

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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## **Report of Independent Registered Public Accounting Firm**

To the Board of directors of Navios Maritime Holdings Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Navios Maritime Holdings Inc. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive (loss)/income, of changes in equity and of cash flows for each of the two years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 relevant ethical requirements relating to our audit.

We conducted our audits of these consolidated financial statements in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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## **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### **Goodwill impairment assessment in the logistics business**

As disclosed in Note 2 to the consolidated financial statements, the carrying amount of the Group's goodwill is approximately \$104.1 million as of December 31, 2023, attributable to the logistics business. As disclosed by management, goodwill is assigned to reporting units and tested for impairment at least annually, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Management compares the aggregate fair value of the reporting unit to its carrying amount, including goodwill. Goodwill impairment loss is measured as the amount by which a reporting unit's carrying amount exceeds its fair value. Management determines the fair value of its logistics reporting units using the income approach (i.e. discounted cash flow method). Management forecasts all the expected net cash flows associated with the reporting unit, which includes the application of a terminal value for the period after forecast and applies a discount rate to arrive at the fair value. Expected net cash flows include EBITDA and future capital expenditures assumptions. EBITDA assumptions include revenue assumptions and direct and general and administrative expense assumptions. As disclosed by management the significant factors and assumptions used in its discounted cash flow analysis for the logistics reporting unit include the estimated time charter, voyage and port revenues for the unfixed days, the terminal value, terminal growth rate and the discount rate (i.e. "WACC") used to calculate the present value of future cash flows. The estimated time charter, voyage and port revenue for the unfixed days were determined by considering revenues from existing contracts and estimated revenues for the unfixed days, based on historical performance, including utilization rates and storage capacity. Terminal growth rate was determined by taking into consideration industry and market conditions. The WACC was based on externally observable data considering market participants' and the Company's cost of equity and debt, capital structure and risk factors specific to the Company.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment in the logistics business is a critical audit matter are (i) the significant judgment by management when determining the fair value of the reporting unit; (ii) a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating management's significant assumptions related to the estimated time charter, voyage and port revenues for the unfixed days, the terminal value, the terminal growth rate and the WACC; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.



Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment in the logistics business, including controls over the fair value estimate of the reporting unit. These procedures also included, among others, (i) evaluating the appropriateness of the discounted cash flow model utilized by management; (ii) testing management's process for determining the fair value of the reporting unit; (iii) testing the completeness, accuracy and relevance of underlying data used in the model; and (iv) evaluating the significant assumptions used by management related to the estimated time charter, voyage and port revenues for the unfixed days, the terminal value, the terminal growth rate and the WACC. Evaluating management's assumptions related to the estimated time charter, voyage and port revenues for the unfixed days, the terminal value, terminal growth rate and the WACC, involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit, (ii) the consistency with external market data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were engaged to assist in evaluating the appropriateness of management's discounted cash flow model, evaluating the reasonableness of the estimated time charter, voyage and port revenue for the unfixed days the terminal value, terminal growth rate used in discounted cash flow model and developing an independent estimate of the WACC.

*PricewaterhouseCoopers S.A.*

Athens, Greece  
April 30, 2024

We have served as the Company's (or its predecessor) auditor since 2002.

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

	Notes	December 31, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4, 12	\$ 89,395	\$ 78,541
Restricted cash	4, 12	10	310
Accounts receivable, net	5	37,595	46,494
Inventories		10,519	10,468
Prepaid expenses and other current assets	6	13,701	8,268
Investment in affiliate company	9	81,140	—
<b>Total current assets, continuing operations</b>		<b>232,360</b>	<b>144,081</b>
Current assets from discontinued operations	3	—	3,489
<b>Total current assets</b>		<b>232,260</b>	<b>147,570</b>
Vessels, port terminals and other fixed assets, net	7	488,644	495,919
Deferred dry dock and special survey costs, net		16,972	14,974
Investments in affiliate company	9	—	99,292
Other long-term assets	7	29,282	4,480
Operating lease assets	15	21,287	11,787
Intangible assets other than goodwill	8	44,599	46,193
Goodwill	2	104,096	104,096
<b>Total non-current assets</b>		<b>704,880</b>	<b>776,741</b>
<b>Total assets</b>		<b>\$ 937,240</b>	<b>\$ 924,311</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable		\$ 26,292	\$ 21,638
Accrued expenses and other liabilities	10	41,800	39,852
Deferred income and cash received in advance		2,980	4,271
Operating lease liabilities, current portion	14	2,711	834
Due to affiliate companies	15	4,397	1,642
Current portion of long-term debt, net	11, 12	31,297	23,544
Current portion of promissory note	15	—	10,000
Current portion of senior and ship mortgage notes, net	11, 12	8,626	—
<b>Total current liabilities, continuing operations</b>		<b>118,103</b>	<b>101,781</b>
Current liabilities from discontinued operations	3	—	6,082
<b>Total current liabilities</b>		<b>118,103</b>	<b>107,863</b>
Senior and ship mortgage notes, net of current portion	11, 12	492,371	496,608
Long-term debt, net of current portion	11, 12	41,455	35,769
Convertible debenture payable to affiliate company	11, 15	123,658	118,833
Other long-term liabilities and deferred income		812	927
Deferred voyage revenue, non current portion		—	1,313
Operating lease liabilities, net of current portion	14	18,591	10,953
Deferred tax liability	18	7,216	9,954
<b>Total non-current liabilities, continuing operations</b>		<b>684,103</b>	<b>674,357</b>
<b>Total liabilities</b>		<b>802,206</b>	<b>782,220</b>
<b>Commitments and contingencies</b>	13	—	—
<b>Stockholders' equity</b>			
Preferred Stock — \$0.0001 par value, authorized 1,000,000 shares, 16,988 and 23,032 issued and outstanding as of December 31, 2023 and 2022, respectively.	16	—	—
Common stock — \$0.0001 par value, authorized 250,000,000 shares, 500 and, 22,826,450 issued and outstanding as of December 31, 2023 and 2022, respectively.	16	—	2
Additional paid-in capital		665,078	664,932
Accumulated deficit		(591,147)	(576,053)
<b>Total Navios Holdings stockholders' equity</b>		<b>73,931</b>	<b>88,881</b>
Noncontrolling interest		61,103	53,210
<b>Total stockholders' equity</b>		<b>135,034</b>	<b>142,091</b>
<b>Total liabilities and stockholders' equity</b>		<b>\$ 937,240</b>	<b>\$ 924,311</b>

See notes to the consolidated financial statements

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

		Year Ended December 31, 2023	Year Ended December 31, 2022
	Notes		
Revenue	2	\$ 312,187	\$ 255,397
Time charter, voyage and logistics business expenses	14, 15	(86,329)	(69,372)
Direct vessel expenses	15	(87,038)	(76,776)
General and administrative expenses	15	(27,214)	(19,743)
Depreciation and amortization	7, 8	(30,734)	(31,713)
Allowance for credit losses	5	(392)	(320)
Interest income		2,856	878
Interest expense and finance cost	17	(67,938)	(64,902)
Impairment loss/ loss on sale of vessels	7	(1,651)	(3,195)
Non-operating other finance cost	11, 15	—	(24,000)
Other income	2	4,721	4,930
Other expense	18	(8,836)	(6,607)
<b>Income/(loss) before equity in net losses of affiliate company</b>		<b>\$ 9,632</b>	<b>\$ (35,423)</b>
Equity in net losses of affiliate company, including OTTI	9	(17,516)	(25,815)
<b>Loss before taxes</b>		<b>\$ (7,884)</b>	<b>\$ (61,238)</b>
Income tax benefit	19	683	401
<b>Net loss from continuing operations</b>		<b>\$ (7,201)</b>	<b>\$ (60,837)</b>
Net income from discontinued operations	3	—	146,106
<b>Net (loss)/income</b>		<b>\$ (7,201)</b>	<b>\$ 85,269</b>
Less: Net (income)/loss attributable to the noncontrolling interest		(7,893)	2,037
<b>Net (loss)/income attributable to Navios Holdings</b>		<b>\$ (15,094)</b>	<b>\$ 87,306</b>

See notes to the consolidated financial statements

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

	Notes	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATING ACTIVITIES:</b>			
Net (loss)/income		\$ (7,201)	\$ 85,269
<b>Adjustments to reconcile net (loss)/income to net cash provided by operating activities:</b>			
Depreciation and amortization	7, 8	30,734	49,848
Amortization and write-off of deferred financing costs	17	4,388	10,784
Amortization of deferred drydock and special survey costs		6,042	9,693
Allowance for credit losses	5	392	785
Stock-based compensation expenses	13	146	171
Loss on bond and debt extinguishment, net	3	—	221
Income tax benefit	18	(683)	(348)
Equity in net losses of affiliate company, net of dividends received	9	18,153	26,502
Impairment loss/ loss on sale of vessels, net	7	1,651	3,195
Non-operating other finance cost (Convertible Debenture)	11, 15	—	85,730
Gain on sale of shipping business	3	—	(169,631)
<b>Changes in operating assets and liabilities:</b>			
Decrease/(increase) in accounts receivable		11,881	(689)
Increase in inventories		(80)	(2,113)
(Increase)/decrease in prepaid expenses and other assets		(6,468)	7,288
Decrease in due from affiliate companies		1,590	34,279
Decrease in accounts payable		(1,413)	(2,177)
Decrease in accrued expenses and other liabilities		(2,007)	(21,619)
Increase/(decrease) in operating lease liabilities, net		15	(5,573)
Decrease in deferred income and cash received in advance		(2,604)	(2,558)
Decrease in other long-term liabilities		(115)	—
Payments for drydock and special survey costs		(8,644)	(11,451)
Convertible Debenture movement		4,825	33,103
<b>Net cash provided by operating activities</b>		<b>\$ 50,602</b>	<b>\$ 130,709</b>
<b>INVESTING ACTIVITIES:</b>			
Proceeds from the Transaction	3	—	370,638
Cash disposed of due to the Transaction	3	—	(9,862)
Deposits for vessels, port terminals and other fixed assets	7	(25,075)	(2,598)
Acquisition of Vimalcor	14	(1,424)	—
Proceeds from sale of asset	7	5,104	2,186
Acquisition of/additions to vessels	7	(19,061)	(21,357)
Purchase of property, equipment and other fixed assets	7	—	(6,892)
<b>Net cash (used in)/provided by investing activities</b>		<b>\$ (40,456)</b>	<b>\$ 332,115</b>

See notes to the consolidated financial statements



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

	<u>Notes</u>	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>
<b>FINANCING ACTIVITIES:</b>			
Tender offer - redemption of preferred stock	16	\$ —	\$ (9,993)
Repayment of loans payable to affiliate companies	11, 15	—	(375,264)
Proceeds from loans payable to affiliate companies	11, 15	—	262,632
Proceeds from long-term loans	11	40,000	296,725
Repayment of long-term debt and payment of principal	11	(28,230)	(78,584)
Repayment/repurchase of senior notes	11	—	(610,466)
Debt issuance costs		(1,362)	(1,645)
Repayment of finance lease liability		—	(229)
Acquisition of noncontrolling interest	15	(10,000)	(5,000)
<b>Net cash provided by/(used in) financing activities</b>		<b>\$ 408</b>	<b>\$ (521,824)</b>
<b>Increase/(decrease) in cash and cash equivalents and restricted cash</b>		<b>10,554</b>	<b>(59,000)</b>
<b>Cash and cash equivalents and restricted cash, beginning of year</b>		<b>78,851</b>	<b>137,851</b>
<b>Cash and cash equivalents and restricted cash, end of year</b>		<b>\$ 89,405</b>	<b>\$ 78,851</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>			
Cash paid for interest, net of capitalized interest		\$ 57,762	\$ 101,731
Cash paid for income taxes		\$ —	\$ 61
<b>Non-cash investing and financing activities</b>			
Acquisition of/additions to vessels	7	\$ 1,855	—
Transfers from deposits for vessels, port terminals and other fixed assets	7	\$ 1,907	—
Deposits for vessels, port terminals and other fixed assets	7	\$ 600	—
Drydock and special survey costs	7	\$ 130	\$ —
Lease of Twelve Jumbo Barges		\$ 3,031	\$ —
<b>Discontinued operations</b>			
Net cash provided by operating activities of discontinued operations		\$ —	\$ 101,021
Net cash provided by investing activities of discontinued operations		\$ —	\$ 339,419

See notes to the consolidated financial statements



**NAVIOS MARITIME HOLDINGS INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of U.S. dollars — except share data)

	Number of Preferred Shares	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Navios Holdings' Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
<b>Balance January 1, 2022</b>	<b>23,032</b>	<b>\$ —</b>	<b>25,198,620</b>	<b>\$ 2</b>	<b>\$ 679,301</b>	<b>\$ (667,906)</b>	<b>\$ 11,397</b>	<b>\$ 55,247</b>	<b>\$ 66,644</b>
Net income	—	—	—	—	—	87,306	87,306	(2,037)	85,269
Tender offer- redemption of preferred stock (Note 16)	(6,044)	—	—	—	(14,540)	4,547	(9,993)	—	(9,993)
Cancellation of shares (Note 16)	—	—	(2,452,170)	—	—	—	—	—	—
Stock-based compensation expenses (Note 16)	—	—	80,000	—	171	—	171	—	171
<b>Balance December 31, 2022</b>	<b>16,988</b>	<b>\$ —</b>	<b>22,826,450</b>	<b>\$ 2</b>	<b>\$ 664,932</b>	<b>\$ (576,053)</b>	<b>\$ 88,881</b>	<b>\$ 53,210</b>	<b>\$ 142,091</b>
Net (loss)/income	—	—	—	—	—	(15,094)	(15,094)	7,893	(7,201)
Cancellation of shares	—	—	(22,852,950)	(2)	—	—	(2)	—	(2)
Stock-based compensation expenses (Note 16)	—	—	—	—	146	—	146	—	146
<b>Balance December 31, 2023</b>	<b>16,988</b>	<b>\$ —</b>	<b>500</b>	<b>\$ —</b>	<b>\$ 665,078</b>	<b>\$ (591,147)</b>	<b>\$ 73,931</b>	<b>\$ 61,103</b>	<b>\$ 135,034</b>

See notes to the consolidated financial statements

**NAVIOS MARITIME HOLDINGS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in thousands of U.S. dollars — except share data)

**NOTE 1: DESCRIPTION OF BUSINESS**

Navios Maritime Holdings Inc. (“Navios Holdings” or the “Company”) owns a controlling equity stake in Navios South American Logistics Inc. (“Navios Logistics”), one of the largest infrastructure and logistics companies in the Hidrovia region of South America.

***Completion of the Merger***

On December 14, 2023, Navios Holdings completed the merger contemplated by the previously announced Agreement and Plan of Merger (the “Merger Agreement”), dated as of October 22, 2023, by and among the Company, N Logistics Holdings Corporation (“NLHC”), a company affiliated with the Company’s Chairwoman and Chief Executive Officer, Angeliki Frangou, Navigation Merger Sub Inc., a wholly owned subsidiary of NLHC (“Merger Sub”) and, for limited purposes, N Shipmanagement Acquisition Corp. (“NSC”), another company affiliated with Ms. Frangou (the “Merger”).

Under the terms of the Merger Agreement, each share of common stock, par value \$0.0001 per share, of the Company outstanding immediately prior to the effective time (other than shares of Common Stock held by (i) the Company or any of its subsidiaries or (ii) NLHC or Merger Sub) was converted into the right to receive \$2.28 per share in cash, without interest and subject to any applicable withholding taxes.

The Company’s outstanding shares of (i) 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock, (ii) 8.625% Series H Cumulative Redeemable Perpetual Preferred Stock, and (iii) Series I Non-Economic Preferred Stock were not affected by the Merger and remain outstanding as of December 31, 2023.

***Delist Common Stock from the NYSE***

In connection with the consummation of the Merger, on December 13, 2023, the Company notified the New York Stock Exchange (the “NYSE”) of the completion of the Merger on December 14, 2023 and requested that trading in the Company Common Stock on the NYSE be suspended prior to the opening of trading on December 14, 2023. As a result, the shares of Company Common Stock were no longer listed on the NYSE.

***Delist Series G ADSs and Series H ADSs from NYSE***

On February 8, 2024 the Company delisted the (i) 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock, \$0.0001 par value per share (the “Series G ADSs”) and (ii) 8.625% Series H Cumulative Redeemable Perpetual Preferred Stock, \$0.0001 par value per share (the “Series H ADSs”) from the NYSE and announced their deregistration thereof with the Securities and Exchange Commission (the “SEC”).

The Company intends to make publicly available the financial information about the Company necessary in order to allow the ADSs to be quoted on an over-the-counter (“OTC”) market. However, no assurance can be provided that any broker-dealer will make a market in the ADSs, which is a requirement for OTC quotation, or that trading of the ADSs will continue on an OTC market or elsewhere.

***2022 Transaction***

In September 2022, Navios Holdings completed the sale of its 36-vessel dry bulk fleet consisting of cash and the assumption of bank debt and finance leases related to the vessels, and subject to a working capital adjustment at closing (the “Transaction”), to Navios Partners. The former dry bulk vessel operations were historically a separate reportable segment of the Company. Subsequent to the closing of the Transaction, the results of the dry bulk vessel operations are reported as discontinued operations for all periods presented. For further information see Note 3 “Discontinued operations” in the consolidated financial statements. Upon the closing of the Transaction, the Company has one reportable segment.

***Navios South American Logistics Inc.***

Navios Logistics, a consolidated subsidiary of the Company, was incorporated under the laws of the Republic of the Marshall Islands on December 17, 2007. Navios Logistics believes it is one of the largest infrastructure and logistics companies in the Hidrovia region river system, the main navigable river system in the region (the “Hidrovia region”), and on the cabotage trades along the southeastern coast of South America. Navios Logistics operates with three reportable segments: the Port Terminal Business, the Cabotage Business and the Barge Business.

**NAVIOS MARITIME HOLDINGS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in thousands of U.S. dollars — except share data)

*Port Terminal Business*

Navios Logistics currently owns four port storage and transfer facilities: a grain port terminal (the “Grain Port Terminal”), which supports agricultural and forest-related exports; an iron ore port terminal (the “Iron Ore Port Terminal” and, together with the Grain Port Terminal, the “Dry Port Terminals”), which supports mineral-related exports; a liquid port terminal located in San Antonio, Paraguay, which provides tank storage for refined petroleum products; and a liquid port terminal in Uruguay, with tank storage for liquid cargoes and provision of bunkering services in Nueva Palmira Free Zone (together with the liquid port in San Antonio, Paraguay, the “Liquid Port Terminals”). The Grain Port Terminal and the Iron Port Terminal are located in Nueva Palmira, Uruguay. The Navios Logistics port facilities in Nueva Palmira have a total static grain-storage capacity of 460,000 metric tons, and a mineral-ore-stockpile capacity of 1,246,000 tons following the completion of a new stockpile area in the second quarter of 2023. The Liquid Port Terminal has a total static storage capacity of 65,660 cubic meters.

*Cabotage Business*

Navios Logistics owns and operates ocean-going vessels to support the transportation needs of its customers in the South American coastal-trade business. Its fleet consists of five ocean-going product tanker vessels and one river and estuary tanker vessel. Navios Logistics contracts its vessels operating in the Cabotage Business either on a time-charter basis or on a contract of affreightment (“CoA”) basis.

*Barge Business*

Navios Logistics services the Argentine, Bolivian, Brazilian, Paraguayan and Uruguayan river transportation markets through its fleet of 342 vessels in its Barge Business, including 30 pushboats and 312 barges. Navios Logistics operates different types of pushboats and wet and dry barges for delivering a wide range of dry and liquid products between ports in Hidrovia region. Navios Logistics typically contracts its vessels operating in the Barge Business either on a time-charter basis or on a CoA basis. Navios Logistics provides transportation for dry cargo (cereals, cotton pellets, soybeans, wheat, limestone (clinker), mineral iron, and rolling stones), liquid cargo (hydrocarbons such as crude oil, gas oil, naphtha, fuel oil and vegetable oils) and liquefied cargo (liquefied petroleum gas or “LPG”).

As of December 31, 2023, Navios Holdings owned 63.8% of Navios Logistics.

*Navios Partners*

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

As of December 31, 2023, Navios Holdings had a 10.3% ownership interest in Navios Partners. Incentive distribution rights are held by a consolidated subsidiary of Navios Holdings.

On January 9, 2024, the 3,183,199 common units previously beneficially owned by Navios Holdings and its wholly-owned subsidiaries, were transferred to NSM (as defined herein) in partial prepayment and satisfaction of an \$81,140 portion of the principal amount of the Convertible Debenture. As a result of this transaction, Navios Holdings and its wholly-owned subsidiaries ceased to beneficially own any common units in Navios Partners. Additionally, pursuant to this transaction, the investment was written down to its fair value and was included in the consolidated statement of financial position under current assets as of December 31, 2023. See Note 9 “Investments in affiliate company”.

**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”).

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

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Following Russia's invasion of Ukraine in February 2022 the United States, the European Union, the United Kingdom and other countries have announced sanctions against Russia, and may impose wider sanctions and take other actions in the future. Since October 2023, there is an ongoing Israel's war on Gaza. To date, no apparent consequences have been identified on the Company's business. Notwithstanding the foregoing, it is possible that these tensions might eventually have an adverse impact on our business, financial condition, results of operations and cash flows.

***Change in accounting policy:***

***Foreign Currency Translation:*** During the second quarter of 2023, the Company changed its accounting policy on foreign exchange differences recognized in the consolidated statements of comprehensive income. The foreign exchange gains and losses are presented in the same line item as the underlying transaction. Total impact for each of the years ended December 31, 2023 and 2022 were \$2,671 and \$1,140 respectively. The impact of the amounts reclassified to each underlying item was not material for all prior periods presented.

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

The Company also consolidates entities that are determined to be variable interest entities ("VIE") as defined in the accounting guidance, if the Company determines that it is the primary beneficiary of such entity. ASC 810-15-14 outlines the criteria for evaluating whether an entity is a VIE. A VIE is defined as a legal entity where either (i) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability; and an interest in the entity's residual risks and reward; or (ii) the equity interest holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support; or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both; and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

***Subsidiaries:*** Subsidiaries are 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 of the entity. 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 transferred, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill. All subsidiaries included in the consolidated financial statements are 100% owned, except for Navios Logistics for which is 63.8%.

***Discontinued Operations:*** Discontinued operations comprise the operations of a disposed component of an entity or a group of components of an entity if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. The Company determined that the sale of its 36-vessel dry bulk fleet completed on September 8, 2022, which resulted in a gain for the Company, represented a strategic shift in Company's business. Consequently, the results of the previously reported Dry Bulk Vessel Operation, are reported as discontinued operations in the consolidated statements of comprehensive (loss)/income for all the periods presented. For additional information on the Company's sale of the 36-vessel dry bulk fleet, see Note 3 "Discontinued operations" to the consolidated financial statements.

All references to the dry bulk vessels included in the following accounting policies relate to the periods prior to the completion of the Transaction.

***Investments in Affiliate Companies:*** Affiliate companies are entities over which the Company holds between 20% and 50% of the voting rights, or over which the Company has significant influence, but it does not exercise control. Investments in these entities are accounted for under the equity method of accounting. Under this method, the Company records an investment in the stock of an affiliate company at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate company subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate company reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliate companies, provided that the issuance of shares qualifies as a sale of shares. When the Company's share of losses in an affiliate company equals or exceeds its interest in the affiliate company, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate company.

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**Affiliate companies included in the financial statements accounted for under the equity method**

In the consolidated financial statements of Navios Holdings Navios Partners and its subsidiaries are included as affiliate companies and are accounted for under the equity method for such periods.

**Subsidiaries Included in the Consolidation:**

Company Name	Nature	Ownership Interest	Country of Incorporation	Statement of operations	
				2023	2022
Navios Maritime Holdings Inc.	Holding Company		Marshall Is.	1/1 - 12/31	1/1 - 12/31
Navios South American Logistics Inc.	Sub-Holding Company	63.8%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Navios Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Navios International Inc.	Operating Company	100%	Marshall Is.	—	1/1 - 7/29
Navimax Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Navios Handybulk Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Hestia Shipping Ltd.	Operating Company	100%	Malta	1/1 - 12/31	1/1 - 12/31
Anemos Maritime Holdings Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
NAV Holdings Limited	Sub-Holding Company	100%	Malta	—	1/1 - 9/8
Kleimar N.V.	Operating Company/ Vessel Owning Company/ Management Company	100%	Belgium	—	1/1 - 9/8
Bulkinvest S.A.	Operating Company	100%	Luxembourg	—	1/1 - 9/8
Primavera Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Ginger Services Co.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Aquis Marine Corp.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Astra Maritime Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Achilles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Apollon Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Herakles Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Hios Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 03/03	1/1 - 12/31
Ionian Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Kypros Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Meridian Shipping Enterprises Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Mercator Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Arc Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Horizon Shipping Enterprises Corporation	Vessel Owning Company	100%	Marshall Is.	1/1 - 03/07	1/1 - 12/31
Magellan Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Aegean Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Star Maritime Enterprises Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Corsair Shipping Ltd.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Rowboat Marine Inc.	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Vernazza Shiptrade Inc.	Operating Company	100%	Marshall Is.	—	1/1 - 9/8
Beaufiks Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 02/21	1/1 - 12/31
Portorosa Marine Corp.	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Shikhar Ventures S.A.	Vessel Owning Company	100%	Liberia	—	1/1 - 9/8
Sizzling Ventures Inc.	Operating Company	100%	Liberia	1/1 - 02/28	1/1 - 12/31
Rheia Associates Co.	Operating Company	100%	Marshall Is.	1/1 - 02/23	1/1 - 12/31
Taharqa Spirit Corp.	Operating Company	100%	Marshall Is.	1/1 - 02/23	1/1 - 12/31
Rumer Holding Ltd.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Pharos Navigation S.A.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Pueblo Holdings Ltd.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Quena Shipmanagement Inc.	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
White Narcissus Marine S.A.	Vessel Owning Company	100%	Panama	—	1/1 - 9/8

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Navios GP L.L.C.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Red Rose Shipping Corp.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Highbird Management Inc.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Ducale Marine Inc.	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Vector Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Faith Marine Ltd.	Vessel Owning Company	100%	Liberia	—	1/1 - 9/8
Navios Maritime Finance (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31
Navios Maritime Finance II (US) Inc.	Operating Company	100%	Delaware	1/1 - 12/31	1/1 - 12/31
Tulsi Shipmanagement Co.	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Cinthara Shipping Ltd.	Operating Company	100%	Marshall Is.	1/1 - 02/21	1/1 - 12/31
Rawlin Services Company	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Mauve International S.A.	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Serenity Shipping Enterprises Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Diesis Ship Management Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Navios Holdings Europe Finance Inc.	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Navios Asia LLC	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Iris Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Jasmine Shipping Corporation	Vessel Owning Company	100%	Marshall Is.	—	1/1 - 9/8
Roselite Shipping Corporation	Operating Company	100%	Marshall Is.	—	1/1 - 9/8
Smaltite Shipping Corporation	Operating Company	100%	Marshall Is.	1/1 - 02/20	1/1 - 12/31
Motiva Trading Ltd.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Alpha Merit Corporation	Sub-Holding Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Thalassa Marine S.A.	Operating Company	100%	Marshall Is.	—	1/1 - 7/29
Asteroid Shipping S.A.	Operating Company	100%	Marshall Is.	—	1/1 - 7/29
Cloud Atlas Marine S.A.	Operating Company	100%	Marshall Is.	—	1/1 - 7/29
Heodor Shipping Inc.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Pacifico Navigation Corp.	Operating Company	100%	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Rider Shipmanagement Inc.	Operating Company	100%	Marshall Is.	—	1/1 - 7/29
Talia Shiptrade S.A.	Operating Company	100%	Marshall Is.	—	1/1 - 7/29
Moonstone Shipping Corporation	Vessel Owning Company	100 %	Marshall Is.	—	1/1 - 9/8
Opal Shipping Corporation	Vessel Owning Company	100 %	Marshall Is.	—	1/1 - 9/8
Grimaud Ventures S.A.	Operating Company	100 %	Marshall Is.	1/1-12/31	1/1-12/31
Anafi Shipping Corporation	Operating Company	100 %	Marshall Is.	—	5/12 - 9/8

- (c) **Use of Estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 ongoing basis, management evaluates the estimates and judgments. Estimates and judgements management evaluates relate to, among other things, uncompleted voyages, future drydock dates, the assessment of other-than-temporary impairment related to the carrying value of investments in affiliate companies, the selection of useful lives for tangible and intangible assets, expected future cash flows from long-lived assets and operating lease assets to support impairment tests, impairment test for goodwill, allowance for credit losses necessary for accounts receivables and demurrages, provisions for legal disputes, pension benefits, contingencies and guarantees. Management bases its estimates and judgments on historical experience and on various other factors that they believe 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.
- (d) **Cash and Cash Equivalents:** Cash and cash equivalents consist of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.
- (e) **Restricted Cash:** As of both December 31, 2023 and 2022, within restricted cash are included amounts held as security in the form of letters of guarantee or letters of credit totaling \$10. As of December 31, 2022, within restricted cash is also included an amount of \$300 as cash collateral in escrow accounts, in relation to certain agreements.
- (f) **Insurance Claims:** Insurance claims at each balance sheet date consist of claims submitted and/or claims in the process of compilation or submission (claims pending). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reporting period, which are probable to be recovered from

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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.

- (g) **Inventories:** Inventories, which are comprised of lubricants, bunkers (when applicable) and stock provisions on board of the vessels, as well as petroleum products held by Navios Logistics, are stated at cost using the FIFO method or at the lower of cost or net realizable value, depending on the type of inventory. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is calculated using the first in first out method.
- (h) **Dry Bulk Vessels, Port Terminals, Tanker Vessels, Barges, Pushboats and Other Fixed Assets, net:** Dry bulk vessels, port terminals, tanker vessels, barges, pushboats and other fixed assets acquired as parts of business combinations are recorded at fair value on the date of acquisition, and if acquired as an asset acquisition, are recorded at cost (including transaction costs). Vessels constructed by the company would be stated at historical cost, which consists of the contract price, capitalized interest and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capability or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying consolidated statements of comprehensive (loss)/income.

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, port terminals, tanker vessels, barges, pushboats and other fixed assets, after considering the estimated residual value.

Annual depreciation rates used, which approximate the useful life of the assets are:

Dry bulk vessels	25 years
Port terminals	5 to 49 years
Tanker vessels, barges and pushboats	15 to 45 years
Furniture, fixtures and equipment	3 to 10 years
Computer equipment and software	5 years
Leasehold improvements	shorter of lease term or 6 years

- (i) **Deposits for Vessels, Port Terminals and Other Fixed Assets:** This represents amounts paid by the Company in accordance with the terms of the purchase agreements for the construction of vessels, port terminals and other long-lived fixed assets. Deposits for vessels, port terminals and other fixed assets also include pre-delivery expenses. Pre-delivery expenses represent any direct costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. As of December 31, 2023 and 2022, a total of \$27,079 and \$3,311 is included under the caption "Other long-term assets" in the consolidated statement of financial position relating to deposits for vessels, port terminals and other fixed assets. Interest costs incurred during the construction (until the asset is substantially complete and ready for its intended use) are capitalized. Capitalized interest for the years ended December 31, 2023 and 2022 amounted to \$826, and \$0, and is included in the in the consolidated statement of financial position under the caption "Other long-term assets", respectively.
- (j) **Assets Held for Sale:** The Company's policy is to dispose of vessels and other fixed assets when suitable opportunities occur and not necessarily to keep them until the end of their useful life. The Company classifies assets and disposal groups as being held for sale when the following criteria are met: management has committed to a plan to sell the asset (disposal group); the asset (disposal group) is available for immediate sale in its present condition; an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. No assets were classified as held for sale as of December 31, 2023 and 2022.
- (k) **Asset acquisition:** When the Company enters into an acquisition transaction, it determines whether the acquisition transaction is a purchase of an asset or a business based on the facts and circumstances of the transaction. In accordance with Topic 805, Business Combinations, the Company first evaluates whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets (Step 1). If that threshold is met, the set of assets



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and activities is not a business. If the threshold is not met, the Company evaluates whether the set meets the definition of a business (Step 2). To be considered a business, a set must include an input and a substantive process that together significantly contribute to the ability to create an output. All assets acquired and liabilities assumed in a business combination are measured at their fair values on the acquisition date. For asset acquisitions, the net assets acquired should be measured following a cost accumulation and allocation model under which the cost of the acquisition is allocated on a relative fair value basis to the qualifying assets acquired. In May 2023, Navios Logistics completed the acquisition of the stock of Vimalcor S.A. (“Vimalcor”) for a purchase price of \$1,600. The transaction was accounted for as an asset acquisition, as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable group of assets, being the right of use of a plot of land in the port of Montevideo (refer to Note 8 “Intangible assets other than goodwill” and Note 14 “Leases”).

- (l) **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. Navios Holdings’ management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value.

*Navios Holdings*

Navios Holdings determined the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment were reviewed, such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows were determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, the unamortized portion of ballast water treatment system and the unamortized portion of other capitalized items, if any related to the vessel or the carrying value of deposits for newbuildings. The loss recognized either on impairment (or on disposition) would reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

Where the undiscounted projected net operating cash flows for each asset group did not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeded to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determined the fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations performed on an individual vessel basis.

Pursuant to the Transaction during the third quarter of 2022, the Company completed the sale of its 21 owned vessels to Navios Partners. For further information see Note 3 “Discontinued operations” in the consolidated financial statements. No impairment losses were recognized on any of Navios Holdings vessels during the year ended December 31, 2022.

*Navios Logistics*

Vessels, other fixed assets and other long-lived assets held and used by Navios Logistics 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. In accordance with accounting for long-lived assets, management determines projected undiscounted cash flows for each asset group and compares it to its carrying amount. In the event that projected undiscounted cash flows for an asset group is less than its carrying amount, then management reviews fair values and compares them to the asset group’s carrying amount. In the event that impairment occurs, an impairment charge is recognized by comparing the asset group’s carrying amount to its fair value. For the purposes of assessing impairment, long lived assets are grouped at the lowest levels for which there are separately identifiable cash flows.

During the third quarter of 2023, Navios Logistics completed the sale of vessel Heman H for a sale price of \$4,450. The impairment loss of \$1,651 (including \$734 remaining carrying balance of dry dock costs), being the difference of vessel’s carrying value and fair value, recorded in the second quarter of 2023, is included in the consolidated statements of comprehensive (loss)/income under the caption “Impairment loss/ loss on sale of vessels, net”. The fair value was determined based on the agreed sale’s price.

No impairment loss was recorded on any of the remaining vessels, other fixed assets and other long-lived assets held and used by

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During the fourth quarter of 2022, Navios Logistics completed the sale of vessel Malva H for a sale price of \$2,186. The impairment loss of \$778 (including \$732 remaining carrying balance of dry dock costs), being the difference of vessel's carrying value and fair value, recorded in the third quarter of 2022, is included in the consolidated statements of comprehensive (loss)/income under the caption "Impairment loss/ loss on sale of vessels, net". The fair value was determined based on the agreed sale's price. No impairment triggering events were identified and consequently no impairment loss was recorded on any of the remaining tanker vessels of Navios Logistics during the year ended December 31, 2022. Further, in the third quarter of 2022, Navios Logistics recorded an impairment loss of \$2,417 for certain barges, representing the difference between the fair value and the carrying value together with the carrying value of deferred drydock and special survey costs, if any, related to these barges, which is included in the consolidated statements of comprehensive income under the caption "Impairment loss/ loss on sale of vessels, net". The fair value was determined based on the agreed or expected sale's price.

No impairment loss was recorded on any of the remaining vessels, other fixed assets and other long-lived assets held and used by Navios Logistics for the year ended December 31, 2022.

- (m) **Deferred Drydock and Special Survey Costs:** The Company's vessels, barges and pushboats are subject to regularly scheduled drydocking and special surveys which are carried out every 30 and 60 months, respectively, for ocean-going vessels, and up to every 72 to 96 months for pushboats and barges, 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 other 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, barges and pushboats sold are written off to income in the year the vessel, barge or pushboat is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For each of the years ended December 31, 2023 and 2022, the amortization of deferred drydock and special survey costs from continuing operations was \$6,042 and \$4,356, respectively.

- (n) **Deferred Financing Costs:** Deferred financing costs include fees, commissions and legal expenses associated with obtaining or modifying loan facilities. Deferred financing costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related debt using the effective interest rate method, and are included in interest expense. Amortization and write-off of deferred financing costs from continuing operations for each of the years ended December 31, 2023 and 2022 were \$4,388 and \$3,980, respectively. See Note 17 "Interest Expense and Finance Cost" to the consolidated financial statements.

(o) **Goodwill and Other Intangibles**

(i) **Goodwill:** Goodwill is tested for impairment at the reporting unit level at least annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable.

Navios Holdings evaluated impairment of goodwill using a single step process following the adoption of ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350)" as of January 1, 2020. The aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. During 2022, goodwill of \$56,240 allocated to the Dry Bulk Vessel Operations was included in the carrying value of the disposal group. Please refer to Note 3 "Discontinued Operations".

As of December 31, 2023 and 2022, the Company performed its annual impairment test for the Logistics Business, which is allocated goodwill of \$104,096. Goodwill is assigned to the reporting units and tested for impairment at least annually, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Management compares the aggregate fair value of the reporting unit to its carrying amount, including goodwill. Goodwill impairment loss is measured as the amount by which a reporting unit's carrying amount exceeds its fair value. Management determines the fair value of its logistics reporting unit using the income approach (i.e. discounted cash flow method). Management forecasts all the expected net cash flows associated with the reporting unit, which includes the application of a terminal value for the period after forecast and applies a discount rate to arrive at the fair value. Expected net cash flows include EBITDA and future capital expenditures assumptions. EBITDA assumptions include revenue assumptions, direct and general and administrative expense assumptions. The significant factors and assumptions used in the discounted cash flow analysis include the estimated time charter, voyage and port revenue for the unfixed days, the terminal value, terminal growth rate and the discount rate (i.e.

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“WACC”) used to calculate the present value of future cash flows. The estimated time charter, voyage and port revenue for the unfixed days were determined by considering revenues from existing contracts and estimated revenues for the unfixed days, based on historical performance, including utilization rates and storage capacity. Terminal growth rate was determined by taking into consideration industry and market conditions. The WACC was based on externally observable data considering market participants’ and the Company’s cost of equity and debt, capital structure and risk factors specific to the Company.

No impairment loss was recorded for any of the periods presented for both the Dry Bulk Vessel Operations and the Logistics Business.

(ii) **Intangibles Other Than Goodwill:** As of the year ended December 31, 2023 and 2022, consolidated intangible assets, consist of Navios Logistics customer relationships and port terminal operating rights. During the year ended December 31, 2022, Navios Holding’s trade name of \$44,015 (fully allocated to the Dry Bulk Vessel Operations), was included in the carrying value of the disposal group.

The Company reviews its other intangibles including customer relationships and port terminal operating rights periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Intangibles other than goodwill would be considered impaired if their carrying value is not recovered from the future undiscounted cash flows associated with the asset (step one). Measurement of the impairment loss is determined as the difference between the carrying amount and the fair value of the intangible asset.

As of December 31, 2023, the Company concluded that no events and circumstances occurred that could trigger the existence of potential impairment of the Navios Logistics’ other intangible assets including port terminal operating rights and customer relationships. As a result, step one of impairment assessment was not required as of December 31, 2023.

No impairment loss was recorded for the Group’s intangible assets as of December 31, 2023 and 2022.

The weighted average amortization periods for intangibles are:

<u>Intangible assets</u>	<u>Years</u>
Port terminal operating rights	47
Customer relationships	20

(p) **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. The Company’s subsidiaries in Uruguay, Argentina, Brazil and Paraguay transact a nominal amount of their operations in Uruguayan pesos, Argentinean pesos, Brazilian reals and Paraguayan guaranies, whereas the Company’s wholly-owned vessel subsidiaries and the vessel management subsidiaries transact nominal operations in Euros; however, all of the subsidiaries’ primary cash flows are U.S.-dollar denominated. The financial statements of the foreign operations are translated using the exchange rate at the balance sheet date except for property and equipment and equity, which are translated at historical rates. 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 comprehensive (loss)/income. During the second quarter of 2023, the Company changed its accounting policy on foreign exchange differences recognized in the consolidated statements of comprehensive income. The foreign exchange gains and losses are presented in the same line item as the underlying transaction. Total impact for each of the years ended December 31, 2023 and 2022 were 2,671 and \$1,140 respectively. The impact of the amounts reclassified to each underlying item was not material for any of the prior periods presented.

(q) **Provisions:** In the ordinary course of its business, the Company 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 loss amount can be reasonably estimated. If the Company has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Company will provide for the lower amount within the range. For further information on estimating contingent losses, see Note 13 “Commitments and Contingencies” in the consolidated financial statements.

**Insurance Claims**

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When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Amounts for insurance claims are recognized when amounts are virtually certain to be received, based on the management's judgment and estimates of independent adjusters as to the amount of the claims.

- (r) **Segment Reporting:** Operating segments, as defined, indicate components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Based on the Company's methods of internal reporting and management structure, the Company through September 8, 2022 had two reportable segments: the Dry Bulk Vessel Operations segment and the Logistics Business segment. The Company determined that the sale of its 36-vessel dry bulk fleet completed on September 8, 2022, represented a strategic shift in Company's business. Consequently, following the completion of the disposal, the results of operations of the previously reported Dry -Bulk segment are reported as discontinued operations.
- (s) **Revenue and Expense Recognition:**

**Revenue Recognition:** Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers control of the promised goods or services to its customers. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

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

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

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

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

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

Revenues from time-chartering and bareboat chartering of vessels and barges are accounted for as operating leases and are thus recognized on a straight-line basis as the average revenue over the rental periods of such charter agreements as service is performed. However, for loss generating time charters, the loss is recognized in the period during which the loss is generated. A time-charter involves placing a vessel or barge at the charterer's disposal for a period of time during which the charterer uses the

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vessel in return for the payment of a specified daily hire rate. Charters for periods of less than three months are referred to as spot-charters. Charters for periods of three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. For time-charters, the owner of the vessel typically pays the vessel's operating costs, such as crews, maintenance and insurance.

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

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

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

The following tables reflect the revenue earned per category for the years ended December 31, 2023 and 2022:

	Year Ended December 31, 2023	Year Ended December 31, 2022
COA/Voyage revenue	\$ 81,219	\$ 77,798
Time chartering revenue	91,413	59,120
Dry Port terminal revenue	98,314	96,311
Storage fees (dry port) revenue	1,772	2,233
Dockage revenue	10,058	6,596
Sale of products revenue	20,698	5,183
Liquid port terminal revenue	5,780	7,010
Other	2,933	1,146
<b>Total</b>	<b>\$ 312,187</b>	<b>\$ 255,397</b>

**General and administrative expenses:** Pursuant to an administrative services agreement dated August 29, 2019 (the “Administrative Services Agreement”), NSM provides administrative services to Navios Holdings. . The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The Administrative Services Agreement also provides that the Company pay a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Holdings in the event the Administrative Services Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. Pursuant to an administrative services agreement with the Manager dated August 29, 2019, NSM provides also administrative services to Navios Logistics. For information on the Administrative Services Agreement, see Note 15 “Transactions with Related Parties” in the consolidated financial statements.

**Deferred Income and Cash Received in Advance:** Deferred voyage revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the voyage or charter period.

**Time Charter, Voyage and Logistics Business Expenses:** Time charter, voyage and logistics business expenses comprise all expenses related to each particular voyage, including time charter hire paid and voyage freight paid, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter, voyage and logistics business expenses are charterers' liability insurances, allowance for credit losses on time charters and voyages in progress at year-end, direct port terminal expenses and other miscellaneous expenses. In the transition to ASC 842, the operating lease assets were adjusted for the carrying amount of the liability regarding the allowance for credit losses on time charters and voyages in

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progress on that date.

**Direct Vessel Expenses:** Direct vessel expenses consisted of all expenses relating to the operation of vessels, including crewing, repairs and maintenance, insurance, stores and lubricants and miscellaneous expenses such as communications and amortization of drydocking and special survey costs, net of related party management fees for vessel operating expenses. Prior to the Transaction, these services are provided to Navios Holdings' vessels by NSM, pursuant to a management agreement dated August 29, 2019 (the "Management Agreement") (see also Note 15 "Transactions with Related Parties" to the consolidated financial statements). The ship management services fees provided by the Manager was a fixed rate of \$3.7 per day per owned/bareboat-in vessel until August 2021, \$3.8 per day per owned/bareboat-in vessel until August 2022 and \$3.9 per day until the closing of the Transaction on September 8, 2022. The fee for the ship management services provided by the Manager was a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement were reimbursed by Navios Holdings at cost. The agreement also provided for payment of a termination fee by Navios Holdings, equal to the fees charged for the full calendar year preceding the termination date, in the event the Management Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. No such fees were triggered.

**Prepaid Voyage Costs:** Prepaid voyage costs relate to cash paid in advance for expenses associated with voyages. These amounts are recognized as expenses over the voyage or charter period presented under the caption "Prepaid and other current assets".

**(t) Employee benefits:**

**Stock-Based Compensation:** In December 2022, the Company authorized the grant of restricted common stock. In December 2017, the Company authorized the grant of restricted common stock and restricted stock units. These awards of restricted share units, share appreciation rights, restricted common stock, restricted stock units and stock options are based on service conditions only and vest over three and four years. On December 13, 2023, the outstanding restricted options of 250,000 were expired and no further restricted options existed. Pursuant to the Merger all restricted options were forfeit and as such, the Company did not have any stock plan in place.

The fair value of restricted share units, restricted stock and restricted stock units was determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period.

**(u) Financial Instruments:** Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, account receivables and payables, other current assets and other liabilities, long-term debt, capital leases and available-for-sale securities. 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 freight rates, 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:** The Company closely monitors its exposure to customers and counterparties for credit risk. Navios Holdings, through its access to NSM policies and personnel, has policies designed to limit trading to customers and counterparties with an appropriate credit history. Credit risk with respect to accounts receivable is reduced by the Company by rendering services to established international operators. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

**Liquidity Risk:** Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company monitors cash balances appropriately to meet working capital needs.

**Foreign Exchange Risk:** Foreign currency transactions are converted into the measurement currency at rates prevailing on the dates of the relevant transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive (loss)/income are presented in the same line item as the underlying transaction.

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- (v) **Income Taxes:** The Company is a Republic of the Marshall Islands corporation. Pursuant to various treaties and the United States Internal Revenue Code, the Company believes that substantially all its operations are exempt from income taxes in the Republic of the Marshall Islands and the United States of America. The tax expense reflected in the Company's consolidated financial statements for the years ended December 31, 2023 and 2022 was mainly attributable to its subsidiaries in South America, which are subject to the Argentinean and Paraguayan income tax regimes.

The asset and liability method is used to account for future income taxes. Under this method, future income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Future income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A deferred tax asset is recognized for temporary differences that will result in deductible amounts in future years. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

As a result of the Law 27,630, voted by the Argentinean Parliament in June 2021, income tax rates and scales were modified. Scales are updated annually as per inflation. Income tax liabilities of the Argentinean subsidiaries for the current period is measured at the amount expected to be paid to the taxation authorities using a tax rate of 35% on any taxable profit above 143 million Argentinean pesos or \$177, 30% on any taxable profit between 14 million Argentinean pesos or \$17 and 143 million Argentinean pesos or \$177, and 25% on any taxable profit below 14 million Argentinean pesos or \$17. In measuring its income tax assets and liabilities, the Company used the rate that is expected to be enacted at the time of the reversal of the asset or liability in the calculation of the deferred tax for the items related to Argentina. An income tax rate of 35% was applied on temporary differences, reversals of which are expected to occur in respect of 2021 fiscal year and onwards.

- (w) **Dividends:** Dividends are recorded in the Company's financial statements in the period in which they are declared. Navios Holdings has not paid any dividend to its common stockholders and preferred stockholders during each year ended December 31, 2023 and 2022. In November 2015, Navios Holdings announced that the Board of Directors decided to suspend the dividend to its common stockholders. In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G ADSs and Series H ADSs. All intercompany dividends are eliminated upon consolidation.
- (x) **Leases:** Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases. In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the consolidated balance sheets and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a gross investment in the lease.

The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease.

For charters classified as operating leases where Navios Holdings is deemed the lessor, refer to Note 2(r) "Summary of Significant Accounting Policies -Revenue and Expense Recognition" to the consolidated financial statements. The Company acts as a lessor under operating leases in connection with all of its charter out arrangements.

In cases of lease agreements where the Company acts as lessee, the Company recognizes an operating lease asset and a corresponding lease liability on the consolidated balance sheet. For charters classified as operating leases where Navios Holdings is or is deemed the lessee, the expense is recognized on a straight-line basis over the rental periods of such charter agreements. The expense is included under the caption "Time charter, voyage and logistics business expenses".

In cases of sale and leaseback agreements, if the transfer of the asset to the lessor does not qualify as a sale, then the agreement constitutes a failed sale and leaseback and is accounted for as a financial liability. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset.

Right-of-used assets in relation to leased assets under finance leases, for which the purchase option is reasonably certain to be exercised, are presented under "Vessels, port terminals and other fixed assets, net" and "Other long-term assets" in the consolidated balance sheets. See also Note 7.



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**Impairment of operating lease assets:** Operating lease assets used by Navios Holdings were reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss was determined as the difference between the carrying value and the fair value of the asset group. Navios Holdings determined the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment were reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows were determined for each asset group and compared to the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest (asset group). If the step two of the impairment analysis was required, the analysis included the use of discounted cash flows which includes various assumptions, including the Company's WACC.

If management determined that step two of the impairment analysis was required for any of our asset groups, a discounted cash flow analysis using the Company's WACC was performed. The WACC was based on externally observable data considering market participants' and the Company's cost of equity and debt, optimal capital structure and risk factors specific to the Company. Where the undiscounted projected net operating cash flows for each asset group did not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeded to perform step two of the impairment assessment.

Pursuant to the Transaction during the third quarter of 2022, the Company completed the sale of its 15 charter-in and bareboat-in vessels to Navios Partners. For further information see Note 3 "Discontinued operations" in the consolidated financial statements.

Navios Logistics operating lease assets are assessed for impairment along with the group of assets to which they belong. No such impairment loss was recognized for any of the years presented.

- (y) **Treasury Stock:** Treasury stock is accounted for using the cost method. Excess of the purchase price of the treasury stock acquired, plus direct acquisition costs over its par value is recorded in additional paid-in capital.
- (z) **Trade Accounts Receivable:** The amount shown as accounts receivable, trade, at each balance sheet date, includes receivables from charterers for hire, freight and demurrage billings, net of an allowance for credit losses. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate allowance for credit losses.
- (aa) **Cumulative Redeemable Perpetual Preferred Stock:** The Company's American Depositary Shares, Series G ADSs and the American Depositary Shares, Series H ADSs were recorded at fair market value on issuance. Each of the shares represents 1/100th of a share of the Series G ADSs, with a liquidation preference of \$2,500.00 per share (\$25.00 per American Depositary Share). Dividends were to be payable quarterly in arrears on the Series G ADSs at a rate of 8.75% per annum and on the Series H ADSs at a rate of 8.625% per annum of the stated liquidation preference. At any time on or after January 28, 2019, the Series G ADSs may be redeemed at the Company's option and at any time on or after July 8, 2019, the Series H ADSs may be redeemed at the Company's option (and the American Depositary Shares can be caused to be redeemed), in whole or in part, out of amounts legally available therefore, at a redemption price of \$2,500.00 per share (equivalent to \$25.00 per American Depositary Share) plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. The Company has accounted for these shares as equity. On February 8, 2024, the Company delisted its Series G ADSs and Series H ADSs from NYSE. For information on Series G ADSs and H ADSs, see Note 16 "Preferred and Common Stock" in the consolidated financial statements.
- (ab) **Convertible Debenture and Series I Preferred Stock:** Concurrently with the refinancing of the NSM loans I & II, Navios Holdings entered into a convertible debenture with NSM (the "Convertible Debenture") covering certain payments under the NSM Loans including an upfront fee of \$24,000, accrued interest, and prepayment fees. NSM has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. In accordance with the terms of the Convertible Debenture, on January 3, 2022, Navios Holdings issued 1,000 shares of preferred stock (the "Series I Preferred Stock"), which have no voting and no economic rights. The Convertible Debenture was deemed to be a single liability instrument at inception under ASC 480, as the preferred shares embody an unconditional obligation that the issuer may settle by issuing a variable number of its equity shares with a monetary value that is determinable. Payments/PIK to holders are reported as interest cost and accrued but not-yet-paid payments increase the balance of the Convertible Debenture. The Convertible Debenture was accounted for under ASU 2020-06 (Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40), amounts to \$123,658 and \$118,833 as of December 31, 2023 and 2022, respectively, and is presented under the caption

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“Convertible debenture payable to affiliate companies” in the consolidated balance sheets. The Series I Preferred Stock represents 31,161,170 and 29,945,271 shares of common stock issuable as of December 31, 2023 and 2022 respectively, which are deemed outstanding for voting purposes. On January 9, 2024, the Company transferred 3,183,199 common units of Navios Partners owned by the Company and its subsidiaries in partial prepayment and satisfaction of an \$81,140 portion of the Convertible Debenture. As of January 9, 2024, the outstanding balance of the Convertible Debenture was \$43,920. For further information, refer to Note 15 “Transactions with Related Parties”.

- (ac) **Investment in Equity Securities:** Navios Holdings evaluates its investment in Navios Partners for OTTI on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than the carrying value, (ii) the financial condition and near-term prospects of Navios Partners, and (iii) the intent and ability of the Company to retain its investment in Navios Partners for a period of time sufficient to allow for any anticipated recovery in fair value. If the Company considers any decline to be “other-than-temporary”, then the Company would write down the carrying amount of the investment to its estimated fair value. Refer to 9 “Investment in affiliate company”.
- (ad) **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.

(ae) **Recent Accounting Pronouncements:**

*Adoption of new accounting pronouncements:*

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-4, “Reference Rate Reform (Topic 848)” (“ASU 2020-4”), which provides optional guidance intended to ease the potential burden in accounting for the expected discontinuation of LIBOR as a reference rate in the financial markets. The guidance can be applied to modifications made to certain contracts to replace LIBOR with a new reference rate. The guidance, if adopted, will permit entities to treat such modifications as the continuation of the original contract, without any required accounting reassessments or remeasurements. In addition, in January 2021, the FASB issued ASU No. 2021-01 with respect to the Reference Rate Reform (Topic 848). The amendments in this Update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The ASU 2020-4 was effective for the Company beginning on March 12, 2020 and the Company will apply the amendments prospectively through December 31, 2024. There was no material impact to the Company's consolidated financial statements as of December 31, 2023.

**NOTE 3: DISCONTINUED OPERATIONS**

In September 2022, Navios Holdings completed the sale of its 36-vessel dry bulk consisting of cash and the assumption of bank debt and finance leases related to the vessels and subject to working capital adjustment at closing, to Navios Partners (the “Transaction”). The closing of the Transaction was effected in two tranches. The first tranche, involving the transfer of 15 charter-in and bareboat vessels, was completed on July 29, 2022. The second tranche, involving the remaining 21 owned vessels, was completed on September 8, 2022. The net cash proceeds of \$370,638 were used (i) to repay \$262,632 under the NSM Loans and (ii) to fully redeem the outstanding balance of \$80,000 under the 2022 Senior Secured Notes at maturity on August 15, 2022.

The difference between the cash consideration received from the disposal and the carrying value of the disposed component resulted in a gain on sale of \$169,631 and is included in the consolidated statements of comprehensive income under the caption “Net income from discontinued operations”.

The gain on sale was calculated as follows:

<b>Proceeds received:</b>	
Cash consideration	<b>\$ 370,638</b>
<b>Carrying value of assets and liabilities:</b>	

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Book value of Vessels and other fixed assets	452,697
Book value of Operating lease assets and other, net	19,016
Book value of Intangible assets other than goodwill	42,082
Book value of Goodwill	56,240
Bank debt and finance leases payable assumed by Navios Partners	(332,013)
Net liabilities derecognized	(37,015)
	<b>201,007</b>
<b>Gain on sale</b>	<b>\$ 169,631</b>

Amounts recorded in respect of discontinued operations in the years ended December 31, 2023 and 2022, respectively are as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue	\$ —	\$ 204,981
Time charter, voyage and logistics business expenses	—	(38,515)
Direct vessel expenses	—	(30,686)
General and administrative expenses	—	(11,408)
Depreciation and amortization	—	(18,135)
Interest expense and finance cost, net	—	(58,791)
Loss on bond extinguishment, net	—	(221)
Non-operating other finance cost	—	(61,730)
Gain on sale of shipping business	—	169,631
Other expense, net	—	(8,967)
Income tax expense	—	(53)
<b>Net income from discontinued operations</b>	<b>\$ —</b>	<b>\$ 146,106</b>

Assets and liabilities in respect of discontinued operations presented within the consolidated balance sheet as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Accounts receivable, net	—	3,489
<b>Total assets of discontinued operations</b>	<b>\$ —</b>	<b>\$ 3,489</b>
Accounts payable	—	3,692
Accrued expenses and other liabilities	—	1,825
Due to related parties, net	—	565
<b>Total liabilities of discontinued operations</b>	<b>\$ —</b>	<b>\$ 6,082</b>

**NOTE 4: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

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

	December 31, 2023	December 31, 2022
Cash on hand and at banks	\$ 24,380	\$ 32,851
Short-term deposits and highly liquid funds	65,015	45,690
Restricted cash	10	310
<b>Cash and cash equivalents and restricted cash</b>	<b>\$ 89,405</b>	<b>\$ 78,851</b>

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

Cash deposits and cash equivalents in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Holdings does maintain cash deposits and equivalents in excess of government provided insurance limits. Navios Holdings reduces exposure to credit risk by dealing with a diversified group of major financial institutions. See also Note 2(e) “Summary of Significant Accounting Policies-Restricted Cash” to the consolidated financial statements.

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**NOTE 5: ACCOUNTS RECEIVABLE, NET**

Accounts receivable consisted of the following:

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 40,741	\$ 49,841
Less: Allowance for credit losses	(3,146)	(3,347)
<b>Accounts receivable, net</b>	<b>\$ 37,595</b>	<b>\$ 46,494</b>

Changes to the allowance for credit losses are summarized as follows:

Allowance for credit losses	Balance at Beginning of Period	Charges to Costs and Expenses	Amount Utilized	Balance at End of Period
Year ended December 31, 2021	\$ (2,884)	\$ (391)	\$ —	\$ (3,275)
Year ended December 31, 2022	\$ (3,275)	\$ (320)	\$ 248	\$ (3,347)
Year ended December 31, 2023	\$ (3,347)	\$ (392)	\$ 593	\$ (3,146)

Concentration of credit risk with respect to accounts receivable is limited due to the Company's large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

For the year ended December 31, 2023, two customers accounted for 21.0% and 11.2% respectively, of the Company's revenue from continuing operations. For the year ended December 31, 2021, two customers accounted for 20.9% and 13.4%, respectively, of the Company's revenue from continuing operations.

**NOTE 6: PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consisted of the following:

	December 31, 2023	December 31, 2022
Prepaid voyage and operating costs	\$ 5,647	\$ 3,408
Claims receivable	1,624	419
Prepaid other taxes	1,230	2,881
Other	5,200	1,560
<b>Total prepaid expenses and other current assets</b>	<b>\$ 13,701</b>	<b>\$ 8,268</b>

Claims receivable mainly represents claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts including off-hires. While it is anticipated that claims receivable will be recovered within one year, such claims may not all be recovered within one year due to the attendant process of settlement. Nonetheless, amounts are classified as current as they represent amounts currently due to the Company. All amounts are shown net of applicable deductibles.

**NOTE 7: VESSELS, PORT TERMINALS AND OTHER FIXED ASSETS, NET**

Tanker vessels, barges and pushboats (Navios Logistics)	Cost	Accumulated Depreciation	Net Book Value
<b>Balance January 1, 2021</b>	<b>\$ 527,674</b>	<b>\$ (219,034)</b>	<b>\$ 308,640</b>
Additions	2,445	(20,763)	(18,318)
Impairment loss	(27,339)	5,373	(21,966)
Transfers from other long-term assets	51,461	—	51,461
<b>Balance December 31, 2021</b>	<b>\$ 554,241</b>	<b>\$ (234,424)</b>	<b>\$ 319,817</b>
Additions	6,130	(20,998)	(14,868)
Impairment loss	(14,920)	12,457	(2,463)
Sale of vessel	(2,186)	—	(2,186)

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<b>Balance December 31, 2022</b>	<b>\$</b>	<b>543,265</b>	<b>\$</b>	<b>(242,965)</b>	<b>\$</b>	<b>300,300</b>
Additions		18,929		(19,559)		(630)
Impairment loss		(2,038)		1,121		(917)
Sale of vessel		(3,878)		—		(3,878)
Disposals		(1,029)		506		(523)
<b>Balance December 31, 2023</b>	<b>\$</b>	<b>555,249</b>	<b>\$</b>	<b>(260,897)</b>	<b>\$</b>	<b>294,352</b>

<b>Port Terminals (Navios Logistics)</b>		<b>Cost</b>		<b>Accumulated Depreciation</b>		<b>Net Book Value</b>
<b>Balance January 1, 2021</b>	<b>\$</b>	<b>254,744</b>	<b>\$</b>	<b>(54,101)</b>	<b>\$</b>	<b>200,643</b>
Additions		1,520		(7,629)		(6,109)
Disposal		(130)		169		39
Transfers from other long-term assets		5,646		—		5,646
<b>Balance December 31, 2021</b>	<b>\$</b>	<b>261,780</b>	<b>\$</b>	<b>(61,561)</b>	<b>\$</b>	<b>200,219</b>
Additions		792		(7,735)		(6,943)
<b>Balance December 31, 2022</b>	<b>\$</b>	<b>262,572</b>	<b>\$</b>	<b>(69,296)</b>	<b>\$</b>	<b>193,276</b>
Additions		2,136		(7,916)		(5,780)
Transfers from other long-term assets		3,198		—		3,198
<b>Balance December 31, 2023</b>	<b>\$</b>	<b>267,906</b>	<b>\$</b>	<b>(77,212)</b>	<b>\$</b>	<b>190,694</b>

<b>Other fixed assets (Navios Logistics)</b>		<b>Cost</b>		<b>Accumulated Depreciation</b>		<b>Net Book Value</b>
<b>Balance January 1, 2021</b>	<b>\$</b>	<b>8,319</b>	<b>\$</b>	<b>(5,632)</b>	<b>\$</b>	<b>2,687</b>
Additions		384		(491)		(107)
<b>Balance December 31, 2021</b>	<b>\$</b>	<b>8,703</b>	<b>\$</b>	<b>(6,123)</b>	<b>\$</b>	<b>2,580</b>
Additions		22		(207)		(185)
Disposals		(52)		—		(52)
<b>Balance December 31, 2022</b>	<b>\$</b>	<b>8,673</b>	<b>\$</b>	<b>(6,330)</b>	<b>\$</b>	<b>2,343</b>
Additions		1,625		(337)		1,288
Disposals		(33)		—		(33)
<b>Balance December 31, 2023</b>	<b>\$</b>	<b>10,265</b>	<b>\$</b>	<b>(6,667)</b>	<b>\$</b>	<b>3,598</b>

<b>Total (Navios Logistics)</b>		<b>Cost</b>		<b>Accumulated Depreciation</b>		<b>Net Book Value</b>
<b>Balance January 1, 2021</b>	<b>\$</b>	<b>790,737</b>	<b>\$</b>	<b>(278,767)</b>	<b>\$</b>	<b>511,970</b>
Additions		4,349		(28,883)		(24,534)
Disposal		(130)		169		39
Impairment loss		(27,339)		5,373		(21,966)
Transfers from other long-term assets		57,107		—		57,107
<b>Balance December 31, 2021</b>	<b>\$</b>	<b>824,724</b>	<b>\$</b>	<b>(302,108)</b>	<b>\$</b>	<b>522,616</b>
Additions		6,944		(28,940)		(21,996)
Impairment loss		(14,920)		12,457		(2,463)
Sale of vessel		(2,186)		—		(2,186)
Disposals		(52)		—		(52)
<b>Balance December 31, 2022</b>	<b>\$</b>	<b>814,510</b>	<b>\$</b>	<b>(318,591)</b>	<b>\$</b>	<b>495,919</b>
Additions		22,690		(27,812)		(5,122)
Impairment loss		(2,038)		1,121		(917)
Sale of vessel		(3,878)		—		(3,878)
Transfers from other long-term assets		3,198		—		3,198
Disposals		(1,062)		506		(556)
<b>Balance December 31, 2023</b>	<b>\$</b>	<b>833,420</b>	<b>\$</b>	<b>(344,776)</b>	<b>\$</b>	<b>488,644</b>

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On September 8, 2022, the Company completed the sale of its 21 owned vessels to Navios Partners. For further information see Note 3 “Discontinued operations” in the consolidated financial statements.

*Navios Logistics*

During the second quarter of 2023, Navios Logistics completed the construction of a new iron ore stockpile area in its Iron Ore Port Terminal for a total cost of \$3,198 that was transferred to “Vessels, port terminals and other fixed assets, net” in the consolidated statement of financial position. As of December 31, 2022, Navios Logistics has paid \$1,907 for the construction of the new stock pile area in its Iron Ore Port Terminal, which was included in the consolidated statement of financial position under the caption “Other long-term assets”.

As of December 31, 2023 and 2022, Navios Logistics has paid \$888 and \$807, respectively, for capitalized expenses for the development of its port operations in Port Murtinho, Brazil, which was included in the consolidated statement of financial position under the caption “Other long-term assets”.

As of December 31, 2023 and 2022, Navios Logistics has paid \$8,399 and \$597, respectively, for the construction of a crane in the Iron Ore Port Terminal, which is included in the consolidated statement of financial position under the caption “Other long-term assets”. Capitalized interest included under the caption “Other long-term assets” for the construction of a crane was \$494 as of December 31, 2023.

As of December 31, 2023, Navios Logistics has paid \$12,578 for the development of a new liquid terminal in Nueva Palmira, which is included in the consolidated statement of financial position under the caption “Other long-term assets”. Capitalized interest included under the caption “Other long-term assets” for the development of a new liquid terminal in Nueva Palmira was \$277 as of December 31, 2023.

As of December 31, 2023, Navios Logistics has paid \$2,468 for the expansion of its infrastructure in its Iron Ore Port Terminal, which is included in the consolidated statement of financial position under the caption “Other long-term assets”. Capitalized interest included under the caption “Other long-term assets” for the Iron Ore Port Terminal expansion was \$55 as of December 31, 2023.

In September 2023, Navios Logistics entered into a five-year finance leasing contract for the construction of twelve barges to be delivered no later than the end of the first quarter of 2024 (the “Twelve Jumbo Barges”). The Company has performed an assessment considering the lease classification criteria and concluded that the agreement is a finance lease. As of December 31, 2023, Navios Logistics paid an amount of \$1,283 relating to the deposit for the construction of the twelve barges constructed pursuant to the Twelve Jumbo Barges contract, which is included in the consolidated statement of financial position under the caption “Other long-term assets”. Upon the delivery of each barge, the Company will record an asset at an amount equal to the finance lease liability, increased by the deposits paid for the construction of the Twelve Jumbo Barges (see also Note 11 “Borrowings”). As of December 31, 2023, four of the barges under the Twelve Jumbo Barges contract were delivered and the Company recognized a right-of-use asset at \$4,664.

In October 2023, Navios Logistics entered into a five-year finance leasing contract for the construction of six barges to be delivered no later than the end of the second quarter of 2024 (the “Six Jumbo Barges”). The contract for the Six Jumbo Barges has similar terms to terms of the finance lease contract for the Twelve Jumbo Barges. As of December 31, 2023, Navios Logistics paid an amount of \$637 relating to the deposit for the construction of the six barges constructed pursuant to the Six Jumbo Barges contract, which is included under the caption “Other long-term assets” in its consolidated statement of financial position. Upon delivery of each barge, the Company will record an asset at an amount equal to the finance lease liability increased by the deposits paid for the construction of the Six Jumbo Barges (please see Note 11 “Borrowings”).

*Impairment Loss/ Loss on Sale of Vessels, Net*

As of December 31, 2023, Navios Logistics completed the sale of vessel He Man H for a sale price of \$4,450. The impairment loss of \$1,651 (including \$734 remaining carrying balance of dry dock costs), is included in the consolidated statements of comprehensive income under the caption “Impairment loss/ loss on sale of vessels, net”. The fair value of the vessel was determined to \$4,450. The Company completed the sale of the He Man H to an unrelated third party in August 2023.

As of December 31, 2022, Navios Logistics completed the sale of vessel Malva H for a sale price of \$2,186. The impairment loss of \$778 (including \$732 remaining carrying balance of dry dock costs) is included in the consolidated statements of comprehensive (loss)/income under the caption “Impairment loss/ loss on sale of vessels, net”. The fair value of the vessel was determined to \$2,186 based on the concluded sale price. The Company completed the sale of the Malva H, to an unrelated third party in October 2022.

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In 2022, Navios Logistics recorded an impairment loss of \$2,417 for certain barges, representing the difference between the fair value and the carrying value together with the carrying value of deferred drydock and special survey costs, if any, related to these barges, which is included in the consolidated statements of comprehensive income under the caption “Impairment loss/ loss on sale of vessels, net”. The fair value was determined based on the agreed or expected sale’s price.

**NOTE 8: INTANGIBLE ASSETS OTHER THAN GOODWILL**

Net Book Value of Intangible Assets other than Goodwill as at December 31, 2023:

December 31, 2023	Acquisition Cost	Accumulated Depreciation	Net Book Value
Port terminal operating rights	\$ 54,481	\$ (16,980)	\$ 37,501
Customer relationships	36,120	(29,022)	7,098
<b>Total intangible assets</b>	<b>\$ 90,601</b>	<b>\$ (46,002)</b>	<b>\$ 44,599</b>

Net Book Value of Intangible Assets other than Goodwill as at December 31, 2022:

December 31, 2022	Acquisition Cost	Accumulated Depreciation	Net Book Value
Port terminal operating rights	\$ 53,152	\$ (15,832)	\$ 37,320
Customer relationships	36,120	(27,247)	8,873
<b>Total intangible assets</b>	<b>\$ 89,272</b>	<b>\$ (43,079)</b>	<b>\$ 46,193</b>

Amortization expense the years ended December 31, 2023 and 2022 were as follows:

	Amortization Expense Year Ended December 31, 2023	Amortization Expense Year Ended December 31, 2022
Port terminal operating rights	\$ 1,148	\$ 998
Customer relationships	1,775	1,775
<b>Total</b>	<b>\$ 2,923</b>	<b>\$ 2,773</b>

The remaining aggregate amortization of acquired intangibles as of December 31, 2023 was as follows:

Description	Within one year	Year Two	Year Three	Year Four	Year Five	Thereafter	Total
Port terminal operating rights	\$ 1,299	\$ 1,299	\$ 1,299	\$ 1,299	\$ 1,076	\$ 31,509	\$ 37,501
Customer relationships	1,775	1,775	1,775	1,775	—	—	7,098
<b>Total amortization</b>	<b>\$ 3,004</b>	<b>\$ 3,004</b>	<b>\$ 3,004</b>	<b>\$ 3,004</b>	<b>\$ 1,076</b>	<b>\$ 31,509</b>	<b>\$ 44,599</b>

**NOTE 9: INVESTMENTS IN AFFILIATE COMPANY**

**Navios Partners**

On August 7, 2007, Navios Holdings formed Navios Partners under the laws of the Republic of Marshall Islands. Navios GP L.L.C., a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest. In August 2019, Navios Holdings sold the general partnership interests in Navios Partners (except for the incentive distribution rights) to NSM. Olympos Maritime Ltd. is currently Navios Partners’ general partner (the “General Partner”).

As of December 31, 2023 and 2022 Navios Partners has issued 7,687,730 units, for both periods through its Continuous Offering Programs entered into from time to time. Pursuant to the issuance of common units, Navios Partners issued 156,895 general partnership units to its general partner both as of December 31, 2023 and 2022, in order to maintain its 2.0% general partnership interest.



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As of December 31, 2023 and 2022, as a result of the NMCI Merger and NNA Merger, Navios Holdings holds a total of 3,183,199 common units representing a 10.3% interest in Navios Partners, and the investment in Navios Partners is accounted for under the equity method. Incentive distribution rights are held by Navios GP L.L.C.

As of the year ended December 31, 2023, Navios Partners carrying amount of the investment equals the fair value, amounting to \$81,140. The Company recognized an other-than-temporary impairment loss (“OTTI”) of \$77,635, as subsequently to year ended December 31, 2023, the Company ceased to beneficially own any of the Navios Partners’ common units, see below for further information. The OTTI amount was included under the caption “Equity in net losses of affiliate companies”. As of December 31, 2023, the pre-OTTI unamortized difference between the carrying amount of the investment in Navios Partners and the amount of the Company’s underlying equity in net assets of Navios Partners was \$126,780. The Company will need to recompute this difference which is amortized through “Equity in net (losses)/earnings of affiliated company” over the remaining life of Navios Partners’ tangible and intangible assets.

As of December 31, 2022, the carrying amount of the investment in Navios Partners was \$99,292. During the year ended December 31, 2022, the Company recognized an OTTI of \$97,688 relating to its investment in Navios Partners, as the decline in fair value of the investment to below its carrying value was not considered temporary. The amount was included under the caption “Equity in net losses of affiliate company”. The unamortized difference between the carrying amount of the investment in Navios Partners and the amount of the Company’s underlying equity in net assets of Navios Partners was \$142,080. As a result of the OTTI loss recorded as at September 30, 2022, the Company recomputed this difference to be amortized in future period through “Equity in net losses of affiliate company” over the remaining life of the tangible and intangible assets of Navios Partners.

On January 9, 2024, the 3,183,199 common units previously beneficially owned by Navios Holdings and its wholly-owned subsidiaries, were transferred to NSM (as defined herein) in partial prepayment and satisfaction of an \$81,140 portion of the principal amount of the Convertible Debenture. As a result of this transaction, Navios Holdings and its wholly-owned subsidiaries ceased to beneficially own any common units in Navios Partners.

Total equity method loss of \$17,516 and \$25,815, including OTTI, were recognized under the caption “Equity in net losses of affiliate company” for the years ended December 31, 2023 and 2022.

Dividends received during the years ended December 31, 2023 and 2022 were \$637, respectively.

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

Summarized financial information of the affiliate companies is presented below:

<b>Balance sheet – Navios Partners</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash and cash equivalents, including restricted cash	\$ 249,175	\$ 175,098
Current assets	\$ 399,748	\$ 310,424
Non-current assets	\$ 4,747,818	\$ 4,585,280
Current liabilities	\$ 459,600	\$ 617,740
Long- term debt including current portion, net	\$ 1,861,463	\$ 1,945,447
Non-current liabilities	\$ 1,917,514	\$ 1,935,001

<b>Income Statement</b>	<b>Navios Partners</b>	
	<b>Year Ended December 31, 2023</b>	<b>Year Ended December 31, 2022</b>
Revenue	\$ 1,306,889	\$ 1,210,528
Time charter and voyage expenses	\$ (160,231)	\$ (122,630)
Direct vessel expenses	\$ (69,449)	\$ (56,754)
Vessel operating expenses	\$ (331,653)	\$ (312,022)
Net income	\$ 433,645	\$ 579,247

**NOTE 10: ACCRUED EXPENSES AND OTHER LIABILITIES**

Accrued expenses and other liabilities as of December 31, 2023 and 2022 consisted of the following:

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	December 31, 2023	December 31, 2022
Payroll	\$ 7,530	\$ 7,352
Accrued interest	23,068	23,354
Accrued voyage expenses	977	646
Audit fees and related services	211	235
Accrued taxes	8,332	7,647
Professional fees	1,468	577
Other accrued expenses	214	41
<b>Total accrued expenses</b>	<b>\$ 41,800</b>	<b>\$ 39,852</b>

**NOTE 11: BORROWINGS**

Borrowings as of December 31, 2023 and 2022 consisted of the following:

	December 31, 2023	December 31, 2022
<i>Navios Holdings borrowings</i>		
2024 Notes	8,626	8,626
Convertible Debenture	123,658	118,833
<b>Total Navios Holdings borrowings</b>	<b>\$ 132,284</b>	<b>\$ 127,459</b>

	December 31, 2023	December 31, 2022
<i>Navios Logistics borrowings</i>		
2025 Logistics Senior Notes	500,000	500,000
Navios Logistics Notes Payable	2,593	7,677
2022 Navios Logistics BBVA Facility	14,630	22,530
2022 Navios Logistics Alpha Bank Loan	—	6,300
2023 Navios Logistics Alpha Bank Loan	40,000	—
Navios Logistics Santander Facility	2,914	4,125
Seller's Credit Agreement for the construction of six liquid barges	5,960	8,753
Seller's Credit Agreement for the Navios Logistics' 2020 Fleet	5,000	10,000
Twelve Jumbo Barges	3,017	—
<b>Total Navios Logistics borrowings</b>	<b>\$ 574,114</b>	<b>\$ 559,385</b>

	December 31, 2023	December 31, 2022
<i>Total</i>		
Total borrowings	\$ 706,398	\$ 686,844
Less: current portion, net	(39,923)	(23,544)
Less: deferred finance costs and discount, net	(8,991)	(12,090)
<b>Total long-term borrowings</b>	<b>\$ 657,484</b>	<b>\$ 651,210</b>

**Navios Holdings Debt**

*2024 Notes*

On March 21, 2019, Navios Holdings issued \$4,747 of 9.75% Senior Notes due 2024 (the “2024 Notes”) as an exchange for a total of 10,930 Series H ADSs (as defined herein) which were validly tendered as of that date.

On April 21, 2019, Navios Holdings issued \$3,879 of the 2024 Notes as an exchange for a total of 8,841 Series G ADSs (as defined herein) which were validly tendered as of that date. For additional information on the Series G ADSs shares, see Note 17 “Preferred and Common Stock” to the consolidated financial statements.

In February 2024, the Company repaid the 2024 Notes in full.

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**Secured Credit Facilities**

*Convertible Debenture*

In December 2021, Navios Holdings entered into a convertible debenture with NSM, covering certain payments under the NSM Loans including an upfront fee of \$24,000, accrued interest, and prepayment fees. NSM has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years, maturing in 2027, and bears interest at the rate of 4% PIK, payable at maturity, if not earlier converted into shares of our common stock. As of December 31, 2023, the total outstanding balance of the Convertible Debenture amounted to \$123,658. The Convertible Debenture that was recognised as a single liability instrument is presented under the caption “Convertible debenture payable to affiliate companies”.

On January 9, 2024, the Company entered into a letter agreement with NSM to amend the existing Convertible Debenture. For further information, see Note 15 “Transactions with Related Parties” and Note 16 “Preferred and Common Stock” in the consolidated financial statements.

*Navios Logistics Debt*

*2025 Logistics Senior Notes*

On July 8, 2020, Navios Logistics and its wholly-owned subsidiary Navios Logistics Finance (US) Inc. (“Logistics Finance” and, together with Navios Logistics (the “Logistics Co-Issuers”) issued \$500,000 in aggregate principal amount of senior secured notes due on July 1, 2025, at a fixed rate per annum of 10.75% (the “2025 Logistics Senior Notes”). On December 22, 2023, Navios Logistics entered into a first supplemental agreement, in exchange for the release of certain existing collateral.

The 2025 Co-Issuers have the option to redeem the 2025 Logistics Senior Notes in whole or in part, at any time on or after August 1, 2023, at a fixed price of 102.688% and at par on or after August 1, 2024 plus in each case accrued and unpaid interest, if any. The Co-Issuers may also redeem all, but not less than all, of the 2025 Logistics Senior Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon certain changes in law that would trigger the payment of withholding taxes. Furthermore, upon the occurrence of certain change of control events, the Co-Issuers may be required to offer to purchase 2025 Logistics Senior Notes from holders at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any.

The 2025 Logistics Senior Notes are senior secured obligations of the Co-Issuers. The 2025 Logistics Senior Notes are fully and unconditionally guaranteed, jointly and severally, by all of the Navios Logistics’ direct and indirect subsidiaries, other than Logistics Finance. In December 2023, Makenita H, Elena H, Sarah H and the \$3,732 of cash collateral held in escrow account were released from the 2025 Notes and were replaced by the (1) Estefania H, (2) Valentina H and (3) Enrico H owned by certain subsidiary guarantors (such guarantors, the “Mortgaged Vessel Guarantors”). The 2025 Notes are currently secured by (i) the three vessels mentioned above and related assignments of earnings and insurance, together with a first priority lien on the capital stock of each Mortgaged Vessel Guarantor; and (ii) an assignment by way of security of the Vale port contract (collectively, the “Collateral”).

The indenture governing the 2025 Notes contains restrictive covenants that limit, among other things, the ability of the Co-Issuers and their restricted subsidiaries to incur additional indebtedness, pay dividends and make distributions on common and preferred stock, make other restricted payments, make investments, incur liens, consolidate, merge, sell or otherwise dispose of all or substantially all of their assets and enter into certain transactions with affiliates, in each case, subject to exclusions, and other customary covenants. The indenture governing the 2025 Notes also contains customary events of default.

Subsequent to the year ended December 31, 2023, Navios Logistics repurchased \$21,500 of 2025 Logistics Senior Notes for total cash of \$21,905 including accrued and unpaid interest to, but excluding, the repayment dates.

After the above redemptions, \$493,500 in aggregate principal amount of the 2025 Logistics Senior Notes is currently outstanding, which mature in July 2025.

The Logistics Co-Issuers were in compliance with the covenants as of December 31, 2023.

As of December 31, 2023 and 2022, deferred financing costs associated with the 2025 Logistics Senior Notes amounted to \$7,629 and \$12,018, respectively.

*Navios Logistics Notes Payable*

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In connection with the purchase of mechanical equipment for the expansion of its dry port terminal, Corporacion Navios S.A. (“CNSA”) entered into an unsecured export financing line of credit for a total amount of \$41,964, including all related fixed financing costs of \$5,949, available in multiple drawings upon the completion of certain milestones (“Drawdown Events”). CNSA incurs the obligation for the respective amount drawn by signing promissory notes (“Navios Logistics Notes Payable”). Each drawdown is repayable in 16 consecutive semi-annual installments, starting six months after the completion of each Drawdown Event. Together with each Navios Logistics Notes Payable, CNSA pays interest six-month the Secured Overnight Financing Rate (“SOFR”) plus CAS. The unsecured export financing line is fully and unconditionally guaranteed by Ponte Rio S.A. As of December 31, 2023, Navios Logistics had drawn the total available amount and the outstanding balance of Navios Logistics Notes Payable was \$2,593.

*2022 Navios Logistics Alpha Bank Loan*

On February 28, 2022, Navios Logistics entered into a \$7,000 loan facility with Alpha Bank (the “2022 Navios Logistics Alpha Bank Loan”). The 2022 Navios Logistics Alpha Bank Loan bore interest at a rate of SOFR plus 315 basis points. The 2022 Navios Logistics Alpha Bank Loan was repayable in twelve quarterly installments, beginning on August 18, 2022, with a final balloon payment of \$2,800 on the last repayment date. As of December 31, 2022, the unamortized deferred finance costs associated with the 2022 Navios Logistics Alpha Bank Loan amounted to \$72. In December 2023, the Navios Logistics repaid the outstanding balance of the 2022 Term Bank Loan in full.

*2023 Navios Logistics Alpha Bank Loan*

On December 12, 2023, Navios Logistics entered into a \$40,000 loan facility with Alpha Bank (the “2023 Navios Logistics Alpha Bank Loan”) in order to repay existing debt under the 2022 Navios Logistics Alpha Bank Loan and for general corporate purposes. The 2023 Navios Logistics Alpha Bank Loan bears interest at a rate of SOFR plus 285 basis points. The 2023 Navios Logistics Alpha Bank Loan is repayable in sixteen quarterly installments of \$2,875, beginning three months after the drawdown date and the remaining eight installments in an amount of \$1,500, with a final balloon payment of \$5,000 on the last repayment date. The facility was fully drawn as of December 31, 2023. As of December 31, 2023, the unamortized deferred finance costs associated with the 2023 Navios Logistics Alpha Bank Loan amounted to \$1,362.

Navios Logistics was in compliance with the covenants set forth in the 2023 Navios Logistics Alpha Bank Loan as of December 31, 2023.

*2022 Navios Logistics BBVA Facility*

On March 23, 2022, Navios Logistics entered into a \$25,000 loan facility with Banco Bilbao Vizcaya Argentaria (the “2022 Navios Logistics BBVA Facility”) which was drawn down in two tranches. The first tranche of \$17,000 was drawn down on March 22, 2022 and the second tranche of \$8,000 was drawn down on September 22, 2022. The 2022 Navios Logistics BBVA Facility was used to repay existing debt with BBVA and for general corporate purposes. The 2022 Navios Logistics BBVA Facility bears interest at a rate of 4.25% per annum, is repayable in quarterly installments with final maturity on July 1, 2025 and is secured by assignments of certain receivables. As of December 31, 2023, the outstanding balance was \$14,630.

Navios Logistics was in compliance with the covenants set forth in the 2022 Navios Logistics BBVA Facility as of December 31, 2023.

*Navios Logistics Santander Facility*

On March 25, 2022, Navios Logistics entered into a \$5,000 loan facility with Banco Santander S.A. (the “Navios Logistics Santander Facility”) for general corporate purposes. The Navios Logistics Santander Facility bears interest at a rate of 4.20% per annum, is repayable in twelve equal quarterly installments with final maturity on March 7, 2026 and is secured by assignments of certain receivables. As of December 31, 2023, Navios Logistics had drawn the total available amount and the outstanding balance was \$2,914.

Navios Logistics was in compliance with the covenants set forth in the 2022 Navios Logistics Santander Facility as of December 31, 2023.

*Seller’s Credit Agreement for the construction of six liquid barges*

In December 2020, Navios Logistics entered into a \$13,475 seller’s credit agreement for the construction of six liquid barges to be made available by way of credit in six equal tranches. Each drawdown is repayable in 20 quarterly installments starting from the delivery of each barge. The seller’s credit for the construction of the six liquid barges bears interest at a fixed rate of 8.5%. As of December 31, 2023, Navios Logistics had drawn the total available amount and the outstanding balance was \$5,960.

*Seller’s Credit Agreement for the Navios Logistics’ 2020 Fleet*

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In the fourth quarter of 2020, Navios Logistics entered into a purchase agreement with an unrelated third party for the acquisition of three pushboats and 18 tank barges (the “Navios Logistics’ 2020 Fleet”). The acquisition was completed on March 22, 2021, and the Company entered into a \$15,000 seller’s credit agreement for the acquisition of the Navios Logistics’ 2020 Fleet. The seller’s credit agreement bears interest at a fixed rate of 5.0% per annum and is payable in three equal annual installments of \$5,000. As of December 31, 2023, the outstanding balance was \$5,000.

*Twelve Jumbo Barges*

In September 2023, Navios Logistics entered into a five-year finance lease contract for the construction of twelve barges to be delivered no later than the end of the first quarter of 2024. The Company assessed the lease classification criteria and concluded that the agreement is a finance lease. The obligation under the finance lease contract is payable in 60 consecutive monthly payments of \$11 for each barge, commencing on the delivery date of the applicable barge. Upon the expiration of the contract, Navios Logistics will have the ability to exercise the purchase option for any of the twelve barges, for \$350 per barge. Upon delivery of each barge under the lease contract, the Company will recognize a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the barge at the end of the lease period. As of December 31, 2023, four of the barges under the Twelve Jumbo Barges contract were delivered and the outstanding balance was \$3,017 (see also Note 7 “Vessels, port terminals and other fixed assets, net”).

*Six Jumbo Barges*

In October 2023, Navios Logistics entered into a five-year finance lease contract for the construction of six barges to be delivered no later than the end of the second quarter of 2024 (the “Six Jumbo Barges”). The contract for the Six Jumbo Barges has similar terms to terms of the finance lease contract for the Twelve Jumbo Barges. The Company assessed the lease classification criteria and concluded that the agreement is a finance lease. The obligation under the finance lease contract is payable in 60 consecutive monthly payments of \$10 for each barge, commencing on the delivery date of the applicable barge. Upon the expiration of the contract, Navios Logistics will have the ability to exercise the purchase option for any of the twelve barges, for \$319 per barge. Upon delivery of each barge under the lease contract, the Company will recognize a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the barge at the end of the lease period. As of December 31, 2023, Navios Logistics paid an amount of \$637 relating to the deposit for the construction of the six barges pursuant to the Six Jumbo Barges contract, which is included in the consolidated statement of financial position under the caption “Other long-term assets” (please see also Note 7 “Vessels, port terminals and other fixed assets, net”).

During the year ended December 31, 2023, the Company in relation to its secured credit facilities paid \$23,330 related to scheduled repayment installments and \$4,900 related to the prepayment of one of Navios Logistics’ credit facilities. During the year ended December 31, 2023, the proceeds from the “2023 Navios Logistics Alpha Bank Loan” were \$40,000.

During the year ended December 31, 2022, the Company paid \$78,584 related to its secured credit facilities and sale and leaseback agreements, \$332,013 related to amounts assumed by Navios Partners due to the Transaction as discussed above and \$375,264 related to NSM Loans. During the year ended December 31, 2022, the proceeds from the NSM Loans were \$262,632, the proceeds from long term debt were \$243,725 and the proceeds from the three sale and leaseback agreements were \$53,000. The above payments and proceeds include debt from continuing and discontinued operations.

The annual weighted average interest rates of the Company’s total borrowings were 9.19% and 9.84% for the years ended December 31, 2023 and 2022, respectively, including discontinued operations.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Holdings outstanding as of December 31, 2023, including finance leases, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

Year	
2024	\$ 40,544
2025	522,423
2026	6,664
2027	135,017
2028 and thereafter	1,750
<b>Total</b>	<b>\$ 706,398</b>

**NOTE 12: FAIR VALUE OF FINANCIAL INSTRUMENTS**

**Fair value of financial instruments**

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The Company uses the following methods and assumptions to estimate the fair value of each class of financial instrument:

**Cash and cash equivalents:** The carrying amounts reported in the consolidated balance sheets for interest bearing deposits and money market funds approximate their fair value because of the short maturity of these investments.

**Restricted cash:** The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

**Borrowings:** The book value has been adjusted to reflect the net presentation of deferred financing costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred financing costs. As of both December 31, 2023 and 2022, the 2025 Logistics Senior Notes and four Navios Logistics' loans are fixed-rate borrowings and their fair value was determined based on quoted market prices.

**Convertible Debenture payable to affiliate companies:** The carrying amount of the fixed rate approximates its fair value.

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

	December 31, 2023		December 31, 2022	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 89,395	\$ 89,395	\$ 78,541	\$ 78,541
Restricted cash	\$ 10	\$ 10	\$ 310	\$ 310
Senior and ship mortgage notes, net	\$ (500,997)	\$ (504,011)	\$ (496,608)	\$ (491,976)
Long-term debt, including current portion	\$ (72,752)	\$ (74,114)	\$ (59,313)	\$ (59,385)
Convertible debenture payable to affiliate companies <sup>(2)</sup>	\$ (123,658)	\$ (123,658)	\$ (118,833)	\$ (118,833)

As required by the fair value guidance, assets are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement

As of December 31, 2023 and 2022, there were no assets measured at fair value on a recurring basis and a non-recurring basis.

## Fair Value Measurements

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

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

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

Level III: Inputs that are unobservable.

	Fair Value Measurements at December 31, 2023			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 89,395	\$ 89,395	\$ —	\$ —
Restricted cash	\$ 10	\$ 10	\$ —	\$ —
Senior and ship mortgage notes	\$ (504,011)	\$ (495,385)	\$ (8,626)	\$ —
Long-term debt, including current portion <sup>(1)</sup>	\$ (74,114)	\$ —	\$ (74,114)	\$ —
Convertible debenture payable to affiliate companies <sup>(2)</sup>	\$ (123,658)	\$ —	\$ (123,658)	\$ —

  

	Fair Value Measurements at December 31, 2022			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 78,541	\$ 78,541	\$ —	\$ —
Restricted cash	\$ 310	\$ 310	\$ —	\$ —
Senior and ship mortgage notes	\$ (491,976)	\$ (483,350)	\$ (8,626)	\$ —
Long-term debt, including current portion <sup>(1)</sup>	\$ (59,385)	\$ —	\$ (59,385)	\$ —
Convertible debenture payable to affiliate companies <sup>(2)</sup>	\$ (118,833)	\$ —	\$ (118,833)	\$ —

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- (1) The fair value of the Company's long-term debt is estimated based on currently available debt with similar contract terms, interest rates and remaining maturities, published quoted market prices as well as taking into account the Company's creditworthiness.
- (2) The fair value of the Company's loans payable to affiliate companies and Convertible Debenture payable to affiliate companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.

**NOTE 13: COMMITMENTS AND CONTINGENCIES**

As of December 31, 2023, the Company was contingently liable for letters of guarantee and letters of credit amounting to \$10 (December 31, 2022: \$10) issued by various banks in favor of various organizations and the total amount was collateralized by cash deposits, which were included as a component of restricted cash.

In September 2023, Navios Logistics entered into a five-year leasing contract for the construction of the Twelve Jumbo Barges to be delivered no later than the end of the first quarter of 2024. As of December 31, 2023, Navios Logistics paid an amount of \$1,283 relating to the deposit for the construction of the twelve barges constructed pursuant to the Twelve Jumbo Barges contract, which is included under the caption "Other long-term assets" in the consolidated statement of financial position. As of December 31, 2023, four of the barges under the Twelve Jumbo Barges were delivered to the Company. For further information see Note 7 "Vessels, port terminals and other fixed assets, net".

In October 2023, Navios Logistics entered into a five-year leasing contract for the construction of the Six Jumbo Barges to be delivered no later than the end of the second quarter of 2024. The contract for the Six Jumbo Barges has similar terms to terms of the lease contract for the Twelve Jumbo Barges (as described above). As of December 31, 2023, the Company paid an amount of \$637 relating to the deposit for the construction of the six barges constructed pursuant to the Six Jumbo Barges contract, which is included under the caption "Other long-term assets" in the consolidated statement of financial position. For further information see Note 7 "Vessels, port terminals and other fixed assets, net".

In October 2023, Navios Logistics agreed to charter-in the Navios Vega, a 2009-built Ultra-Handymax vessel, following her modification to a ship-to-ship transhipper vessel, from Navios Maritime Partners L.P. for a period of five years at a rate of \$25.8 net per day. This transaction was negotiated by, and unanimously approved by, the conflicts committee of Navios Logistics. Navios Vega was delivered to the Company in February 2024.

Navios Logistics has issued a guarantee and indemnity letter that guarantees the performance by Petrolera San Antonio S.A. (a consolidated subsidiary) of all its obligations to Vitol S.A. up to \$12,000. This guarantee expired on March 28, 2024 and expects to be renewed under similar terms and conditions.

Navios Logistics has issued a guarantee and indemnity letter that guarantees the performance by Corporation Navios S.A. (a consolidated subsidiary) of all its obligations to TNSA - Tecnologia Em Movimentacao S.A. up to \$8,854.

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

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

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts can be reasonably estimated, based upon facts known on the date the financial statements were prepared. Although the Company cannot predict with certainty the ultimate resolutions of these matters, in the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or liquidity.

No material legal proceedings, claims, and contingencies for all the years presented.

**NOTE 14: LEASES**

*Time charter out contracts*



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

*Land lease agreements*

As of December 31, 2023, Navios Logistics had land lease agreements whose remaining lease terms ranged from 42.2 years to 42.6 years.

As a result of the acquisition of Vimalcor by Navios Logistics, completed in May 2023, the Company currently has the right of use to a plot of land in the Port of Montevideo. The concession expires in January 2029.

*Office lease agreements*

As of December 31, 2023, Navios Logistics had office lease agreements whose remaining lease terms ranged from 0.1 years to 3.1 years.

*Liquid Barges leasing contract*

On April 28, 2022, the Company entered into a "five year" leasing contract for eight liquid barges. As of December 31, 2023, all liquid barges were delivered to Navios Logistics and have an average lease term of 4.2 years. The leasing contract for the eight liquid barges are repayable by 60 consecutive monthly payments of approximately \$26 each, commencing with the delivery date of the applicable barge. At expiration, the Company will have the ability to exercise the purchase option of these barges or extend the term of the finance leasing contract. The contract matures from various periods starting from the fourth quarter of 2027 to the second quarter of 2028.

ASC 842 requires that the leases be classified as either finance or operating arrangements, with such classification affecting the pattern and classification of expense recognition in an entity's income statement. For operating leases, ASC 842 requires recognition in an entity's income statement of a single lease expense, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. Right-of-use assets represent a right to use an underlying asset for the lease term and the related lease liability represents an obligation to make lease payments pursuant to the contractual terms of the lease agreement.

	December 31, 2023	December 31, 2022
<b>Operating lease assets</b>		
Land lease agreements	9,705	8,260
Office lease agreements	2,440	844
Liquid Barges leasing contract	9,142	2,683
<b>Total</b>	<b>\$ 21,287</b>	<b>\$ 11,787</b>
<b>Operating lease liabilities, current portion</b>		
Land lease agreements	147	(166)
Office lease agreements	507	523
Liquid Barges leasing contract	2,057	477
<b>Total</b>	<b>\$ 2,711</b>	<b>\$ 834</b>
<b>Operating lease liabilities, net of current portion</b>		
Land lease agreements	9,558	8,426
Office lease agreements	1,944	321
Liquid Barges leasing contract	7,089	2,206
<b>Total</b>	<b>\$ 18,591</b>	<b>\$ 10,953</b>

At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in land lease agreements, office lease agreements and liquid barges leasing contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment. The Company then applied the respective incremental borrowing rates to each lease based on the remaining lease term

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of the specific lease. Navios Logistics' incremental borrowing rate upon adoption relating to land and office lease agreements was 7.25%, and 5.78% relating to the liquid barges leasing contract.

The tables below present the components of the Company's lease expense for the years ended December 31, 2023 and 2022:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Lease expense for charter-in contracts	\$ 958	\$ 4,058
Lease expense for land lease agreements	501	630
Lease expense for office lease agreements	5,786	464
<b>Total</b>	<b>\$ 7,245</b>	<b>\$ 5,152</b>

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

On July 29, 2022, the Company completed the sale of its 15 charter-in and bareboat-in vessels to Navios Partners. For further information see Note 3 "Discontinued operations" in the consolidated financial statements.

The table below provides the total amount of lease payments on an undiscounted basis on our office lease agreements, land lease agreements and liquid barges leasing contract as of December 31, 2023:

	Land Leases	Office space	Liquid Barges
December 31, 2024	\$ 972	\$ 741	\$ 2,562
December 31, 2025	972	621	2,503
December 31, 2026	813	636	2,451
December 31, 2027	799	603	2,425
December 31, 2028	799	469	413
December 31, 2029 and thereafter	20,796	—	—
<b>Total</b>	<b>25,151</b>	<b>3,070</b>	<b>10,354</b>
<b>Operating lease liabilities, including current portion</b>	<b>9,705</b>	<b>2,451</b>	<b>9,146</b>
<b>Discount based on incremental borrowing rate</b>	<b>\$ 15,446</b>	<b>\$ 619</b>	<b>\$ 1,208</b>

As of December 31, 2023, the weighted average remaining lease terms on our office lease agreements, land leases and liquid barges leasing agreements are 4.3 years, 37.3 years and 4.2 years, respectively.

As of December 31, 2022, the weighted average remaining lease terms on our office lease agreements, land leases and liquid barges leasing agreements are 1.9 years, 43.3 years and 5 years, respectively.

***Charter-out vessels, barges and pushboats:***

The future minimum revenue, net of commissions for the Company's logistics business, expected to be earned on non-cancelable time charters, COA's with minimum guaranteed volumes and contracts with minimum guaranteed throughput in Navios Logistics' ports expected to be earned on non-cancelable time charters, are as follows:

	Amount
2024	\$ 221,171
2025	139,920
2026	82,062
2027	66,034
2028	63,237
2029 and thereafter	554,927
<b>Total</b>	<b>\$ 1,127,351</b>

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**NOTE 15: TRANSACTIONS WITH RELATED PARTIES**

**Vessel Operating Expenses (management fees):** Prior to the Transaction and pursuant to a management agreement dated August 29, 2019 (the “Management Agreement”), with Navios Shipmanagement Inc., a subsidiary of N Shipmanagement Acquisition Corp. (together with its subsidiaries, “NSM” or the “Manager”), the Manager provided commercial and technical management services to Navios Holdings’ vessels. The term of this agreement was for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination was received by either party. The ship management services fees provided by the Manager was a fixed rate of \$3.7 per day per owned/bareboat-in vessel until August 2021, \$3.8 per day per owned/bareboat-in vessel until August 2022 and \$3.9 per day until the closing of the Transaction on September 8, 2022. The fee for the ship management services provided by the Manager was a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement were reimbursed by Navios Holdings at cost. The agreement also provided for payment of a termination fee by Navios Holdings, equal to the fees charged for the full calendar year preceding the termination date, in the event the Management Agreement is terminated on or before August 29, 2024. Total management fees for vessel operating expenses for the year ended December 31, 2023 and 2022 amounted to \$0 and \$19,018, respectively and are presented under the caption “Net income from discontinued operations” in the consolidated statements of comprehensive (loss)/income. During the year ended December 31, 2023 and 2022, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$0 and \$2,010, respectively, and are presented under the caption “Net income from discontinued operations” in the consolidated statements of comprehensive income.

**General and Administrative Expenses:** Pursuant to an administrative services agreement with the Manager dated August 29, 2019 (“Administrative Services Agreement”), NSM provides administrative services to Navios Holdings. NSM is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee by Navios Holdings, equal to the fees charged for the full calendar year preceding the termination date, in the event the Administrative Services Agreement is terminated on or before August 29, 2024.

Total general and administrative expenses attributable to this agreement for each of the years ended December 31, 2023 and 2022 amounted to \$540 and \$5,879, respectively, and are presented under the caption “General and administrative expenses”. The total general and administrative expenses attributable to this agreement for the years ended December 31, 2023 and 2022, which have been allocated to discontinued operations, amounted to \$0 and \$5,339, respectively, and are presented under the caption “Net income from discontinued operations”.

Pursuant to an administrative services agreement with the Manager dated August 29, 2019, NSM provides administrative services to Navios Logistics. Total general and administrative fees for the years ended December 31, 2023 and 2022 amounted to \$2,910 and \$1,431, and are presented under the caption “General and administrative expenses”.

**Balance due to/from affiliate companies:** Balance due to NSM as of December 31, 2023 and 2022 amounted to \$4,397 and \$1,642, respectively.

As of December 31, 2023, the balance mainly consisted of payments to the Manager in accordance with the Administrative Agreements in effect.

**NSM Loan I:** In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing NSM Loan dated August 29, 2019, whereby a wholly-owned subsidiary of NSM made available to the Company a secured term loan of up to \$127,632 (the “NSM Loan I”), in two tranches: (i) the first tranche of \$48,573 represented borrowings already made available and (ii) the second tranche of \$79,059 represented new borrowings made available in exchange of the release by NSM of certain existing collateral. The NSM Loan I was repayable in quarterly installments of \$5,000 with the first installment falling due in the third quarter of 2023. The NSM Loan I had a four-year term and bore interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes were repaid and 16.5% per annum thereafter when paid in the form of Convertible Debenture for the first 18 months (“PIK Interest”) and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan I would be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. As of December 31, 2022, an amount of \$14,853 accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies”.

In the third quarter of 2022, the outstanding balance under NSM Loan I was fully repaid using cash received from the Transaction. Such repayment was mandatory as per the terms of the loan agreement.

**NSM Loan II:** In December 2021, Navios Holdings entered into an amended and restated loan agreement to the existing \$115.0 million NSM Loan dated June 29, 2021 whereby a wholly-owned subsidiary of NSM made available to the Company a

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secured term loan of up to \$135,000 (the “NSM Loan II”) in two tranches (i) the first tranche of \$64,059 represented outstanding borrowings already made available and (ii) the second tranche of \$70,941 represented new borrowings to be made available, in exchange for the release by NSM of certain existing collateral. The NSM Loan II was repayable in quarterly installments of \$5,000 with the first installment falling due in the third quarter of 2023. The NSM Loan II had a four year term and bore interest at a rate of (i) 18% per annum until the 2022 Senior Secured Notes were repaid and 16.5% per annum thereafter, when paid in PIK Interest and (ii) 13.5% per annum when paid in the form of cash. The NSM Loan II would be paid in PIK Interest for the first 18 months, due also in optional prepayment during that period and thereafter in either cash or PIK Interest at the election of the Borrower. As of December 31, 2022, an amount of \$15,759 accrued PIK interest at 18% is included under the caption “Convertible debenture payable to affiliate companies”.

In the third quarter of 2022, the outstanding balance under NSM Loan II was fully repaid using cash received from the Transaction. Such repayment was mandatory as per the terms of the loan agreement.

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

**Convertible Debenture:** In December 2021, Navios Holdings entered into the Convertible Debenture with NSM, covering an upfront fee of \$24,000, accrued interest on the NSM Loans, and prepayment fees. NSM has the option to convert any portion of the outstanding balance under the Convertible Debenture into shares of common stock of Navios Holdings pursuant to an agreed-upon mechanism. The Convertible Debenture has a term of five years, maturing in 2027, and bears interest at the rate of 4% PIK, payable at maturity, if not earlier converted into shares of our common stock. As of December 31, 2022, the total outstanding balance of the Convertible Debenture amounted to \$123,658. The Convertible Debenture is presented under the caption “Convertible debenture payable to affiliate companies”.

On January 9, 2024, the Company entered into a letter agreement (the “Letter Agreement”) with NSM, under the terms of this agreement, the NSM agreed, among other things, to:

- irrevocably waive and forgive any continuing event of default (or any other breach or default of any provision of) the prior Convertible Debenture;
- certain amendments to the prior Convertible Debenture (as amended and restated, the “Senior Secured PIK Debenture”) to extend its maturity and make certain other modifications as more fully outlined below; and
- accept a transfer to it of the 3,183,199 common units of Navios Partners owned (prior to such transfer) by the Company and its subsidiaries in partial prepayment and satisfaction (on the date of the Letter Agreement) of an \$81,140 portion of the principal amount of the Convertible Debenture.

The Senior Secured PIK Debenture will mature on January 9, 2029 and bear interest at a fixed rate of 18% per annum, payable semi-annually in-kind. The instrument is secured by a first priority lien on all the shares of Navios Logistics. The Company is entitled to prepay all or a portion of the Senior Secured PIK Debenture prior to July 9, 2026 at a “make whole” prepayment price and, thereafter, at prepayment prices ranging from 109.00% to 102.25% of the aggregate of the principal amount (and any accrued and unpaid interest thereon) to be prepaid. The Senior Secured PIK Debenture is not convertible into the Company’s equity. As of January 9, 2024, after giving effect to the above-noted partial prepayment, the principal amount outstanding under the Senior Secured PIK Debenture was \$43,920.

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

**Promissory note:** On July 30, 2021, Navios Logistics issued a \$20,000 promissory note to Grimaud. On July 30, 2021, Grimaud entered into an assignment agreement with Peers Business Inc. (“Peers”), whereby the promissory note was assigned to Peers. During the nine-month period ended September 30, 2023, the Company paid the remaining balance outstanding under the Promissory Note of \$10,000 in full and there is no remaining outstanding balance on the Promissory Note as of September 30, 2023.

Navios Logistics has entered into an agreement with NSM with effect as of October 1, 2023, for the leasing of its global office spaces. The agreement has a term of five years with fees of \$35.6 per month for the first year of the contract increasing thereafter 5% per annum for the second, third, and fourth years, and 3% for the fifth year. The Conflicts Committee of Navios Logistics has approved the transaction.

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In October 2023, Navios Logistics agreed to charter-in the Navios Vega, a 2009-built Ultra-Handymax vessel, following her modification to a ship-to-ship transhipper vessel, from Navios Maritime Partners L.P. for a period of five years at a rate of \$25.8 net per day. This transaction was negotiated by, and unanimously approved by, the conflicts committee of Navios Logistics. Navios Vega was delivered to the Company in February 2024.

**NOTE 16: PREFERRED AND COMMON STOCK**

As of December 31, 2023 and 2022, Navios Holdings had 500 and 22,826,450 shares of common stock issued and outstanding.

In October 2022, 2,414,263 shares held by Navios Corporation were canceled.

*Series I Preferred Stock*

In accordance with the terms of the Convertible Debenture, Navios Holdings issued 1,000 shares of preferred stock (the “Series I Preferred Stock”) on January 3, 2022, which have no voting and no economic rights. The Series I Preferred Stock represent 31,167,170 and 31,475,315 shares of common stock issuable as of December 31, 2023 and January 3, 2024, respectively, which are deemed outstanding for voting purposes. Under the terms of the Convertible Debenture, the number of shares of Common Stock issuable upon conversion thereof will increase to the extent that amounts outstanding under the Convertible Debenture increase. NSM, the holder of the Series I Preferred Stock, may convert any or all of the outstanding preferred stock into common stock at its option at any time until the maturity of the Convertible Debenture at the conversion rate of \$3.93 per common stock. In addition, there are also provisions for mandatory conversion upon the occurrence of certain events. NSM is an affiliate of our Chairwoman and Chief Executive Officer, Angeliki Frangou.

On January 9, 2024, pursuant to the Letter Agreement (as defined herein), the Series I Preferred Stock were canceled.

*Cumulative Perpetual Preferred Stock*

The Company’s American Depositary Shares, Series G ADSs and the American Depositary Shares, Series H ADSs are recorded at fair market value on issuance. Each of the shares represents 1/100th of a share of the Series G ADSs and Series H ADSs, with a liquidation preference of \$2,500 per share (\$25.00 per American Depositary Share). Dividends were to be payable quarterly in arrears on the Series G ADSs at a rate of 8.75% per annum and on the Series H ADSs at a rate of 8.625% per annum of the stated liquidation preference, which increased by 0.25% as of July 15, 2017 for each of Series G ADSs and Series H ADSs. The Company has accounted for these shares as equity.

*Series G and Series H American Depositary Shares Exchange Offer*

In February 2016, Navios Holdings announced the suspension of payment of quarterly dividends on its preferred stock, including the Series G and Series H.

On July 15, 2017, the Company reached six quarterly dividend payments in arrears relating to its Series G ADSs and Series H ADSs and as a result the respective dividend rate increased by 0.25%.

On December 21, 2018, Navios Holdings announced that it commenced an offer to exchange cash and/or newly issued 2024 Notes for approximately 66 2/3% of each of the outstanding Series G Depositary Shares and Series H Depositary Shares.

As of March 21, 2019, a total of 10,930 Series H were validly tendered representing a net aggregate nominal value of approximately \$26,297. Navios Holdings paid \$997 for tender offer expenses, approximately \$4,188 as cash consideration and a total of approximately \$4,747 in aggregate principal amount of 2024 Notes. The difference between the carrying amount of the preferred shares redeemed and the fair value of the consideration transferred amounting to \$16,365 was recorded in accumulated deficit. Following the completion of the offer, the Company canceled the undeclared preferred dividend of Series H ADSs of \$7,678.

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

Total undeclared preferred dividends as of December 31, 2023 and 2022 were \$29,956 and \$26,192 (net of canceled dividends).

On September 14, 2022, Navios Holdings commenced a tender offer to purchase up to \$20,000 of the outstanding Series G ADSs and Series H ADSs. As of the completion of Navios Holdings’ tender offer on October 21, 2022, a total of 20,185 Series G ADSs were validly tendered in exchange for aggregate cash consideration of \$318, and a total of 584,158 Series H ADSs were validly

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tendered in exchange for aggregate cash consideration of \$8,926, resulting in a gain of \$4,547 and undeclared preferred dividends of \$8,949. After giving effect to the consummation of the tender offer, Navios Holdings has 514,720 outstanding Series G ADSs and 1,183,944 outstanding Series H ADSs, which represent 1/100th of a share of 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock and 1/100th of a Share of 8.625% Series H Cumulative Redeemable Perpetual Preferred Stock, respectively.

Preferred stock was 16,988 (5,148 Series G ADSs and 11,840 Series H ADSs) and 23,032 (5,350 Series G ADSs and 17,682 Series H ADSs) as of December 31, 2023 and 2022 respectively.

On February 8, 2024, the Series G ADSs and Series H ADSs were delisted from NYSE.

*Vested, Surrendered and Forfeited*

During 2023 and 2022, no restricted stock units were issued to the Company's employees.

During the years ended December 31, 2023 and 2022, 0 and 37,907, respectively, were forfeited upon termination of employment.

Pursuant to the Merger (as defined herein), the Company does not have any stock plan in place.

*Issuances to Employees, Officers and Directors*

On December 21, 2022, pursuant to the stock plan approved by the Board of the Directors, 40,000 restricted shares of common stock were granted to Navios Holdings officers and directors and issued on December 21, 2022.

During the years ended December 31, 2023 and 2022, no stock option was granted to Navios Holdings' employees, officers and directors.

**NOTE 17: INTEREST EXPENSE AND FINANCE COST**

Interest expense and finance cost consisted of the following:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Interest expense	\$ 62,351	\$ 60,573
Amortization and write-off of deferred financing	4,388	3,980
Other	1,199	127
<b>Interest expense and financing cost</b>	<b>\$ 67,938</b>	<b>\$ 64,680</b>

**NOTE 18: INCOME TAXES**

The Republic of the Marshall Islands, Liberia, Panama and Malta do not impose a tax on international shipping income. Under the laws of the Republic of the Marshall Islands, Malta, Liberia and Panama, the countries of incorporation of the Company and its subsidiaries and the vessels' registration, the companies are subject to registration and tonnage taxes in the accompanying consolidated statements of comprehensive (loss)/income.

In accordance with the currently applicable Greek law, ship owning companies of foreign-flagged vessels that are managed by Greek or foreign ship management companies having established an office/branch in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state which is calculated on the basis of the relevant vessel's tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece. The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company, the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign-flagged vessel outside Greece.

The income tax benefit reflected in the Company's consolidated financial statements for the years ended December 31, 2023 and 2022, is attributable to Navios Holdings' subsidiaries in South America, which are subject to the Argentinean, Brazilian and Paraguayan income tax regime.

CNSA and Corporacion Navios Granos S.A. ("CNGSA") are located in a tax free zone and are not liable to income tax. Navios Logistics' current port operations in Uruguay are exempted from income taxes.

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As a result of the Law 27,630, voted by the Argentinian Parliament in June 2021, income tax rates and scales were modified. Scales are updated annually as per inflation. Income tax liabilities of the Argentinean subsidiaries for the current period is measured at the amount expected to be paid to the taxation authorities using a tax rate of 35% on any taxable profit above 143 million Argentinean pesos or \$177, 30% on any taxable profit between 14 million Argentinean pesos or \$17 and 143 million Argentinean pesos or \$177, and 25% on any taxable profit below 14 million Argentinean pesos or \$17. The enacted Law 27,630 replaced the income tax rates and scales of the tax reform previously voted by the Argentinean Parliament in December 2017, and the Law 27,541 voted in December 2019, in which the corporate income tax rate had decreased from 35% in 2017 to 30% for the period from 2018 to 2021 and would further decrease to 25% for the period from 2022 onwards. Tax rates and tax laws used to assess the income tax liability are those that are effective on the close of the fiscal period.

Under the tax laws of Argentina, the subsidiaries of the Company in that country are subject to taxes levied on gross revenues. Rates differ depending on the jurisdiction where revenues are earned for tax purposes. Average rates were approximately 2.0% for the year ended December 31, 2023 (2.0% for 2022).

The corporate income tax rate in Argentina, Paraguay, Brazil, and Uruguay is 35%, 10%, 34%, and 25%, respectively for the year ended December 31, 2023. The Company's deferred taxes as of December 31, 2023 and 2022, relate primarily to deferred tax liabilities on acquired intangible assets recognized in connection with Navios Logistics.

**NOTE 19: OTHER EXPENSE**

During the years ended December 31, 2023 and 2022, taxes other-than-income taxes of Navios Logistics amounted to \$7,330 and \$6,515, respectively, and were included in the statements of comprehensive (loss)/income under the caption "Other expense, net".

**NOTE 20: SUBSEQUENT EVENTS**

On January 9, 2024, the Company entered into a letter agreement with NSM to amend the existing Convertible Debenture. For further information, see Note 15 "Transactions with Related Parties" and Note 16 "Preferred and Common Stock" in the consolidated financial statements.

In February 2024, the Company repaid the 2024 Notes in full.

Brundir S.A. (an entity wholly owned by Navios Logistics), entered into an agreement with COFCO to acquire 36% of the equity in TGU for a purchase price of \$6,100. The closing of the transaction was on April 8, 2024.

Subsequent to the year ended December 31, 2023, Navios Logistics repurchased \$21,500 of its 2025 Logistics Senior Notes. For further information see Note 11 "Borrowings".

During the first quarter of 2024, the remaining eight barges under the Twelve Jumbo Barges contract were delivered to the Company. See Note 7 "Vessels, port terminals and other fixed assets, net".

In March 2024, the Company entered into an agreement, with an unrelated third party, to acquire 12 secondhand barges for a total consideration of \$3,960, expected to be delivered within the second quarter of 2024 and has the option to acquire 4 additional secondhand barges at similar terms.

In April 2024, Navios Logistics entered into a five-year leasing contract for the construction of eight barges to be delivered no later than the end of the third quarter of 2024 (the "Eight Jumbo Barges"). The contract for the Eight Jumbo Barges has similar terms to terms of the lease contract for the Twelve Jumbo Barges and Six Jumbo Barges (as described above).