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

FORM 20-F/A
Amendment No. 1

(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, 2018

OR

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

OR

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

Date of event requiring this shell company report __________

For the transition period from __________ to __________

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)

Todd E. Mason
Thompson Hine LLP
335 Madison Ave.
New York, NY 10017
todd.mason@thompsonhine.com
(212) 908-3946
(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	Name of each exchange on which registered
Common Units	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: 169,054,258 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 periods 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 emerging growth company. See the definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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 ☒

EXPLANATORY NOTE

Navios Maritime Partners L.P. ("Navios Partners," the "Company," "we," "us," or "our") is filing this Amendment No. 1 on Form 20-F/A ("Amendment") to its Annual Report on Form 20-F for the year ended December 31, 2018 (the "Original Report"), as filed with the Securities and Exchange Commission on April 4, 2019 (the "Original Filing Date").

The only changes to the Original Report are in Item 19 "Exhibits." In Item 19 we have updated Exhibit 15.3 to include an accompanying auditors' report or related footnotes.

This Amendment consists of a cover page, this explanatory note, a list of exhibits (Item 19 of Part III), a signature page, Exhibit 15.3, currently-dated certifications by our principal executive officer and our principal financial officer, and consent of Ernst & Young (Hellas), the independent registered public accounting firm of Navios Maritime Containers L.P.

This Amendment speaks as of the Original Filing Date, except for the certifications referenced above. Other than as expressly set forth above, no part of the Form 20-F is being amended. Accordingly, other than as discussed above, this Amendment does not, and does not purport to, amend, update or restate any other information or disclosure included in the Original Report or reflect any events that have occurred after the Original Filing Date.

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	Third Amended and Restated Agreement of Limited Partnership of Navios Maritime Partners L.P.(28)
1.4	Certificate of Formation of Navios GP L.L.C.(1)
1.5	Limited Liability Company Agreement of Navios GP L.L.C.(1)
1.6	Certificate of Formation of Navios Maritime Operating L.L.C.(1)
1.7	Amended and Restated Limited Liability Company Agreement of Navios GP L.L.C.(1)
1.8	Limited Liability Company Agreement of Navios Operating L.L.C.(1)
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 Maritime Holdings 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 15, 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 27, 2009, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. relating to the Management Agreement(7)
4.18	Supplemental Agreement, dated January 11, 2010, to the Facility Agreement(8)
4.19	Supplemental Agreement, dated March 30, 2010, to the Facility Agreement(9)
4.20	Supplemental Agreement, dated June 1, 2010, to the Facility Agreement(10)
4.21	Supplemental Agreement, dated December 13, 2010, to the Facility Agreement(11)
4.22	Supplemental Agreement, dated May 31, 2011, to the Facility Agreement(12)
4.23	Supplemental Agreement, dated September 30, 2011, to the Facility Agreement(13)
4.24	Supplemental Agreement, dated March 30, 2012, to the Facility Agreement(15)
4.25	Facility Agreement for $35.0 million term loan facility, dated May 27, 2011(12)
4.26	Facility Agreement for $290.45 million term loan facility, dated July 31, 2012(16)
4.27	Supplemental Agreement, dated December 4, 2012, to Facility Agreement for $290.45 million term loan facility, dated July 31, 2012(17)

4.28	Supplemental Agreement, dated March 27, 2013, to Facility Agreement for $290.45 million term loan facility, dated July 31, 2012(18)
4.29	Supplemental Agreement, dated April 17, 2014, to Facility Agreement for $290.45 million term loan facility, dated July 31, 2012(22)
4.30	Facility Agreement for $44.0 million term loan facility, dated August 8, 2012(16)
4.31	Credit Agreement for $250.0 million term loan facility, dated June 27, 2013(19)
4.32	Incremental Amendment No. 1, dated October 31, 2013, to the Credit Agreement for a $250.0 million term loan facility, dated June 27, 2013(20)
4.33	Incremental Amendment No. 2, dated November 1, 2013, to the Credit Agreement for a $250.0 million term loan facility, dated June 27, 2013(20)
4.34	Facility Agreement for $56.0 million term loan facility, dated September 22, 2014(23)
4.35	Amendment No. 1 to Administrative Services Agreement with Navios Maritime Holdings Inc., dated October 21, 2011(14)
4.36	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(14)
4.37	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.(20)
4.38	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.(24)
4.39	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.(26)
4.40	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.(29)
4.41	Amendment No. 7, dated February 4, 2016, to the Management Agreement, dated October 21, 2011, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.(32)
4.42	Facility Agreement for $164.0 million term loan facility, dated April 16, 2015(29)
4.43	Supplemental Agreement, dated March 22, 2016, to Facility Agreement for $164.0 million term loan facility(32)
4.44	Supplemental Agreement, dated April 8, 2015, to Facility Agreement for $56.0 million term loan facility, dated September 22, 2014(29)
4.45	Supplemental Agreement, dated March 22, 2016, to Facility Agreement for $56.0 million term loan facility(32)
4.46	Supplemental Agreement, dated March 22, 2016, to Facility Agreement for $290.45 million term loan facility, dated July 31, 2012(32)
4.47	Credit Agreement for $60.0 million term loan facility, dated May 29, 2015(30)
4.48	Acquisition Omnibus Agreement(21)
4.49	Navios Midstream Omnibus Agreement(27)
4.50	Registration Rights Agreement, dated February 4, 2015(25)
4.51	Continuous Offering Program Sales Agreement, dated November 18, 2016(36)
4.52	Form of Indenture(37)
4.53	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(38)
4.54	Amendment No. 1 to Continuous Offering Program Sales Agreement, dated June 2, 2017, with S. Goldman Capital LLC(39)
4.55	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.(40)

4.56	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(40)
4.57	Facility Agreement for a $39.0 million credit facility, dated June 28, 2017, among Fantastiks Shipping Corporation, Sagittarius Shipping Corporation, Customized Developments S.A., Ammos Shipping Corp., Navios Maritime Partners L.P., and DVB Bank SE(40)
4.58	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.(41)
4.59	Amendment No. 2 to Administrative Services Agreement, dated November 14, 2017, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.(41)
4.60	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.(42)
4.61	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.*
4.62	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.*
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**
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 year ended December 31, 2018 and the period April 28, 2017 (date of inception) to December 31, 2017**
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2018, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets at December 31, 2018 and 2017; (ii) Consolidated Statements of Income for each of the years ended December 31, 2018, 2017 and 2016; (iii) Consolidated Statements of Cash Flows for each of the years ended December 31, 2018, 2017 and 2016; (iv) Consolidated Statements of Changes in Partners' Capital for each of the years ended December 31, 2018, 2017 and 2016; and (v) the Notes to the Consolidated Financial Statements as blocks of text.*

(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 January 26, 2010 and hereby incorporated by reference.
(9) Previously filed as an exhibit to a Report on Form 6-K filed on April 8, 2010 and hereby incorporated by reference.
(10) Previously filed as an exhibit to a Report on Form 6-K filed on June 11, 2010 and hereby incorporated by reference.
(11) Previously filed as an exhibit to a Report on Form 6-K filed on March 1, 2011 and hereby incorporated by reference.
(12) Previously filed as an exhibit to a Report on Form 6-K filed on June 8, 2011 and hereby incorporated by reference.
(13) Previously filed as an exhibit to a Report on Form 6-K filed on October 5, 2011 and hereby incorporated by reference.
(14) Previously filed as an exhibit to a Report on Form 6-K filed on October 24, 2011 and hereby incorporated by reference.
(15) Previously filed as an exhibit to a Report on Form 6-K filed on April 9, 2012 and hereby incorporated by reference.
(16) Previously filed as an exhibit to a Report on Form 6-K filed on September 5, 2012 and hereby incorporated by reference.
(17) Previously filed as an exhibit to a Report on Form 6-K filed on January 31, 2013 and hereby incorporated by reference.
(18) Previously filed as an exhibit to a Report on Form 6-K filed on May 2, 2013 and hereby incorporated by reference.
(19) Previously filed as an exhibit to a Report on Form 6-K filed on July 11, 2013 and hereby incorporated by reference.
(20) Previously filed as an exhibit to a Report on Form 6-K filed on November 7, 2013 and hereby incorporated by reference.

(21) 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.
(22) Previously filed as an exhibit to a Report on Form 6-K filed on July 31, 2014 and hereby incorporated by reference.
(23) Previously filed as an exhibit to a Report on Form 6-K filed on September 30, 2014 and hereby incorporated by reference.
(24) Previously filed as an exhibit to a Report on Form 6-K filed on October 30, 2014 and hereby incorporated by reference.
(25) Previously filed as an exhibit to a Report on Form 6-K filed on February 12, 2015 and hereby incorporated by reference.
(26) Previously filed as an exhibit to a Report on Form 6-K filed on February 17, 2015 and hereby incorporated by reference.
(27) 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.
(28) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2014 filed on March 13, 2015 and hereby incorporated by reference.
(29) Previously filed as an exhibit to a Report on Form 6-K filed on May 5, 2015 and hereby incorporated by reference.
(30) Previously filed as an exhibit to a Report on Form 6-K filed on August 3, 2015 and hereby incorporated by reference.
(31) Previously filed as an exhibit to a Report on Form 6-K filed on November 12, 2015 and hereby incorporated by reference.
(32) 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 23, 2016 and hereby incorporated by reference.
(33) Previously filed as an exhibit to a Report on Form 6-K filed on May 12, 2016 and hereby incorporated by reference.
(34) Previously filed as an exhibit to a Report on Form 6-K filed on August 12, 2016 and hereby incorporated by reference.
(35) Previously filed as an exhibit to a Report on Form 6-K filed on November 14, 2016 and hereby incorporated by reference.
(36) Previously filed as an exhibit to a Report on Form 6-K filed on November 23, 2016 and hereby incorporated by reference.
(37) Previously filed as an exhibit to a Registration Statement on Form F-3 filed on January 12, 2017 and hereby incorporated by reference.
(38) Previously filed as an exhibit to a Report on Form 6-K filed on May 25, 2017 and hereby incorporated by reference.
(39) Previously filed as an exhibit to a Report on Form 6-K filed on June 14, 2017 and hereby incorporated by reference.
(40) Previously filed as an exhibit to a Report on Form 6-K filed on August 1, 2017 and hereby incorporated by reference.
(41) Previously filed as an exhibit to a Report on Form 6-K filed on February 5, 2018 and hereby incorporated by reference.
(42) Previously filed as an exhibit to a Report on Form 6-K filed on May 21, 2018 and hereby incorporated by reference.
(43) Previously filed as an exhibit to a the Company's Annual Report on Form 20-F for the year ended December 31, 2017 filed on April 4, 2018 and hereby incorporated by reference.

*   Filed with the Original Report.
**   Filed herewith.

SIGNATURES

Navios Maritime Partners L.P. hereby 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 Amendment No. 1 on Form 20-F/A to this Annual Report on its behalf.

Navios Maritime Partners L.P.

/s/ Angeliki Frangou

By: Angeliki Frangou
Its: Chairman and Chief Executive Officer

Date: August 19, 2019

Exhibit 12.1

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, 2018 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; and

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.

Date: August 19, 2019

/s/ Angeliki Frangou

Angeliki Frangou
Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

**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, 2018 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; and

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.

Date: August 19, 2019

/s/ Efstratios Desypris

Efstratios Desypris
Chief Financial Officer
(Principal Financial Officer)

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, 2018 (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: August 19, 2019	/s/ Angeliki Frangou Angeliki Frangou Chief Executive Officer
Dated: August 19, 2019	/s/ Efstratios Desypris Efstratios Desypris Chief Financial Officer

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-215529) of Navios Maritime Partners LP and in the related Prospectus of our report dated March 8, 2019, with respect to the consolidated financial statements of Navios Maritime Containers LP, included as an exhibit in this Amendment No. 1 to the Annual Report (Form 20-F/A) for the year ended December 31, 2018.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
August 19, 2019

EXHIBIT 15.3

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners 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, 2018 and 2017, and the related consolidated statements of income, changes in partners' capital and cash flows for the year ended December 31, 2018, and for the period from inception (April 28, 2017) through December 31, 2017 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 Navios Maritime Containers L.P. at December 31, 2018 and 2017, and the results of its operations and its cash flows for the year ended December 31, 2018 and for the period from inception (April 28, 2017) through December 31, 2017, 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 these 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 were 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.

We have served as Company's auditor since 2018.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
March 8, 2019

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED BALANCE SHEET
(Expressed in thousands of U.S. dollars—except for unit data)

	Notes	December 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	2,3	$ 16,958	$ 14,221
Restricted cash	2,3	1,934	280
Accounts receivable, net	4	2,643	642
Balance due from related parties, current	12	—	5,643
Inventories		599	536
Other current assets	5	2,903	49
Prepaid expenses		100	—
Total current assets		**25,137**	**21,371**
Non-current assets			
Vessels, net	6	342,693	177,597
Intangible assets	7	25,350	58,496
Deferred drydock and special survey costs, net		11,386	3,582
Balance due from related parties, non-current	9,12	7,862	5,765
Other long-term assets		1,099	—
Total non-current assets		**388,390**	**245,440**
Total assets		**$ 413,527**	**$ 266,811**
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable		$ 3,574	$ 582
Accrued expenses		2,302	3,934
Deferred income and cash received in advance		2,152	2,544
Balance due to related parties, current		4,065	—
Financial liability short term, net	8,9	7,665	—
Current portion of long-term debt, net	8,9	27,626	42,499
Total current liabilities		**47,384**	**49,559**
Non-current liabilities			
Long-term financial liability, net of current portion	8,9	78,100	—
Long-term debt, net of current portion	8,9	105,570	76,534
Total non-current liabilities		**183,670**	**76,534**
Total liabilities		**231,054**	**126,093**
Commitment and contingencies	11	—	—
Partners' capital			
Common unit holders —34,603,100 and 29,148,554 common units issued and outstanding as of December 31, 2018 and December 31, 2017, respectively	16	182,473	140,718
Total Partners' capital		**182,473**	**140,718**
Total liabilities and Partners' capital		**$ 413,527**	**$ 266,811**

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of U.S. dollars—except for unit and per unit data)

	Notes	Year Ended December 31, 2018	Period from April 28, 2017 (date of inception) to December 31, 2017
Revenue	2	133,921	39,188
Time charter and voyage expenses	2	(4,178)	(1,257)
Direct vessel expenses		(1,314)	(672)
Management fees (entirely through related parties transactions)	12	(53,772)	(16,488)
General and administrative expenses	12	(7,413)	(2,262)
Listing transaction-related expenses	14	(4,990)	—
Depreciation and amortization	6,7	(38,552)	(13,578)
Interest expense and finance cost	8	(11,785)	(2,293)
Interest income		90	25
Other income	5	1,017	7
Other expense		(324)	(32)
Net income		**$ 12,700**	**$ 2,638**
Net earnings per common unit, basic and diluted	**15**	**$ 0.38**	**$ 0.14**
Weighted average number of common units, basic and diluted	**15**	**33,527,135**	**18,371,855**

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars—except for unit data)

	Note	Year Ended December 31, 2018	Period from April 28, 2017 (date of inception) to December 31, 2017
OPERATING ACTIVITIES:			
Net income		$ 12,700	$ 2,638
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,7	38,552	13,578
Amortization of deferred financing costs		1,598	430
Amortization of deferred drydock and special survey costs		1,314	225
Changes in operating assets and liabilities:			
Increase in accounts receivable		(2,001)	(642)
Decrease/(increase) in balance due from related companies, current		5,643	(5,195)
Increase in inventories		(63)	(536)
Increase in other current assets		(2,854)	(4)
Increase in prepaid expenses		(100)	—
Increase in balance due from related parties, non-current		(2,097)	(5,765)
Increase in other long term assets		(1,099)	—
Increase in accounts payable		2,992	536
(Decrease)/increase in accrued expenses		(1,631)	2,541
Increase/(decrease) in due to related companies		4,065	(1,674)
(Decrease)/increase in deferred income and cash received in advance		(392)	298
Payments for drydock and special survey costs		(9,118)	(3,807)
Net cash provided by operating activities		**$ 47,509**	**$ 2,623**
INVESTING ACTIVITIES:			
Cash acquired through asset acquisition		—	5,433
Acquisition of vessels and time charters at favorable terms	6,7	(170,503)	(254,660)
Net cash used in investing activities		**$ (170,503)**	**$ (249,227)**
FINANCING ACTIVITIES:			
Proceeds from long-term debt and financial liability, net	8	216,200	127,760
Repayment of long-term debt and financial liability		(114,255)	(8,340)
Debt issuance costs		(3,615)	(815)
Proceeds from issuance of common units, net of offering costs	15	29,055	142,500
Net cash provided by financing activities		**$ 127,385**	**$ 261,105**
Net increase in cash and cash equivalents and restricted cash		4,391	14,501
Cash and cash equivalents and restricted cash, beginning of period		**14,501**	**—**
Cash and cash equivalents and restricted cash, end of period		**$ 18,892**	**$ 14,501**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest, net		$ 9,028	$ 1,599

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 for unit data)

	Note	Common unit holders Units	Common unit holders Amount	Total Partners' Capital
Balance April 28, 2017 (date of inception)		**—**	**$ —**	**$ —**
Proceeds from private placements, net of offering costs	16	29,148,554	142,503	142,503
Deemed distribution		—	(4,423)	(4,423)
Net income		—	2,638	2,638
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**

See notes to consolidated financial statements.

(Expressed in thousands of U.S. dollars except unit and per unit data)

NOTE 1: DESCRIPTION OF BUSINESS

Navios Maritime Containers Inc. ("Navios Containers Inc.") was incorporated in the Republic of the Marshall Islands on April 28, 2017.

Conversion into Limited Partnership

On November 30, 2018, Navios Containers Inc. was converted into a limited partnership, Navios Maritime Containers L.P. ("Navios Containers L.P." or the "Company"). The Company is a growth vehicle dedicated to the container sector of the maritime industry.

The Company converted the issued common shares to common units at the conversion ratio of one common share of Navios Maritime Containers Inc. for each common unit of Navios Containers L.P. The 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, 2018, Navios Containers L.P. had a total of 34,603,100 common units outstanding. Navios Maritime Partners L.P. ("Navios Partners") held 11,592,276 common units representing 33.5% of the equity and Navios Maritime Holdings Inc. ("Navios Holdings") held 1,263,276 common units representing 3.7% of the equity of Navios Containers L.P.

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 a wholly-owned subsidiary of Navios Holdings (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 year ended December 31, 2018 and for the period April 28, 2017 (date of inception) to December 31, 2017.

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 financial statements.

Beginning January 1, 2018, the Company adopted ASU 2016-18, "Statements of Cash Flows: Restricted Cash."

The following table provides a reconciliation of cash and cash equivalents and restricted cash to amounts reported within the audited consolidated balance sheet:

	December 31, 2018	December 31, 2017
Reconciliation of cash and cash equivalents and restricted cash:		
Current assets:		
Cash and cash equivalents	16,958	14,221
Restricted cash	1,934	280
Total cash and cash equivalents and restricted cash	**$ 18,892**	**$ 14,501**

(b) ***Recent Accounting Pronouncements:***

In August 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement". This update modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, and earlier adoption is permitted. The Company is currently assessing the impact that adopting this new accounting guidance will have on its disclosures to the consolidated financial statements.

In June 2016, FASB issued ASU 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 matter. ASU 2016-13 also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The standard is effective for interim and annual reporting periods beginning after December 15, 2019, although early adoption is permitted for interim and annual periods beginning after December 15, 2018.

In November 2018, FASB issued ASU2018-19 “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.

The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements.

Early adoption of recent accounting pronouncements:

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). ASU 2016-02 will apply to both types of leases – capital (or finance) leases and operating leases. According to the new Accounting Standard, (a) lessees will be required to recognize assets and liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months and (b) previous accounting standards for lessors will be updated to align certain requirements with the updates to lessee accounting standards and the revenue recognition accounting standards. ASU 2016 – 02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted.

In July 2018, the FASB issued ASU 2018-11, Targeted Improvements to Topic 842 Leases (“ASU 2018-11). The improvements in ASU 2018-11 provide for (a) an optional new transition method for adoption that results in initial recognition of a cumulative effect adjustment to retained earnings in the year of adoption and (b) a practical expedient for lessors, under certain circumstances, to combine the lease and non-lease components of revenues for presentation purposes.

The Company has elected to early adopt the requirements of ASU 2016-02 effective January 1, 2018, through application of the alternative transition method, which is consistent, with the approach the Company has elected under the new revenue standard, and has elected to adopt the practical expedient for lessors to combine lease and non-lease components of revenue earned by its vessels under time charter agreements classified as operating leases. 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. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel. 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. All of the Company’s time charter agreements provide for fixed consideration. The revenue earned under time charter contracts is not negotiated in its two separate components. The Company assessed that the lease component included in its time charter contracts, if accounted separately, would be classified as an operating lease. In addition, the timing and pattern of transfer of the non-lease component and the associated lease component in a time charter are the same.

The Company believes that combining the lease and non-lease components provides for more meaningful financial reporting as it is more reflective of the predominant component in the time charter contracts that is the lease component.

As a result of this adoption, there was no cumulative impact to the Company’s retained earnings at January 1, 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods (ASC840), including disclosure requirements.

All of the Company’s revenues for the year ended December 31, 2018 derive from time charter agreements that are classified as operating leases.

Adoption of new accounting standards:

On January 1, 2018, the Company adopted ASU No. 2014-09, “Revenue from Contracts with Customers” and the related amendments (“ASC 606” or “the new revenue standard”) using the modified retrospective method.

Under the new guidance, there is a five-step model to apply to revenue recognition. The five-steps consist of: (1) determination of whether a contract, an agreement between two or more parties that creates legally enforceable rights and obligations, exists; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when (or as) the performance obligation is satisfied.

(Expressed in thousands of U.S. dollars except unit and per unit data)

As a result of this adoption, there was no cumulative impact to the Company's retained earnings at January 1, 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

(c) ***Principles of Consolidation:*** The accompanying consolidated financial statements include the accounts of Navios Containers L.P., 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 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, units issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill. All subsidiaries included in the consolidated financial statements are 100% owned by Navios Containers L.P.

Subsidiaries included in the consolidation:

Company Name	Nature	Effective Ownership Interest	Country of Incorporation	Statements of Operations 2018	Statements of Operations 2017
Navios Maritime Containers L.P.	Holding Company	—	Marshall Is.	01/01—12/31	04/28—12/31
Navios Partners Containers Finance Inc.	Sub—Holding Company	100%	Marshall Is.	01/01—12/31	06/07—12/31
Navios Partners Containers Inc.	Sub—Holding Company	100%	Marshall Is.	01/01—12/31	06/07—12/31
Olympia II Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	06/07—12/31
Pingel Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	06/07—12/31
Ebba Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	06/07—12/31
Clan Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	06/07—12/31
Sui An Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	06/07—12/31
Bertyl Ventures Co.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	07/12—12/31
Silvanus Marine Company	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	07/12—12/31
Anthimar Marine Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	07/17—12/31
Enplo Shipping Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	07/17—12/31
Morven Chartering Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	07/25—12/31
Rodman Maritime Corp.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	08/03—12/31
Isolde Shipping Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	08/03—12/31
Velour Management Corp.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	08/03—12/31
Evian Shiptrade Ltd.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	08/03—12/31
Boheme Navigation Company	Sub—Holding Company	100%	Marshall Is.	01/01—12/31	09/27—12/31
Theros Ventures Limited	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	11/07—12/31
Legato Shipholding Inc.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	11/09—12/31
Inastros Maritime Corp.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	11/23—12/31
Zoner Shiptrade S.A.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	11/24—12/31
Jasmer Shipholding Ltd.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	12/05—12/31
Thetida Marine Co.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	12/08—12/31
Jaspero Shiptrade S.A.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	12/12—12/31
Peran Maritime Inc.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	12/28—12/31
Nefeli Navigation S.A.	Vessel Owning Company	100%	Marshall Is.	03/13—12/31	—

Fairy Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	07/02—12/31	—
Limestone Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	07/02—12/31	—
Crayon Shipping Ltd	Vessel Owning Company	100%	Marshall Is.	05/31—12/31	—
Chernava Marine Corp.	Vessel Owning Company	100%	Marshall Is.	05/14—12/31	—
Proteus Shiptrade S.A	Vessel Owning Company	100%	Marshall Is.	05/14—12/31	—
Vythos Marine Corp.	Operating Company	100%	Marshall Is.	05/31—12/31	—
Iliada Shipping S.A.	Operating Company	100%	Marshall Is.	05/31—12/31	—
Vinetree Marine Company	Operating Company	100%	Marshall Is.	04/04—12/31	—
Afros Maritime Inc.	Operating Company	100%	Marshall Is.	05/31—12/31	—

(1) Currently, vessel-operating company under the sale and leaseback transaction.

(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 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, 2018 and 2017, restricted cash consisted of $1,934 and $280, respectively, which related to amounts held in retention accounts in order to service debt and interest payments, as required by certain credit facilities of Navios Containers L.P.

(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 the last date 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 bunkers (when applicable) on board of the vessels, 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 major improvements and upgrading are capitalized, provided they appreciably extend the life, increase the earning 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 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 affect depreciation expense in the period of the revision and future periods.

Management estimates the useful life of our 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.

For the year ended December 31, 2018, the management of Navios Containers L.P. after considering 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 identified impairment indications for 5 of its vessels. In this respect, the Company performed an impairment analysis (step one) to estimate the future undiscounted cash flows for each of these vessels.

The Company determined the undiscounted projected net operating cash flows for each vessel and compared them 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 included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and 10-year average historical time charter rates, adjusted for outliers) over the remaining economic life of each vessel, net of brokerage and address commissions, excluding days of scheduled off-hires, management fees fixed until December 2019 and thereafter assuming an annual increase of 1.0% and a utilization rate of 98.8% based on the fleet's actual performance for the year ended December 31, 2018.

The assessment concluded that step two of the impairment analysis was not required and that no impairment of vessels existed as of December 31, 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 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.

No impairment loss was recognized for the year ended December 31, 2018 and for the period April 28, 2017 (date of inception) to December 31, 2017.

(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 in rare cases 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 statement 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, spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. The amortization expense for the year ended December 31, 2018 and for the period April 28, 2017 (date of inception) to December 31, 2017 was $1,314 and $225 respectively. Accumulated amortization as of December 31, 2018 and 2017 amounted to $1,539 and

$225, respectively.

(l) ***Deferred Financing Costs:*** Deferred financing costs include fees, commissions and legal expenses associated with obtaining or modifying loan facilities. These costs are amortized over the life of the related debt using the effective interest rate method, and are included in interest expense and finance cost, net in the consolidated statements of income. The total deferred unamortized financing costs, net were $3,644 and $1,627 as of December 31, 2018 and 2017, and were presented net under "Current portion of long-term debt, net", "Financial liability short term, net", "Long-term financial liability, net of current portion" and "Long-term debt, net of current portion" in the consolidated balance sheets. Amortization costs for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017 were $1,598 and $430, 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 losses recognized in the consolidated statement of income for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017 was $15 and $3, 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 financial statements if the contingency had occurred at the date of the 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 the lower amount within the range. See Note 11, “Commitments and Contingencies” for further discussion. As of December 31, 2018, the amount of $1,002 relating to settlement of outstanding claims was presented under the caption “Other income” of the consolidated statements of income.

(o) ***Revenue and Expense Recognition:*** Revenue is recorded when services are rendered, the Company has a signed charter agreement or other evidence of an arrangement, the price is fixed or determinable, and collection is reasonably assured. The Company generates revenue from time charter of vessels.

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

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.

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

(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 Navios Containers L.P.’s fleet as well as the reactivation cost of laid-up vessels.

(s) ***Financial Instruments:*** Financial instruments carried on the balance sheet include cash and cash equivalents, trade receivables and payables, other receivables and other liabilities, long-term debt and financial liability. 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, 2018, two customers, NOL Liner PTE Ltd and Mitsui O.S.K. Lines represented 30.5% and 25.7% of our total revenues, respectively. For the period from April 28, 2017 (date of inception) to December 31, 2017, one customer Mitsui O.S.K. Lines represented 71.0% of our total revenues.

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 statement of income.

Fair Value Risk: See Note 2(x).

(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.

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 which have been included in daily management fee.

(u) ***Leases:*** Vessels' leases, where Navios Containers L.P. is regarded as the lessor, are classified as either finance leases or operating leases based on an assessment of the terms of the lease.

For charters classified as finance type 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 the consolidated statement of 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 Containers L.P. is regarded as the lessor, refer to Note 2(o) "Revenue and Expense Recognition".

(v) ***Accounts Receivable, net:*** The amount shown as accounts receivable, net, at the 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 life of the lease term and the amortization expense is included in the statement of income in the depreciation and amortization line item. For the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017 the amortization expense amounted to $33,146 and $13,039, respectively.

(Expressed in thousands of U.S. dollars except unit and per unit data)

NOTE 3: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents consisted of the following:

	December 31, 2018	December 31, 2017
Cash on hand and at banks	$ 16,958	$ 14,221

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, 2018 and 2017, restricted cash amounted to $1,934 and $280, respectively and related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Containers L.P.'s credit facilities.

NOTE 4: ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2018	December 31, 2017
Accounts receivable	$ 2,643	$ 642
Less: Provision for doubtful accounts	—	—
Accounts receivable, net	**$ 2,643**	**$ 642**

Financial instruments that potentially subject Navios Containers L.P. to concentrations of credit risk are accounts receivable. Navios Containers L.P. 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, 2018 and 2017, other current assets amounted to $2,903 and $49, 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, as well as claims under charter contracts.

NOTE 6: VESSELS, NET

Vessels consist of the following:

Vessels	Vessels' Cost	Accumulated Depreciation	Net Book Value
Vessel acquisition	$ 178,136	$ —	$ 178,136
Depreciation	—	(539)	(539)
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**

Acquisition of Vessels

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 two 2011-built 10,000 TEU containerships from an unrelated third party for a purchase price of $52,500 each, upon the exercise of Company's purchase options by January 2019 and February 2019, respectively.

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 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 Niledutch Okapi (ex Navios Dorado), a 2010-built 4,250 TEU containership, for an acquisition cost of approximately $11,931 (including $151 capitalized expenses).

2017

On December 28, 2017, Navios Containers Inc. purchased from an unrelated third party the Navios Felicitas, a 2010-built 4,360 TEU containership, for an acquisition cost of approximately $11,467 (including $17 capitalized expenses).

In December and November 2017, Navios Containers Inc. purchased from an unrelated third party the APL Denver, APL Los Angeles, APL Oakland and APL Atlanta, four 2008-built 4,730 TEU containerships and their charter out contracts, for an acquisition cost of approximately $97,175 (including $375 capitalized expenses). Any favorable lease terms associated with these vessels were recorded as an intangible asset at the time of acquisition (Note 7).

On November 9, 2017, Navios Containers Inc. purchased from an unrelated third party the Navios Tempo, a 2009-built 4,250 TEU containership, for an acquisition cost of approximately $10,274 (including $124 capitalized expenses).

On November 7, 2017, Navios Containers Inc. purchased from an unrelated third party the Navios Lapis, a 2009-built 4,250 TEU containership, for an acquisition cost of approximately $9,639 (including $39 capitalized expenses).

On June 8, 2017, Navios Containers Inc. purchased from Navios Partners five containerships and the charter out contracts for a purchase price of $64,000, of which $40,000 was financed through a private placement and the remaining consideration of $24,000 was in the form of a seller's credit. The acquisition of these five containerships was effected through the acquisition of all of the capital stock of the respective vessel-owning companies, which held the ownership and other contractual rights and obligations related to each of the acquired vessels, including the respective charter-out contracts. Any favorable lease terms associated with these vessels were recorded as an intangible asset at the time of acquisition (Note 7). The vessel acquisitions were treated as a transaction between entities under common control, and as such, the transaction was recorded at historical cost. The historical cost of the vessels was $32,350 and of the time charters was $26,662. The excess cash over the historical cost of the net assets acquired is a deemed distribution to controlling stockholder and is recorded in stockholders' equity. These vessels were previously acquired by Navios Partners from Rickmers Maritime Trust Pte. ("Rickmers Trust") and were employed on charters with a net daily charter rate of $26,850 which expired in 2018 and early 2019. The working capital acquired for the five vessels was $566. Management accounted for this acquisition as an asset acquisition under ASC 805 "Business Combinations".

In addition, Navios Containers Inc. acquired all the rights under the acquisition agreements entered into between Navios Partners and Rickmers Trust to purchase nine additional containerships for a purchase price of $54,000 plus certain delivery and other operating costs.

(Expressed in thousands of U.S. dollars except unit and per unit data)

During the third quarter of 2017, Navios Containers Inc. completed the acquisition of the nine additional containerships from Rickmers Trust for a purchase price of $54,000, of which $26,680 was financed through the net proceeds under the bank loans and the remaining consideration of $27,320 through available cash. Initial capitalized costs of $8,105 were also incurred in connection with that acquisition.

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, 2018	December 31, 2017
Acquisition cost	$ 71,535	$ 71,535
Accumulated amortization	(46,185)	(13,039)
Time charters with favorable terms net book value	**$ 25,350**	**$ 58,496**

Amortization expense for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017 amounted to $33,146 and $13,039, respectively.

The remaining aggregate amortization of acquired intangibles as of December 31, 2018 was as follows:

Description	Within one year	Year Two	Total
Time charters with favorable terms	19,061	6,289	25,350
Total amortization	**19,061**	**6,289**	**25,350**

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 remaining useful lives for time charters with favorable terms are 1.3 years.

NOTE 8: BORROWINGS

Borrowings consist of the following:

Navios Containers credit facilities	December 31, 2018	December 31, 2017
ABN AMRO Bank N.V. $40 million facility	$ —	$ 32,500
ABN AMRO Bank N.V. $71 million facility	—	70,160
ABN AMRO Bank N.V. $50 million facility	50,000	—
BNP Paribas $24 million facility	29,464	18,000
BNP Paribas $25 million facility	23,611	—
HSH $36 million facility	32,000	—
Total loans	**$ 135,075**	**$ 120,660**
Financial liability	87,530	—
Total borrowings	**$ 222,605**	**$ 120,660**

Total borrowings	December 31, 2018	December 31, 2017
Total borrowings	$ 222,605	$ 120,660
Less: current portion of long-term debt	(27,626)	(42,499)
Less: current portion financial liability	(7,665)	—
Less: Deferred financing costs	(3,644)	(1,627)
Total long-term borrowings, net	**$ 183,670**	**$ 76,534**

ABN AMRO BANK N.V Facilities: On June 29, 2017, the Company entered into a facility agreement with ABN AMRO BANK N.V. (“ABN AMRO”) for an amount of up to $40,000 (divided in three tranches of up to $34,320, $3,180 and $2,500, respectively) to finance part of the purchase price of seven containerships. Pursuant to the supplemental agreement, dated June 29, 2018, the loan bore interest at a rate of LIBOR plus 400 basis points. The facility was repaid in full on November 09, 2018. As of December 31, 2018, there was no outstanding amount under this facility.

On July 27, 2017, the Company entered into a facility agreement with ABN AMRO for an amount of up to $21,000 to finance part of the purchase price of seven containerships. This loan bears interest at a rate of LIBOR plus 400 basis points. The Company has drawn the entire amount under this loan, within the third quarter of 2017, net of the loan’s discount of $315. On December 1, 2017 the Company extended the facility dated July 27, 2017, for an additional amount of $50,000 to finance part of the purchase price of four containerships. Pursuant to the supplemental agreement dated June 29, 2018 the additional loan bears interest at a rate of LIBOR plus 400 basis points. The Company had drawn the entire amount under the additional loan, within the fourth quarter of 2017, net of the loan’s discount of $625. On December 06, 2018, Navios Containers LP refinanced the July 27, 2017 credit facility. As of December 31, 2018, there was no outstanding amount under this facility.

On December 03, 2018, the Company entered into a facility agreement with ABN AMRO for an amount of up to $50,000 divided in 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 basis points. As of December 31, 2018, the company has drawn $50,000 under this facility, net of the loan’s discount of $500. As of December 31, 2018, the outstanding loan amount was $50,000 and is repayable in 16 consecutive quarterly installments, the first four in the amount of $4,000, the fifth in the amount of $3,375 and the subsequent 11 installments each in the amount of $1,650 along with a final balloon payment of $12,475 payable together with the last installment due in December 2022.

BNP Paribas Facilities: On December 20, 2017, the Company entered into a facility agreement with BNP Paribas for an amount of up to $24,000 (divided in four tranches of up to $6,000 each) to finance part of the purchase price of four containerships. This loan bears interest at a rate of LIBOR plus 300 basis points. As of December 31, 2018, the Company had drawn $24,000 under this facility, net of the loan’s discount of $300. As of December 31, 2018, the outstanding loan amount of the three tranches under this facility was $15,428 and is repayable in 16 equal consecutive quarterly installments, each in the amount of $642.9 along with a final balloon payment of $5,142 payable together with the last installment, falling due on December 22, 2022. The outstanding loan amount of the fourth tranche is $5,357 and is repayable in 17 equal consecutive quarterly installments each in the amount of $214.3 along with a final balloon payment of $1,714 payable together with the last installment on February 28, 2023.

In September 2018, the Company entered into a facility agreement with BNP Paribas to extend the facility dated December 20, 2017, for an additional amount of $9,000 to partially finance the purchase price of one containership. The Company drew the entire amount, net of the loan’s discount of $103.5, on September 7, 2018. As of December 31, 2018, the outstanding loan amount of the additional tranche is $8,679 and is repayable in 19 quarterly consecutive installments of $321.5 each plus a balloon installment of $2,570 payable together with the last installment. The additional tranche matures in September 2023 and bears interest at a rate of LIBOR plus 300 basis points per annum.

On May 25, 2018, the Company entered into a facility agreement with BNP Paribas for an amount of up to $25,000, to finance part of the purchase price of one containership. This loan bears interest at a rate of LIBOR plus 300 basis points. As of December 31, 2018, the Company had drawn $25,000 under this facility, net of the loan’s discount of $300. As of December 31, 2018, the outstanding loan amount under this facility was $23,611 and is repayable in 18 equal consecutive quarterly installments, each in the amount of $694.5 along with a final balloon payment of $11,110 payable together with the last installment due in May 2023.

HSH Nordbank AG and Alpha Bank A.E.: On June 28, 2018, the Company entered into a facility agreement with HSH Nordbank 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 basis points. As of December 31, 2018, the Company has drawn $36,000 under this facility, net of the loan’s discount of $270. As of December 31, 2018, the outstanding loan amount under this facility was $32,000 and is repayable in 14 consecutive quarterly installments in an amount of $1,200 each together with a final balloon payment of $15,200 payable together with the last installment falling due in June 2022.

On November 9, 2018, the Company entered into a facility agreement with HSH Nordbank 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 basis points and commitment fee of 0.75% per annum on the undrawn loan amount. Each tranche of the facility is repayable in 19 consecutive quarterly installments each in an amount of $678 together with a final balloon payment of $18,918 payable together with the last installment falling due in July 2023. No amount has been drawn under this facility as of December 31, 2018.

Financial Liability: On May 25, 2018, the Company entered into a $119,000 sale and leaseback transaction with Minsheng Financial Leasing Co. Ltd to refinance the outstanding balance of the existing facilities of 18 containerships. Navios Containers has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, 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 Navios Containers L.P. 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 does not intend to proceed with the sale and leaseback transaction of the four remaining vessels. Navios Containers L.P. is obligated to make 60 monthly payments in respect of all 14 vessels of approximately $1,097 each. Navios Containers L.P. also has an obligation to purchase the vessels at the end of the fifth year for $45,100. As of December 31, 2018, the outstanding balance under the sale and leaseback transaction was $87,530.

Amounts drawn under the facilities are secured by first priority mortgages on the Company’s vessels. The credit facilities and sale and leaseback transaction contain a number of restrictive covenants that limit Navios Containers L.P. 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 dividends; permitting any guarantor to form or acquire any subsidiaries. The majority of credit facilities and sale and leaseback transaction 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. Additionally, the facilities require compliance with certain financial covenants including maintenance covenants, such as loan-to-value ratio, minimum liquidity, net worth and ratio of liabilities to assets as defined in the credit facilities. It is an event of default under the credit facilities if such covenants are not complied with.

The Company’s credit facilities and sale and leaseback transaction also require compliance with a number of financial covenants, including: (i) maintain a value to loan ratio ranging from 120% to 125%; (ii) minimum free consolidated liquidity of $14,000 as at December 31, 2018 and equal to at least the product of $500 and the total number of vessels as defined in the Company’s credit facilities; (iii) maintain a ratio of liabilities-to-assets (as defined in the credit facilities) of less than 0.80 : 1.00; and (iv) maintain a minimum net worth of at least $75,000. Among other events, it will be an event of default under the credit facilities and sale and leaseback transaction if the financial covenants are not complied with.

In addition, it is a requirement under the credit facilities that Navios Holdings, Navios Partners, Angeliki Frangou and their respective affiliates collectively own at least 20% of the Company.

As of December 31, 2018, the Company was in compliance with all of the covenants under all of its credit facilities and sale and leaseback transaction.

The annualized weighted average interest rates of the Company’s total borrowings were 5.76% and 5.20% for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017, respectively.

For the year ended December 31, 2018 and for the period from April 28, 2017 to December 31, 2017, interest expense amounted to $10,187 and $1,863, respectively and is included under “Interest expense and finance cost” in the consolidated statements of income.

The maturity table below reflects the principal payments for the next five years of all borrowings of Navios Containers L.P. outstanding as of December 31, 2018 based on the repayment schedules of the respective loan facilities and financial liability (as described above).

Payment due by 12 month period ending	Amount in thousands of U.S. dollars
December 31, 2019	$ 36,431
December 31, 2020	29,258
December 31, 2021	28,066
December 31, 2022	59,049
December 31, 2023	69,801
Total	**$ 222,605**

(Expressed in thousands of U.S. dollars except unit and per unit data)

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 condensed 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 condensed 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.

Financial Liability: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the financial liability continues to approximate its 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, 2018		December 31, 2017	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 16,958	$ 16,958	$ 14,221	$ 14,221
Restricted cash	$ 1,934	$ 1,934	$ 280	$ 280
Balance due from related parties, non-current	$ 7,862	$ 7,862	$ 5,765	$ 5,765
Long-term debt, including current portion, net	$ (133,196)	$ (135,075)	$ (119,033)	$ (120,660)
Financial Liability, including current portion, net	$ (85,765)	$ (87,530)	$ —	$ —

Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at December 31, 2018			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 16,958	$ 16,958	$ —	$ —
Restricted cash	$ 1,934	$ 1,934	$ —	$ —
Balance due from related parties, non-current(1)	$ 7,862	$ —	$ 7,862	$ —
Long-term debt, including current portion, net(2)	$ (135,075)	$ —	$ (135,075)	$ —
Financial Liability, including current portion, net(3)	$ (87,530)	$ —	$ (87,530)	$ —

	Fair Value Measurements at December 31, 2017			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 14,221	$ 14,221	$ —	$ —
Restricted cash	$ 280	$ 280	$ —	$ —
Balance due from related parties, non-current (1)	$ 5,765	$ —	$ 5,765	$ —
Long-term debt, including current portion, net(2)	$ (120,660)	$ —	$ (120,660)	$ —

(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 liability 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 income (charter-out rates are presented net of commissions), for which a charter party has been concluded, is as follows:

	Amount in thousands of U.S. dollars
2019	77,359
2020	23,050
2021	9,847
2022	2,484
Thereafter	—
Total minimum lease revenue, net of commissions	**$ 112,740**

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 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 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.

NOTE 12: TRANSACTIONS WITH RELATED PARTIES

Management fees: Pursuant to a management agreement dated June 7, 2017, as amended on November 23, 2017 and further amended on April 23, 2018, 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. The fee for the ship management services provided by the Manager is a daily fee of US $6.1 for containerships from 3,000 TEU up to 5,500 TEU and $7.4 for containerships from 8,000 TEU up to 10,000 TEU. This fixed daily fee covers all of our vessels operating expenses, other than certain extraordinary fees and costs. Drydocking and special survey are paid to the Manager at cost. Total management fees included for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017, under the respective agreement amounted to $53,772 and $16,488, respectively, and are presented under "Management fees (entirely through related parties transactions)" in the consolidated statements of income.

General & administrative expenses: Pursuant to the Administrative Services Agreement dated June 7, 2017, the Manager also provides administrative services to Navios Containers L.P., 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. Total general and administrative fees charged by the Manager for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017 amounted to $6,638 and $1,868 and are presented under "General and administrative expenses" in the consolidated statements of income.

Balance due from related parties: Balance due from related parties as of December 31, 2018 and December 31, 2017 was $7,862 and $11,408 respectively. As of December 31, 2017, the short-term amounts due from Navios Holdings amounted to $5,643 and the long-term to $5,765. There were no short-term amounts due from Navios Holdings as of December 31, 2018. The balances mainly consisted of special survey and drydocking expenses for certain vessels of our fleet, as well as management fees, in accordance with the Management Agreement.

Balance due to related parties: Balance due to related parties as of December 31, 2018 was $4,065, which represented the current amount payable to Navios Holdings and its subsidiaries. The balance mainly consisted of payables for drydock and special survey expenses. Amounts due to related parties as of December 31, 2017 was $0.

Consideration payable to Navios Partners: The Company used the proceeds of the private placement on June 8, 2017, to acquire five 4,250 TEU vessels from Navios Partners for a total purchase price of $64,000. The payment terms included a $24,000 sellers' credit by Navios Partners for a period of up to 90 days at LIBOR plus 375 bps. On June 30, 2017 and August 29, 2017, the Company paid to Navios Partners $10,000 and $14,000, respectively, in relation to this agreement. As of December 31, 2018 and 2017, the amount due and the interest payable to Navios Partners related to this agreement was $0. Interest expense for the year ended December 31, 2018 and for the period from April 28, 2017 (date of inception) to December 31, 2017 amounted to $0 and $189, respectively and is included in "Interest expense and finance cost, net" in the consolidated statements of income.

Omnibus Agreement: On June 7, 2017, the Company entered into an omnibus agreement with 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 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.

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.

(Expressed in thousands of U.S. dollars except unit and per unit data)

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, 2018	Year Ended December 31, 2017
Asia	$ 108,508	$ 34,233
Europe	$ 25,413	$ 4,955
Total Revenue	**$ 133,921**	**$ 39,188**

NOTE 14: LISTING TRANSACTION-RELATED EXPENSES

Listing 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 unit holders by the weighted average number of common units of Navios Containers L.P. 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, 2018	Period from April 28, 2017 (date of inception) to December 31, 2017
Numerator		
Net income	$ 12,700	$ 2,638
Denominator:		
Denominator for basic and diluted earnings per common unit— weighted average number of common units	33,527,135	18,371,855
Basic and diluted net earnings per common unit	$ 0.38	$ 0.14

NOTE 16: PARTNERS' CAPITAL

Navios Containers L.P.

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.

Navios Containers Inc.

On June 8, 2017, Navios Containers Inc. closed its private placement and issued 10,057,645 common 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 common shares and Navios Holdings invested $5,000 and received 1,000,000 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 $5.00 per share.

On August 29, 2017, Navios Containers Inc. closed a follow-on private placement and issued 10,000,000 common shares at a subscription price of $5.00 per share resulting in gross proceeds of $50,000. Navios Partners invested $10,000 and received 2,000,000 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 $5.00 per share.

On November 9, 2017, Navios Containers Inc. closed a follow-on private placement and issued 9,090,909 common shares at a subscription price of $5.50 per share, resulting in gross proceeds of $50,000. Navios Partners invested $10,000 and received 1,818,182 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.

As of December 31, 2017, Navios Containers Inc. had 29,148,554 common shares of common stock outstanding and a total of 2,477,627 warrants outstanding.

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).

Following the private placement and the conversion described above, the Company had a total of 34,603,100 common units outstanding as of December 31, 2018. Upon the conversion of Navios Maritime Containers Inc. to a limited partnership all of the warrants described above issued to Navios Partners and Navios Holdings expired.

NOTE 17: SUBSEQUENT EVENTS

In March 2019, the Board of Directors authorized a unit repurchase program for up to $10,000 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.

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. The acquisition of the containership will be financed with a: (i) loan of up to $31,800 from a commercial bank; (ii) $5,000 credit by the seller for a period until January 2020; and (iii) cash on balance sheet. The containership is expected to be delivered to the Company’s owned fleet in the first half of 2019.

In January 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. The acquisition of the containership will be financed with a: (i) loan of up to $31,800 from a commercial bank; (ii) $15,000 credit by the seller for a period until December 31, 2019; and (iii) cash on balance sheet. The containership is expected to be delivered to the Company’s owned fleet in the first half of 2019.