregate. The sale and leaseback agreement: (i) is repayable in 25 quarterly installments of $2,010 each, in the aggregate, matures in March 2027 and bears interest at LIBOR plus 310 bps per annum for the two 10,000 TEU containerships; and (ii) is repayable in 17 quarterly installments of: (a) $16.0 per day, in the aggregate, for the first five installments; and (b) $6.9 per day, in the aggregate, for the remaining 12 installments, matures in March 2025 and bears interest at LIBOR plus 335 bps per annum for the two 8,204 TEU containerships. As of December 31, 2020, the outstanding balance under this sale and leaseback transaction was $108,629.

Amounts drawn are secured by first priority mortgages on the Company's vessels. The credit facilities and financial liabilities contain a number of restrictive covenants that limit Navios Containers and/or its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions other than on arm's length terms; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of the Company's vessels; acquiring any vessel or permitting any guarantor to acquire any further assets or make investments; purchasing or otherwise acquiring for value any units of its capital or declaring or paying any distributions; permitting any guarantor to form or acquire any subsidiaries. The majority of credit facilities and financial liabilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain safety management certificates and documents of compliance at all times.

The Company's credit facilities and financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a value to loan ratio ranging from 111% to 140%; (ii) minimum free consolidated liquidity equal to product of $500 and a number of vessels as defined in the Company's credit facilities and financial liabilities; (iii) maintain a ratio of liabilities-to-assets (as defined in the Company's credit facilities and financial liabilities) of less than 0.80 : 1.00; and (iv) maintain a minimum net worth between $30,000 and $50,000. Among other events, it will be an event of default under the Company's credit facilities and financial liabilities if the financial covenants are not complied with.

In addition, it is a requirement under the credit facilities and financial liabilities that Navios Holdings, Navios Partners, Angeliki Frangou and their respective affiliates collectively own at least 20% of the Company.

As of December 31, 2020, the Company was in compliance with its covenants.

The annualized weighted average interest rates of the Company's total borrowings were 4.54%, 5.72% and 5.76% for the years ended December 31, 2020, 2019 and 2018, respectively.

For the years ended December 31, 2020, 2019 and, 2018, interest expense amounted to $11,551, $14,903 and $10,187, respectively, and is presented under the caption "Interest expense and finance cost" in the consolidated statements of operations.

The maturity table below reflects the principal payments for the next five years of all borrowings of the Company outstanding as of December 31, 2020, based on the repayment schedules of the respective secured credit facilities and financial liabilities (as described above).

Payment due by 12 month period ending	
December 31, 2021	$ 34,026
December 31, 2022	42,941
December 31, 2023	69,172
December 31, 2024	27,497
December 31, 2025	26,681
Thereafter	35,553
Total	**$235,870**

NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

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.

Balance due from related parties, non-current: The carrying amount of due from related parties non-current reported in the consolidated balance sheet approximates its fair value.

Long-term debt: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred finance costs. Sellers' Credit was a fixed rate borrowing and its outstanding balance as at December 31, 2019 approximated its fair value due to its short maturity.

Financial liabilities: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the financial liabilities continues to approximate their fair value, excluding the effect of any deferred finance costs.

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

	December 31, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 7,573	$ 7,573	$ 16,685	$ 16,685
Restricted cash	$ —	$ —	$ 1,424	$ 1,424
Balance due from related parties, non-current	$ 8,436	$ 8,436	$ 8,195	$ 8,195
Long-term debt, including current portion, net	$ (55,722)	$ (56,490)	$(167,558)	$(169,819)
Financial liabilities, including current portion, net	$ (176,437)	$(179,380)	$ (78,100)	$ (79,391)

Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at December 31, 2020			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 7,573	$ 7,573	$ —	$ —
Balance due from related parties, non-current(1)	$ 8,436	$ —	$ 8,436	$ —
Long-term debt, including current portion, net (2)	$ (56,490)	$ —	$ (56,490)	$ —
Financial liabilities, including current portion, net (3)	$(179,380)	$ —	$(179,380)	$ —

	Fair Value Measurements at December 31, 2019			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 16,685	$16,685	$ —	$ —
Restricted cash	$ 1,424	1,424	$ —	$ —
Balance due from related parties, non-current(1)	$ 8,195	—	$ 8,195	$ —
Long-term debt, including current portion, net(2)	$(169,819)	—	$(169,819)	$ —
Financial liability, including current portion, net (3)	$ (79,391)	—	$ (79,391)	$ —

(1) The fair value of the Company’s receivable from related companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty’s creditworthiness.

(2) The fair value of the Company’s long-term debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company’s creditworthiness.

(3) The fair value of the Company’s financial liabilities is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company’s creditworthiness.

NOTE 10: LEASES

The future minimum contractual lease revenue (charter-out rates are presented net of commissions), for which a charter party has been concluded as of December 31, 2020, is as follows:

	Amount in thousands of U.S. dollars
2021	149,096
2022	74,864
2023	31,532
2024	19,847
2025	19,182
Thereafter	6,359
Total minimum lease revenue, net of commissions	**$ 300,880**

Revenues from time charters are generally not received when a vessel is off-hire, which includes time required for scheduled maintenance of the vessel.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions are recognized in the consolidated financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the consolidated financial statements were prepared. While the ultimate disposition of these actions cannot be predicted with certainty, management does not believe the outcome, individually or in aggregate, of such actions will have a material effect on the Company’s financial position, results of operations or cash flows.

In February 2019, the Company announced the exercise of an option to acquire a 2011-built 10,000 TEU containership from an unrelated third party for a purchase price of $52,500. In July 2019, the Company converted the obligation to purchase a 2011-built 10,000 TEU containership, into an option. The agreement granted the Company the option and the right of first refusal to acquire the vessel at terms mutually agreed with the seller. During the fourth quarter of 2019, the Company received notice from the sellers to acquire the vessel. The Company did not exercise the option and the containership was sold to a third party. As a result, the Company made a payment of $3,000 to the sellers on April 1, 2020.

NOTE 12: TRANSACTIONS WITH RELATED PARTIES

Vessel operating expenses (management fees): Pursuant to a management agreement dated June 7, 2017, as amended on November 23, 2017, April 23, 2018, June 1, 2018 and August 28, 2019 (the “Management Agreement”), the Manager provides commercial and technical management services to the Company’s vessels. The term of this agreement is for an initial period of five years with an automatic extension for five years periods thereafter unless a notice for termination is received by either party. In August 2019, the Company extended the duration of the Management Agreement until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party, and provides for payment of a termination fee by the Company, equal to the fees charged for the full calendar year preceding the termination date, in the event the Management Agreement is terminated on or before December 31, 2024. The fixed vessel operating expenses charged by the Manager for the period through December 31, 2019 and the two-year period commencing January 1, 2020 are: (a) $6.1 and $6.2 daily rate per Container vessel of 3,000 TEU up to 4,999 TEU, respectively; (b) $7.4 and $7.8 daily rate per Container vessel of 8,000 TEU up to 9,999 TEU, respectively; (c) $7.4 and $8.3 daily rate per Container vessel of 10,000 TEU up to 11,999 TEU, respectively; and (d) commencing January 1, 2020, $0.1 per vessel daily rate for technical and commercial management services. Commencing January 1, 2022, the fees described in subsections (a) through (c) are subject to an annual increase of 3%, unless otherwise agreed. This fixed daily fee covers all of the vessels operating expenses, other than certain extraordinary fees and costs, as defined in the Management Agreement. For the years ended December 31, 2020 and 2019 certain extraordinary fees and costs related to regulatory requirements, under Company’s Management Agreement amounted to $581 and $9,164, respectively, and are presented under the caption “Acquisition of/additions to vessels” in the consolidated statements of cash flows. Drydocking and special survey are paid to the Manager at cost. Total fixed vessel operating expenses for the years ended December 31, 2020, 2019 and 2018, under the respective agreement amounted to $69,147, $65,638 and $53,772, respectively, and are presented under the caption “Vessel operating expenses (management fees entirely through related parties transactions)” in the consolidated statements of operations.

General & administrative expenses: Pursuant to the administrative services agreement, dated June 7, 2017, as amended on August 28, 2019 (the “Administrative Agreement”), the Manager also provides administrative services to the Company, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. 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 five years periods thereafter unless a notice for termination is received by either party. In August 2019, the Company extended the duration of the Administrative Agreement until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party. The amendment dated August 28, 2019 also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by the Company in the event the Administrative Agreement is terminated on or before December 31, 2024. Total general and administrative fees charged by the Manager for the years ended December 31, 2020, 2019 and 2018 amounted to $8,120, $8,034 and $6,638, respectively, and are presented under the caption “General and administrative expenses” in the consolidated statements of operations.

Balance due from/to related parties: Balance due from related parties as of December 31, 2020 amounted to $150 (December 31, 2019: Balance due to related parties $16,586), and the long-term receivable amounted to $8,436 (December 31, 2019: $8,195). The balances mainly consisted of administrative fees, drydocking, extraordinary fees and costs related to regulatory requirements including ballast water treatment system, other expenses, as well as fixed vessel operating expenses, in accordance with the management agreement.

Omnibus Agreement: On June 7, 2017, the Company entered into an omnibus agreement with Navios Maritime Acquisition Corporation ("Navios Acquisition"), Navios Holdings and Navios Partners pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliates generally have granted a right of first refusal over any containerships to be sold or acquired in the future (the "Omnibus Agreement"). The Omnibus Agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliates to compete with the Company under specified circumstances.

General partner: In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interests in Navios Containers to N Shipmanagement Acquisition Corp. and related entities, an entity affiliated with the Company's Chairman and Chief Executive Officer, Angeliki Frangou.

Merger Agreement Navios Partners: On December 31, 2020 Navios Containers and Navios Partners entered into an Agreement and Plan of Merger, (the "Merger Agreement") under which Navios Partners will acquire all of the publicly held common units of Navios Containers in exchange for common units of Navios Partners (the "Transaction").

The Transaction is subject to approval by holders of a majority of the outstanding Navios Containers common units, calculated in accordance with Navios Containers' partnership agreement. The General Partner of Navios Containers has consented to the merger, and Navios Partner has agreed to vote the Navios Containers' common units it holds in favor of the Transaction. The Transaction is also subject to other customary closing conditions.

Under the terms of the Transaction, upon approval of the Transaction by the common unit holders of Navios Containers, the public common unit holders of Navios Containers will receive 0.39 of a common unit of Navios Partners for each outstanding common unit of Navios Containers. See also Note 17.

NOTE 13: SEGMENT INFORMATION

The Company reports financial information and evaluates its operations by charter revenues. The Company does not use discrete financial information to evaluate operating results for each type of charter or by sector. As a result, management reviews operating results solely by revenue per day and operating results of the fleet and thus the Company has determined that it operates under one reportable segment.

Revenue by Geographic Region

Vessels operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries.

The following table sets out operating revenue by geographic region for the Company's reportable segment. Revenue is allocated on the basis of the geographic region in which the customer is located. Revenues from specific geographic regions which contribute over 10% of total revenue are disclosed separately.

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Asia	$ 66,291	$ 89,271	$ 108,508
Europe	54,889	52,261	25,413
United States	6,008	—	—
Total Revenue	**$ 127,188**	**$ 141,532**	**$ 133,921**

NOTE 14: TRANSACTION-RELATED EXPENSES

Transaction-related expenses for the year ended December 31, 2020 amounted to $1,626 and related to expenses incurred in connection with the Company's Merger Agreement (see Note 12 and Note 17).

Transaction-related expenses for the year ended December 31, 2018 amounted to $4,990 and related to expenses incurred in connection with the Company's listing on the Nasdaq Global Select Market.

NOTE 15: EARNINGS PER UNIT

The unit and per unit data included in the accompanying consolidated financial statements have been restated for the periods presented to reflect the Company's conversion to a limited partnership, as discussed in Note 1.

Earnings per unit is calculated by dividing net income available to common unitholders by the weighted average number of common units of the Company outstanding during the period.

The general partner interest is a non-economic interest, meaning the Company's general partner, Navios Maritime Containers GP LLC, does not participate in the Company's distributions, profits or losses by reason of owning its general partner interest.

The calculations of the basic and diluted earnings per unit are presented below.

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Numerator			
Net income	$ 3,348	$ 7,507	$ 12,700
Denominator:			
Denominator for basic and diluted earnings per common unit - weighted average number of common units	34,007,718	34,603,100	33,527,135
Basic and diluted net earnings per common unit	$ 0.10	$ 0.22	$ 0.38

NOTE 16: PARTNERS' CAPITAL

Navios Containers

Common units represent limited partnership interests in the Company. The holders of common units are entitled to participate pro rata in distributions from the Company and to exercise the rights or privileges that are available to common unit holders under the Company's partnership agreement. The common unit holders have limited voting rights. The vote of the holders of at least 75% of all outstanding common units is required to remove the general partner.

On March 13, 2018, Navios Containers Inc. closed a follow-on private placement and issued 5,454,546 common shares at a subscription price of $5.50 per share, resulting in gross proceeds of $30,000. Navios Partners invested $14,460 and received 2,629,095 common shares and Navios Holdings invested $500 and received 90,909 common shares. Navios Partners and Navios Holdings also received warrants, with a five-year term, for 6.8% and 1.7% of the newly issued equity, respectively, at an exercise price of $5.50 per share.

On November 30, 2018, Navios Containers Inc. converted the issued shares of common stock to common units (see Note 1).

In July 2020, the Board of Directors authorized a common unit repurchase program for up to $6,000 of the Company's common units over a one-year period. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Company's management based upon market conditions and other factors. Repurchases may be made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The program does not require any minimum repurchase or any specific number of units of common equity and may be suspended or reinstated at any time in the Company's discretion and without notice. The Board of Directors will review the program periodically. As of December 31, 2020, the Company had repurchased 2,157,523 common units, at a total cost of approximately $1,783.

Following the private placements, the conversion and the repurchase program described above, the Company had a total of 32,445,577 common units outstanding as of December 31, 2020. Upon the conversion of Navios Containers Inc. to a limited partnership all of the warrants described above issued to Navios Partners and Navios Holdings expired.

NOTE 17: SUBSEQUENT EVENT

On March 24, 2021, the Company announced that at its Special Meeting of Limited Partners the Navios Containers common unit holders approved the merger contemplated by the previously announced Merger Agreement, dated December 31, 2020, by and among Navios Partners, its direct wholly-owned subsidiary NMM Merger Sub LLC ("Merger Sub"), Navios Containers and its general partner, Navios Maritime Containers GP LLC. Pursuant to the Merger Agreement, Merger Sub will be merged with and into Navios Containers, with Navios Containers being a wholly-owned subsidiary of Navios Partners. The effective time of the Merger is expected to be on or about March 31, 2021. See also Note 12.