

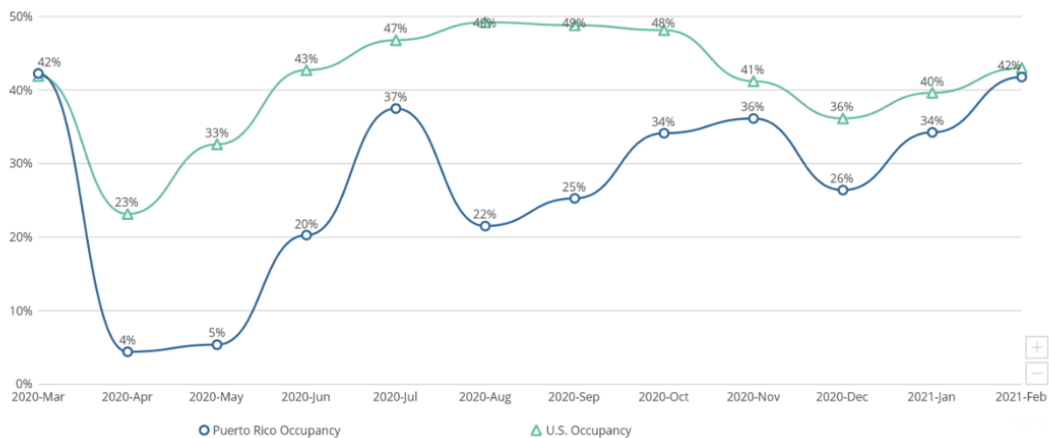


Research Update- February 23rd, 2021

Occupancy has continued to rise as coronavirus cases decline and vaccine distribution increases. Through the first two weeks in February, the month is on track to see the highest occupancy since the start of the pandemic. From STR, hotel occupancy in Puerto Rico for the week ending February 13, 2021 was 47%. Not only is this the highest occupancy since the week ending March 8, 2020, it is also the first time that Puerto Rico occupancy has been higher than the U.S. average.

OCCUPANCY HIGHEST SINCE START OF PANDEMIC

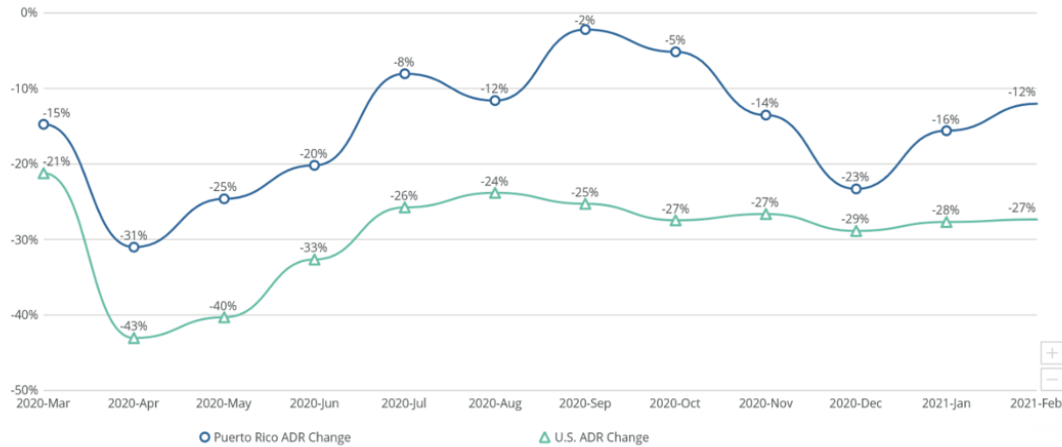
Surpassed U.S. average week ending Feb. 13



Though the average U.S. hotel occupancy throughout the pandemic has outpaced that of Puerto Rico, hotels on the Island have been able to hold their room rate far better than the rest of the U.S. The week ending February 13, the average daily rate (ADR) in Puerto Rico was off only 6% from a year ago while the U.S. average ADR was down 26% from the same period a year ago. With this, the revenue per available

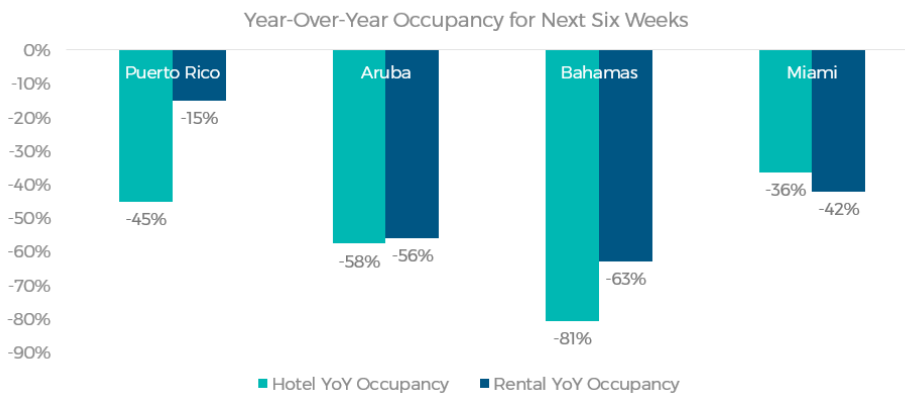
room (RevPAR) in Puerto Rico for the most recent reporting week was \$110, the highest since the second week of March 2020, while the U.S. average was \$45.

AVERAGE DAILY RATE BETTER THAN AVERAGE ADR down only 6% week ending Feb. 13



Strong occupancy is expected to continue as the hotel and rental booking pace is faring better than it has through much of the pandemic. Hotel bookings through the end of March are 45% lower than they were a year ago. However, of the competitive set, only Miami hotels are performing better for that timeframe. The rental market in Puerto Rico continues to outperform other destinations. Rental bookings through the end of March are off only 15% from a year ago, while competitors continue to see far more significant losses.

STRONGER THAN AVERAGE BOOKING PACE Hotels and rentals outperforming much of comp set

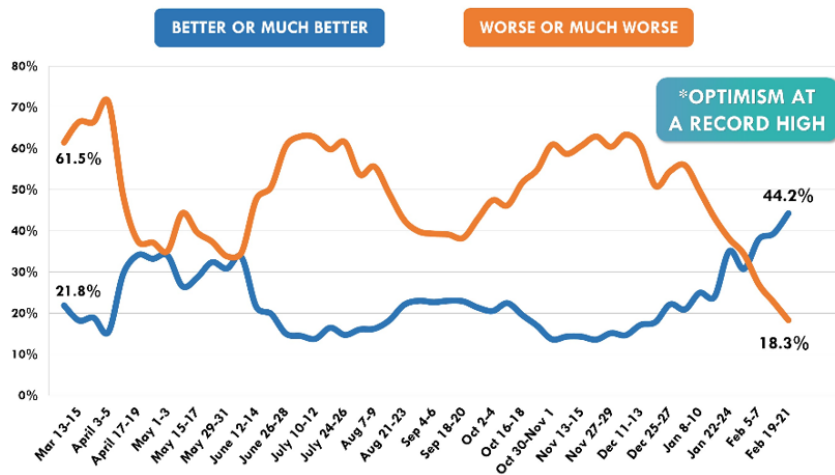


This increase in both occupancy and future bookings comes as consumer sentiment continues to improve. The Destination Analysts' weekly Coronavirus Travel Sentiment Report fielded February 19-21, found that "Americans' optimism about the month ahead soared an additional 5 percentage points in the last week, reaching another record high (44.2%)."

Other record highs in travel sentiment reached this week include: the level of excitement about travel in 2021 (6.2/10), a readiness state-of-mind around travel (60.2%), those who have received or know friends or relatives who have received the vaccine (62.7%), the making of travel plans specifically in anticipation of vaccine distribution (34.8%) and the proportion who will take at least one leisure trip in the next 3 months (52.9%)."

CONSUMER OPTIMISM AT RECORD HIGH

Travel sentiment corresponds to virus expectations



Finally, the bi-weekly research from Longwoods International fielded February 17 points to consumers wanting a beach destination. Beyond a strong desire to visit friends and family on their next leisure trip, consumers are most interested in a beach trip. The research found that 81% of consumers have travel plans in the coming six months, a 16-point increase from just a month ago.

ACTIVITIES FOR NEXT LEISURE TRIP

Consumers want to see family and go to the beach

