

Highlights of Advanced Manufacturing

- The world's fifth largest pharmaceutical manufacturing hub by volume, comprising more than 80 manufacturing facilities
- Local excellence in medical device manufacturing and regulatory compliance has made Puerto Rico the home of 15 of the top 20 class device manufacturers
- Approximately 26,500 bachelor's degrees and 5,000 post-graduate degrees in STEM are awarded annually
- 60% of graduates are STEM majors, 6x greater than the highest concentrations among the 50 states

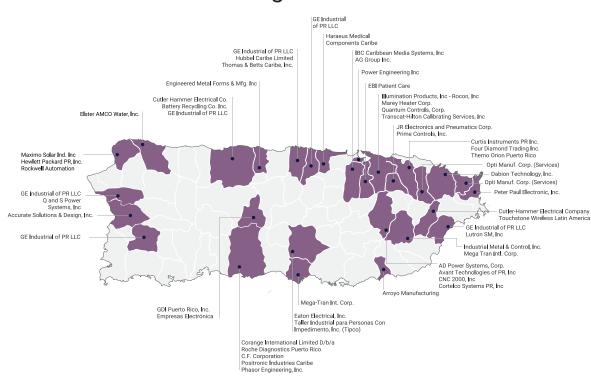
Highlights of Aerospace

- In 2020, Puerto Rico was granted the first and only U.S. Department of Transportation waiver that allows the international transfer of passengers and cargo in the Island's three international airports
- Compliance with the International Traffic in Arms Regulations (ITAR): As a U.S. jurisdiction, Puerto Rico complies with this regulation that states that only U.S. citizens can access military and defense technologies
- Suitability of outsourcing abroad: Puerto Rico meets all the criteria of the defense segment of the aerospace market for U.S.-made products

Manufacturing has been a pillar of Puerto Rico's economy for over 60 years. The Island has achieved excellence in the sector, with global leadership in biosciences, engineering, aerospace, and other sectors. Multinational companies continue to come to the Island in recognition of its favorable business environment and other value assets. These include modern infrastructure, a highly skilled workforce, such as engineers and other technical workers, ease of doing business, professional clusters and networks, and incentive programs. The Island features robust manufacturing process capabilities and provides unprecedented access to innovation, such as IoT 0G networks, an industry-facing 5G lab, and more.

With a long history of manufacturing experience and thousands of engineering talent graduated every year, the Island has attracted multi-million dollar investments from these and other major companies in recent years.

Advanced Manufacturing



Globally Unique Incentives

4% fixed corporate income tax rate on eligible income

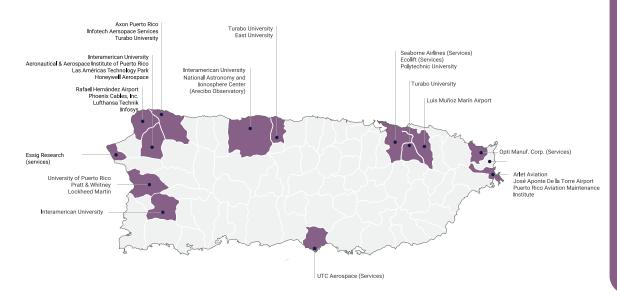
100% tax exemption on long-term capital gains 75% exemption on property tax 75% exemption on municipal construction rate 50% exemption on municipa license tax 15 years standard tax exemption grant period, subject to renegotiation for an additional 15 years



Aerospace

Over the past decade, Puerto Rico endeavored to consolidate an aerospace cluster leveraging high-value assets to become an aerospace & MRO services powerhouse. The former Ramey Air Force Base facilities (now Rafael Hernández - Aguadilla Airport) has a runway built to a length of 11,702 ft. and a width of 200 ft., the longest in the Caribbean. This runway makes the airport fit to receive heavy military and commercial type aircraft. The Ramey area hosts Lufthansa Technik's MRO operations. The Northwest

Metro area, (Aguadilla, Aguada, Isabela, Rincón, San Sebastián, and Moca) is becoming home to aerospace businesses dedicated to research and development, including Honeywell, Pratt & Whitney and Infosys, among others. These businesses are creating an ecosystem that requires specialized human resources, products and services to guarantee their global competitiveness.





Patrick Foley, CEO of Lufthansa Technik Puerto Rico:

"Puerto Rico, and specifically the Aguadilla airport, is the perfect location for an MRO facility. We have customers from North America and Latin America.

Puerto Rico is a U.S. territory. Getting FAA approval would also have been more complicated out of the U.S. Culturally, Puerto Ricans are Latinos, so there is an important connection with our Chilean and Argentinian customers. The availability of hard-working, well-trained, and bilingual staff on the Island is also key.

I am optimistic about the future. Puerto Rico's strengths, the location, a U.S. jurisdiction, the trained people. With the right leadership and planning, the industry will continue to grow."

Source: The Weekly Journ



U.S. Jurisdiction

- Federal insurance and banking regulations,
 U.S. dollar, and stable business environment
- Legal & intellectual property protections of the U.S.



Workforce & Talent Development

- Wages in Puerto Rico's manufacturing industries are 30%-40% lower than the U.S. national average
- Bilingual in English and Spanish



Organizational Support

- Puerto Rico Manufacturers Association (PRMA)
- Puerto Rico Manufacturing Extension (PRIMEX) #1 rated MEP in the U.S.
- Mechanical Contractors
 Association of Puerto Rico
 (MCAPR)
- Puerto Rico Aerospace Technology Consortium (PRATC)
- Aeronautical & Aerospace Institute of Puerto Rico (AAIPR)



High Quality of Life

- Diverse outdoors activities from pristine beaches to dense rain forest, mountains, caves, and canyons
- Rich cultural experiences from nighttime dancing to centuries old museums
- Over 50 certified historic landmarks



Real Estate

- Island-wide ICT infrastructure, including multiple 5G providers
- Strong Foreign Trade Zones across the Island, with 500+ available properties
- Geographic proximity to low-cost supply chains in the Caribbean Basin

