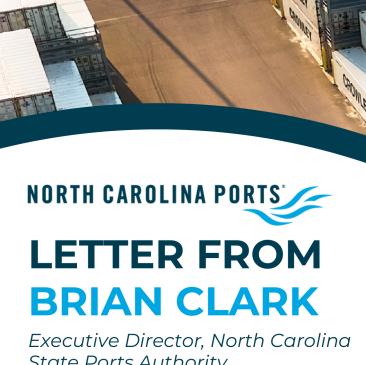
NORTH CAROLINA PORTS*





State Ports Authority

Fiscal Year 2023 was a strong year for North Carolina Ports as our team moved record cargo volumes, resulting in the best financial performance in NC Ports history. There was also great progress made on a number of on-port projects, and meaningful near-port industry investment that will further enhance our operations. While we have carried that momentum into FY24, there are some industry headwinds our team will need to navigate. Our strategic decision to remain diversified between containers and general cargo continues to serve us well, and will remain a focus going forward.

NC Ports reported record operating revenue of \$79 million in FY23, a 17% increase from the previous record set in FY22. Ordinary net income finished at \$7.1 million, more than twice our annual budget. Container volume increased by more than seven percent year over year, one of the few east coast ports that could report such growth. And with a continued focus on the growth of cargo volumes and expansion of global coverage, the NC Ports team also secured two new vessel services that added six new direct port calls. Overall volume, specifically refrigerated container volume, surged at the end of the year, pointing to a bright future.

Additionally, more than 15,000 containers were moved by intermodal rail in FY23, marking a record year and accounting for nine percent of total container volume. A strong bulk and breakbulk performance, driven by both existing customers and new programs, also resulted in a record year for general cargo.

While we continue to strengthen our offering through capital improvements and infrastructure enhancements, much of the next phase of NC Ports' commercial development will take place "outside the gate" to support North Carolina business expansion and growth. As we advance our value proposition across industry verticals and regions, we position ourselves not only as an enabler of international trade but a catalyst for new business and investment.

We continue in our commitment to the highest levels of service and to our people. As a team, we will strive to fulfill the mission of NC Ports and showcase our value as an organization, economic contributor and asset to North Carolina.

Brian E. Clark, Executive Director

FINANCIAL PERFORMANCE OVERVIEW

For the fiscal years (FY) ended June 30, 2023 and 2022

	FY2023	FY2022
Operating Revenues	\$ 79,336,508	\$ 68,003,127
Terminal Operating Expenses	55,640,231	46,396,162
Administrative Operating Expenses	18,048,163	15,023,922
Operating Income	5,648,114	6,583,043
Net Non-Operating Inc (Expense)	1,463,098	(2,842,661)
Ordinary Net Income	7,111,213	3,740,382
Adjusted EBIDA:	\$ 23,646,084	\$ 23,338,973

Total operating revenues in FY23 exceeded both prior year and budgeted levels primarily due to increased general terminal activity and overall strong container move performance.

(Overview reflects modified GASB classifications for management reporting purposes)

STRONG FY23 FINANCIAL PERFORMANCE

The Highlights

CONTAINERS

SEVEN PERCENT

year-over-year growth

IN THROUGHPUT VOLUME

Two new vessel services were added in FY23 that expanded the Port of Wilmington's global connectivity, including six new direct port calls.

GENERAL CARGO

Hapag-Loyo

4.6 MILLION SHORT TONS

of bulk & breakbulk cargo moved

General cargo volume increased 12% year over year, marking a record year for tonnage and revenue.

INTERMODAL

MORE THAN 550

twenty-foot-equivalent units

MOVED BY RAIL PER WEEK

Intermodal rail volume increased 74% year over year, accounting for nine percent of total container volume.



2022 Container Port Performance Index (CPPI)

CRANE PRODUCTIVITY

39 NET MOVES PER HOUR

TRUCK GATE PRODUCTIVITY

SINGLE TURN: 21 MINUTES DUAL TURN: 31 MINUTES

Fastest on the East Coast



The Highlights

BULK

THE GROWTH IN BULK CARGO VOLUME WAS DRIVEN PRIMARILY BY:

- Agriculture
 - Fertilizer, grain and feed
- Forest products
 - Woodchips and wood pellets

BREAKBULK

STRONG PERFORMANCE DRIVEN BY EXISTING CUSTOMERS AND NEW PROGRAMS INCLUDING:

- Construction and building products
- Products supporting the automotive industry
- Pulp/paper products
- Project cargo

GENERAL CARGO FY23 PERFORMANCE

The Highlights

WILMINGTON

3.2 MILLION SHORT TONS

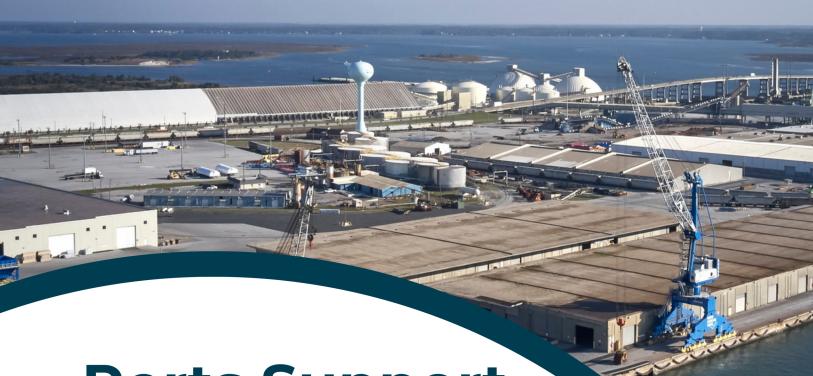
12% year-over-year growth

MOREHEAD CITY

1.4 MILLION SHORT TONS

12% year-over-year growth

"The General Cargo teams in both Wilmington and Morehead City, supported by our Business Development team, did amazing things this year. They identified unique solutions for our customers, took advantage of adhoc vessel calls, and secured new regular services. Our strategic decision to remain diversified between containers and general cargo continues to serve us well, and will remain a focus going forward." -Brian E. Clark, Executive Director, NC Ports.



Ports Support North Carolina

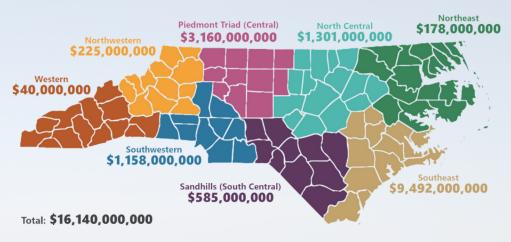
North Carolina's ports serve as vital economic engines that provide our state's businesses access to global markets. With convenient locations Wilmington and Morehead City, plus an inland port in Charlotte and access through CSX's Carolina Connector (CCX) in Rocky Mount, NC Ports plays an important role in the supply chain decisions of companies with operations in North Carolina. Our ports also serve as magnets that attract new business and industry to the state.

The economic contributions as a result of port activity and port services are robust and farreaching. North Carolina exporters rely on nearby port facilities for efficient access to global markets. In turn, cargo imported through

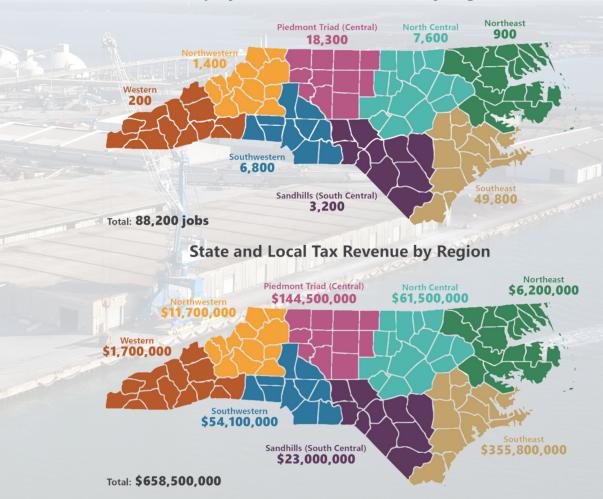
our ports in Wilmington and Morehead City support a range of industries in North Carolina and surrounding states. Port facilities also attract a variety of value-added services that support employment in industries like trucking, rail, distribution, logistics and more.

While our team continues to strengthen our offering "inside the gate" to ensure NC Ports remains a critical link in the state's supply chain, much of the next phase of NC Ports' commercial development will take "outside the gate" to support business expansion and growth in the facilitation of international trade and supply chain requirements.

Economic Activity (Output) by Region



Employment (Number of Jobs) by Region



ECONOMIC CONTRIBUTIONS



Economic Output



88,200

Jobs in North Carolina



\$660 M

Local & state tax revenue



2022 Economic Contribution of the North Carolina Ports Institute for Transportation Research and Education, N.C. State University



GROWTH WITHOUT

We continue to execute an aggressive expansion plan in order to better facilitate the long-term plans and business projections of our customers. The completion of several major capital improvements have allowed us to serve larger, more efficient vessels while maintaining best-in-class productivity, gate turn times and rail dwell times. However, there is still more work to be done on our ports.

CONGESTION

Projects on the horizon or nearing completion at the Port of Wilmington include intermodal yard improvements that will enhance freight mobility and efficiency, an expanded refrigerated container yard to handle more cargo than ever before and major paving projects that will increase the overall productivity and capacity of our operations. On-port projects in Morehead City include berth improvements, crane rail extension and new warehouse space to keep pace with the strong demand for our services.

These improvements allow us to strengthen our connections at home while exceeding industry standards of service, speed and efficiency.



To expand NC Ports' share in the container market, ocean carriers and cargo owners need increased cold chain capabilities and intermodal rail connectivity to have the market access and reach they require.

With the completion of Phase 2 of our refrigerated container yard, NC Ports now offers more than 1,500 plugs for refrigerated containers with the ability to increase that number as we expand the Port of Wilmington's terminal. This not only delivers increased refrigerated container volume, but also allows for an expanded perishables portfolio.

This expansion is significant for North Carolina's growing grocery sector, which will require further development of cold storage and distribution facilities. NC Ports has prioritized this strategic segment and will continue to facilitate the increase of on-port, near-port and inland platforms to support increased import and export trade for North Carolina.





As intermodal rail volume grows, NC Ports will need to expand its rail storage capacity on port. In the second half of FY24, NC Ports will begin work on a new on-port intermodal facility utilizing funds from a federal RAISE grant. Without this investment, the Port of Wilmington's intermodal activity is capped at approximately 14,000 intermodal rail movements annually. This new facility will provide four new working tracks totaling approximately 5,000 linear feet, increasing capacity to 50,000 intermodal rail movements annually.

In FY23, NC Ports moved nine percent of containers by rail. With the implementation of this project, the percentage of moves is projected to triple by 2032, allowing NC Ports to better support the regional need to move freight from the coast to the hinterlands. This will ultimately divert nearly 250,000 container boxes from trucks to rail at the Port of Wilmington over the next decade.



RAIL CONNECTIVITY

NC Ports continues to grow its intermodal rail network and inland reach as the East Coast's fastest ship-to-rail service. With high vessel productivity and no rail dwell times, the Port of Wilmington offers customers convenient access to North Carolina and beyond via its express intermodal rail services.

WILMINGTON MIDWEST **EXPRESS**

The launch of the Wilmington Midwest Express has been crucial in providing customers direct, daily rail access to Midwestern markets via CSX's Carolina Connector Intermodal Rail Terminal in Rocky Mount. This express rail service provides importers a five-day connection to Chicago and Northwest Ohio and a seven-day connection to St. Louis.



Wilmington-Rocky Mount Express provides daily, overnight rail service between the Port Wilmington and CSX's Carolina Connector (CCX) Intermodal Rail Terminal in Rocky Mount. This new service provides importers exporters direct, efficient access to northeastern North Carolina markets and the Interstate 95 corridor.



The Queen City Express provides next-day intermodal transit service from the Port of Wilmington to the North Carolina Ports Charlotte Inland Port - a hub with direct access to corridors major distribution It also offers Southeastern U.S. reduced transit costs and no dwell times at either location.



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