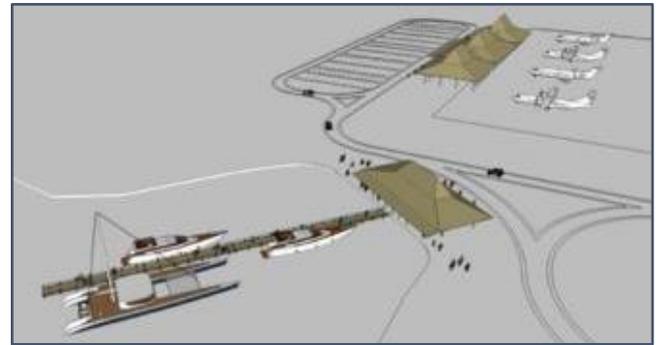




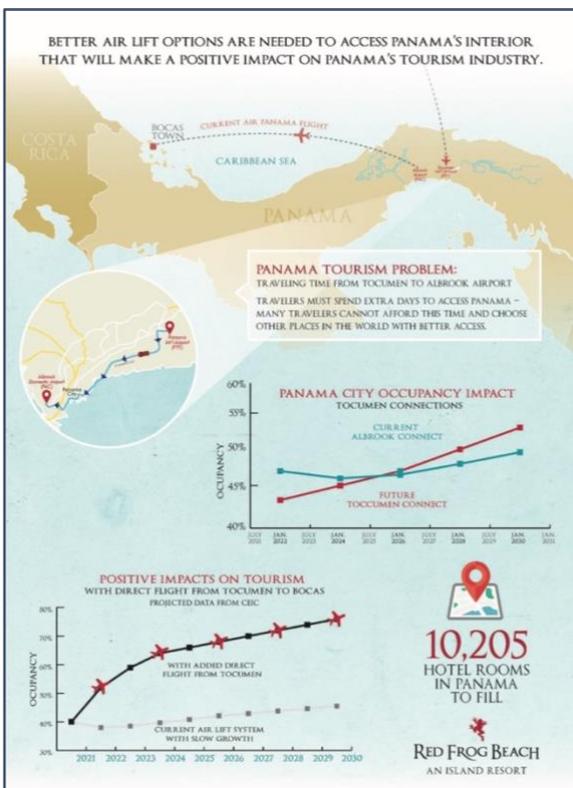
Construction of a State-of-the-Art \$50 Million Airport to Serve Bocas del Toro

The Red Frog team’s commitment to tourism and the people of Panama has been well recognized and supported by the local and national government across numerous administrations.

Part of this commitment and support is reflected in the Government of Panama officially commencing and progressing a \$50 million design and construction project for the new airport of Isla Colón, Province of Bocas del Toro.



This state-of-the-art airport will have two significant positive impacts on airlift to Red Frog Beach Resort. First, it will allow for larger planes and direct flights from Tocumen International Airport (PTY) in Panama City, eliminating the current arrangement whereby arriving international passengers transfer from PTY to Albrook regional airport. Second, upon arrival at the new airport, visitors will transfer directly from plane to boat from within the airport. Guests arriving in Bocas del Toro to stay at any of the properties at Red Frog Beach will have only a 10-minute boat ride from the airport to Red Frog Beach’s marina.



Significant progress to date on the new airport includes the completion of the transfer of municipal lands to Civil Aeronautics. Also, both a survey and appraisals of private lands that are within the runway area have been completed in coordination with the respective owners and in the context of their legal status. The government is now in the process of completing the acquisition of these private lands, and it estimated that the construction period post-land acquisition will be 15 months. New construction of the homes for relocated owners is nearly complete a few miles away from the new airport site. The government will commit to an actual completion date once the purchase of all of the necessary land is completed, allowing the 15-month construction period to commence. Given this information, and with construction plans for the first resorts at Red Frog Beach now in progress (as well as the construction of additional villas and homes), there is sufficient time if the airport project were to be completed in 2023 or early 2024 – definitely achievable.

As importantly, the Government of Panama has resumed discussions with Copa Airlines (a Star Alliance member) to provide direct service from PTY to Bocas del Toro. Prior to the on-set of COVID-19, the service was close to commencing. Copa has made servicing Bocas del Toro a top domestic priority considering Bocas del Toro is the number one tourist destination in Panama. The direct connect will drive significant occupancy growth in Bocas del Toro immediately and long-term.



Meanwhile, Red Frog Beach has already initiated an immediate, unique second option in addition to the multiple flights per day currently operated by Air Panama from Albrook regional airport in Panama City. This second option is offering sea plane service from PTY directly to the marina at Red Frog Beach. Currently, a US-based company called Elevair is commencing this service and will create an incredibly dramatic and convenient way to transfer from Panama City directly to Bocas del Toros. Other similar commercial sources will enter the market as well as demand increases post-COVID-19.

