

Transaction Highlights

Public-private partnership for the repair, design, construction, financing, maintenance and operation of the San Juan Bay cruise terminals



Transaction objectives

- Attract the necessary private capital investment to meet the infrastructure and modernization needs of the terminals (piers 1, 3, 4, 11 to 14, and Pan American I and II)
- Transfer the risks and responsibilities of the operation of the cruise terminals to an experienced private operator
- Transform the business model of the operation of the cruise terminals to an open regime one
- Bring terminals to world-class standards
- Maximize the potential of the cruise sector in the economy and tourism of Puerto Rico
- Position Puerto Rico at the forefront of the cruise industry in the Caribbean region
- Increase port access and passenger traffic

Reasons for the transaction

- Puerto Rico Ports Authority's fiscal incapacity to effectively meet the infrastructure needs of the terminals
- Lack of access to financing alternatives such as federal funding or access to debt markets
- Minimum capital investment by the Puerto Rico Ports Authority for repairs and maintenance to the infrastructure of the terminals
- Accumulated deterioration of the infrastructure of the terminals, that was aggravated by the impact of hurricanes Irma and María
- Attention to the particular needs of cruise lines, but not as part of an organized plan
- Outdated infrastructure that doesn't respond to the needs of the modern cruise industry
- Recommendations of repairs and improvements by federal authorities
- The need to transform the port operation to an open regime one in order to attract new cruise lines, more visits and more passengers



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Financial aspects

**\$151.4
 million**

Financial closing

| | | |
|-----------------------------|---------------|----------------|
| Upfront payment to the PRPA | \$75 | million |
| Dredging | \$1.6 | million |
| Initial investment project* | \$74.8 | million |

*Ongoing capital improvement (CAPEX)

**\$329
 million**

During the concession

| | | |
|-------------------------------------|----------------------|----------------|
| Dredging | \$10 | million |
| Expansion project | \$197 | million |
| Ongoing capital improvement (CAPEX) | \$122 | million |
| Annual revenue share | Minimum of 5% | |

Who is San Juan Cruise Port?

- San Juan Cruise Port is a subsidiary of Global Ports Holding and it is the entity responsible for the management and operation of the San Juan Bay cruise terminals project in Puerto Rico. It is comprised of a team of high-caliber local talent, backed by Global Ports Holding's global network.

Global Ports Holding is the world's largest cruise port operator. The company operates 26 cruise ports in 14 countries, including the cruise ship terminals in The Bahamas, Antigua & Barbuda in the Caribbean; Malaga and Barcelona in Spain; and several ports in Portugal, Italy, Malta, the Adriatic and East Mediterranean and Singapore, among other destinations worldwide.

The company was established in 2004 as an international port operator with a diversified portfolio of cruise ports. Global Ports Holding traditionally provides services for 15 million passengers annually (pre-Covid pandemic) throughout the Caribbean, Mediterranean and Asia-Pacific regions. It is focused on operational excellence, enhanced security and safety practices and customer-oriented services.

