

STATEMENT OF PANAMA PORTS COMPANY, S.A.**Panama, 23 February 2026**

Panama Ports Company, S.A. (“PPC”) advises that the Panamanian State took over the ports of Balboa and Cristóbal in Panama on 23 February 2026 through the direct entrance of the State into the ports and direct interference with the property and personnel of PPC, forcing PPC to cease port operations.

The takeover of the ports by the Panamanian State is a culmination point of the unlawful campaign that the State launched a year ago targeting PPC, its investors and its concession contract. PPC strongly objects to the steps by the government to develop and carry out its unlawful takeover without transparency or coordination. PPC has emphasized to the State that it has not and does not consent to the takeover of the ports, or any use or control of the resources or property of PPC. The disruption caused by the State raises serious risks at the terminals. None of this has been advised to or coordinated with PPC or its investors. The State is responsible for any and all harm or damage caused by its own confiscatory actions.

Over a short period starting at approximately 8:00 a.m. local time, the Official Gazette published the Ruling of the Supreme Court related to Law No. 5 of January 16, 1997 (as first announced through an irregular press statement on 29 January 2026), as well as Executive Decree No. 23 mandating an “occupation” by the State of “all movable property, including but not limited to machinery, cranes, motor vehicles of any kind, computers, programs, software, and other goods of any nature, located inside or outside the Ports of Balboa and Cristobal,” with the participation of all relevant organs of the State to carry out the takeover of the Ports and their operations.

Simultaneously, government representatives arrived without invitation to the ports, including senior representatives of the Office of the Presidency, the Panama Maritime Authority (AMP), and the Ministry of Labor and Labor Development (MITRADEL) at Balboa. They delivered a letter from the AMP stating that the PPC concession no longer exists, that the ports are property of the State, and that PPC must cease operations. The State took control, removed PPC, and threatened criminal prosecution for any failure to comply. The State has control of the ports.

The Ruling, the Executive Decree and the other steps by this government to take over the ports are inconsistent with applicable law and the longstanding position of the State over almost three decades. As PPC has emphasized over the past year, the State commenced, pursued, and supported proceedings aimed at destroying the concession contract, leading to the developments today. The State intensified its campaign through sudden executive actions based on the irregular press statement by the Court (regarding a Ruling that the Court refused to provide to PPC prior to its publication today), then issued the sweeping decree and carried out its takeover.

In recent weeks, PPC had continued its efforts over time to consult with the State, avoid disruptions to port operations and protect its personnel, suppliers and customers. Despite the efforts of PPC, the State failed to provide any assurances, clarity or transparency to PPC regarding port operations or any plan of the State to take over the ports, or to provide a legal basis for PPC to continue to operate. The State chose to take steps that made PPC’s operation of its terminals at the ports of Balboa and Cristobal impossible, and intervened in the ports in total disregard of the fact that PPC is a private entity that owns and controls physical, commercial, technical, and intellectual property, and other tangible and intangible property, based on decades of investment in Panama. The State has paid no compensation.

PPC and its investors continue to permanently reserve all rights and recourse against the State, its agents, and third parties regarding this matter, including through international arbitration and investment treaty protections. Despite this situation of lawlessness and disruption, PPC continues to seek solutions to this crisis created by the Panamanian State.

Panama Ports Company, S.A.