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**PORT OF SOUTH LOUISIANA, HOST AGREE ON FINAL PURCHASE PRICE  
OF AVONDALE GLOBAL GATEWAY**

*PortSL commissioners approve purchase ahead of September State Bond Commission meeting where the sale will be authorized.*

Reserve, Louisiana

Today, the Port of South Louisiana (PortSL) Port Commission voted to approve the amended purchase agreement with HOST of Avondale Global Gateway (AGG) at the final negotiated price of \$330 million. Port SL will seek revenue-backed bonds to fund \$280 million of the final purchase price and HOST will take on a \$50 million seller's note. While the Port of South Louisiana takes ownership of the property, HOST will act as terminal manager and stevedore.

"Avondale Global Gateway represents a transformational opportunity for the Port of South Louisiana and this entire region," said Paul Matthews, PortSL Chief Executive Officer. "We are experiencing dynamic shifts in global trade and logistics, and the acquisition of Avondale Global Gateway – while maintaining terminal management from HOST – presents an opportunity for PortSL to reinforce its position as a leading hub for commerce, not just in Louisiana, but along the entire Gulf Coast and around the world. A project of this magnitude was always going to take time. We have done our due diligence, looked at this project from every angle and have worked to ensure the State of Louisiana gets the best deal possible. I am excited that we are nearing the end of this process and am looking forward to a bright future as we continue the efforts of HOST in restoring AGG to its former glory."

Port SL and HOST came to this final agreement following an extensive due diligence period during which PortSL officials conducted an initial financial assessment, real estate valuations, physical site inspections, and environmental reviews. On the basis of PortSL's evaluations and in recognition of the need for time to further develop the property to achieve its full capacity, PortSL and HOST agreed to amend the purchase agreement from the original price of \$445 million to the new sale price of \$330 million. Taken together, these reports offered compelling reasons and strategic considerations that substantiate this acquisition. The Port Commission reviewed these documents ahead of the vote.

**A BETTER WAY TO CARGO**

“In 2018, we had a vision for completely redefining Avondale Shipyards to create Avondale Global Gateway. Since then, we have turned a derelict site into a profitable center of commerce, created hundreds of jobs, and secured tenants in our core industries of renewable energy, construction materials, and sustainable food products,” said Adam Anderson, HOST Chairman and CEO. “In partnership with the Port of South Louisiana, we are committed to reaching Avondale Global Gateway’s full potential and bringing even more sustainable business to the West Bank.”

This acquisition aligns seamlessly with PortSL’s overarching vision of fostering sustainable growth, enhancing operational capabilities, fostering local job creation, and fortifying PortSL’s commitment to serving the state of Louisiana and its stakeholders.

PortSL will seek approval from the State Bond Commission at its September 21st meeting and share the initial financial assessment, real estate valuations, physical site inspections, and environmental reviews for the Commission’s consideration.

#### **Background on the Due Diligence Findings:**

Port SL’s feasibility consultants calculated a compelling projection of revenue streams through AGG’s integration into Port SL’s operation that valued the property in excess of \$400 million.

The initial financial assessment reviewed two revenue streams:

- 1) Visible cash flow from existing, contracted income streams and
- 2) Evaluation of the development of the unutilized land, which will generate rental revenue and ancillary revenues from dock and rail utilization.

The financial consultants also integrated input from the physical evaluation consultant we engaged, who concluded that various maintenance work would be needed over a period of time but that all of the physical infrastructure is in commerce and generating income for the property.

According to the real estate valuation and property review, AGG’s strategic location offers access to vital shipping routes along with direct rail and regional trucking lanes, thereby facilitating efficient connection to domestic and international markets. When combined with the significant amount of shovel-ready land available at the property, the site is positioned to attract additional major manufacturing tenants within its core, targeted industries of renewable energy, sustainable food products, and construction materials. Each of these core industries have tenants on contract and will not only grow revenue at Avondale Global Gateway but also provide well-paying jobs for the community.

Avondale Global Gateway has completed extensive environmental remediation and is ready for commerce. PortSL’s environmental consultant, ELOS Environmental LLC, reviewed the findings of HOST’s Phase 1 environmental report and certification completed by Weaver Consultants Group

from prior to their acquisition. ELOS concluded that Weaver was diligent and professional in the manner in which the report and certification was provided, and also found that the conclusions reached by Weaver were justified at that time. After acquiring the property, HOST undertook a more thorough assessment in 2021, engaging GHD to advise with respect to a RECAP plan, involving testing, extensive soil sampling, and remediation of the property. GHD completed its RECAP report one year ago, which revealed much more detail of the property. HOST was successful in securing a letter of No Further Action (NFA) from Louisiana’s Department of Environmental Quality (LDEQ), the highest form of assurance from our state’s environmental authority. Additionally, PortSL’s agreement with HOST provides mechanisms to protect the Port of South Louisiana in the event an unknown, unknowable environmental issue arises.

The full package of reports and analyses demonstrates the acquisition of AGG will bolster Port of South Louisiana’s global competitiveness, position it to take advantage of shifts in global trade and logistics, and enhance Port SL’s financial standing.

#### **About the Port of South Louisiana**

Founded in 1960, the Port of South Louisiana [PortSL] is a 54-mile port district on the Mississippi River between New Orleans and Baton Rouge, encompassing the parishes of St. Charles, St. John the Baptist, and St. James. The Port of South Louisiana is the largest port in Louisiana and #2 in the Western Hemisphere. It ranks as the #1 U.S. grain exporter and #2 U.S. energy transfer port. Port SL is home to seven grain transfer facilities, four major oil refineries, 11 petrochemical manufacturing facilities and several other facilities, including the Executive Regional Airport.

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