

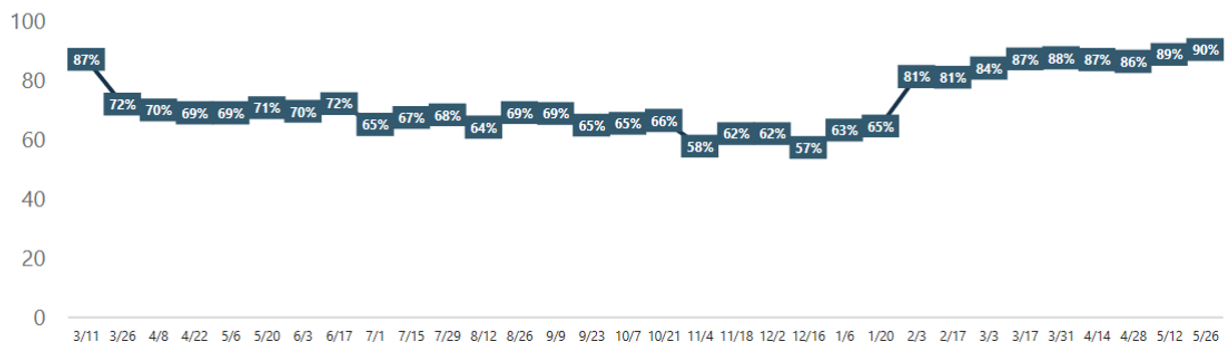


Research Update- June 8, 2021

With the Centers for Disease Control reporting that 62.8% of adults in the U.S. have received at least one dose of a COVID-19 vaccine, intent to travel is higher than even before the pandemic began in mid-March 2020.

Data collected by Longwoods International May 26, 2021 shows that 90% of U.S. travelers now have plans to travel in the next six months, up from 87% in their first Travel Sentiment Study, conducted March 11, 2020. Amir Eylon, President and CEO of Longwoods notes that, “The pent-up demand for travel after more than a year of lockdown is obvious in the most recent data. Americans are confident that they can once again travel safely, and they are hitting the road this summer.”

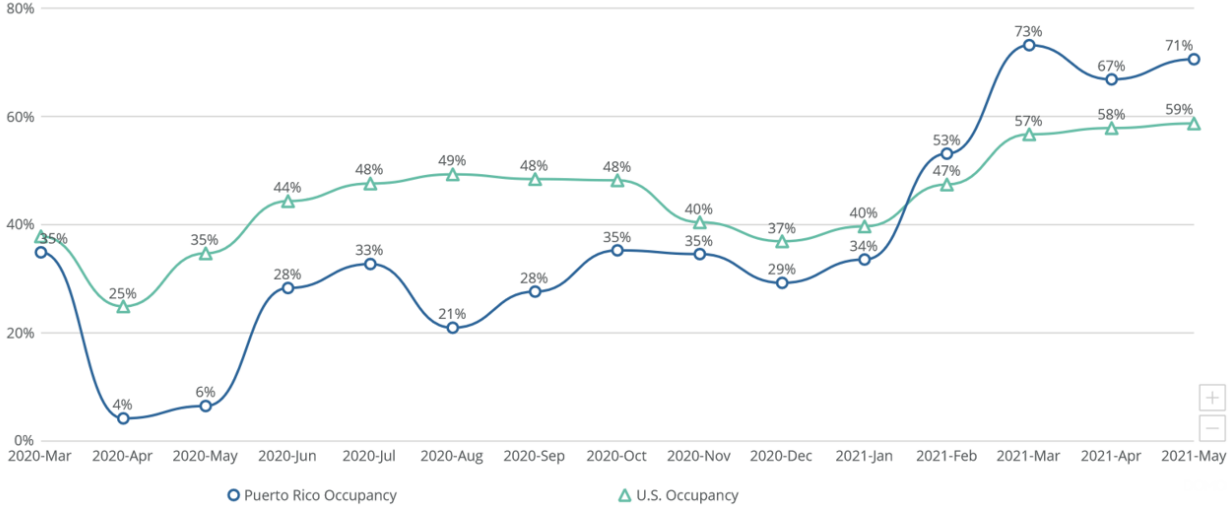
TRAVEL PLANS IN THE NEXT SIX MONTHS
Above pre-pandemic levels



With increasing vaccination rates and improved perception of travel safety, destinations around the U.S. are seeing increases in occupancy. However, few have generated the kind of rebound seen in Puerto Rico. From the March highs over Spring Breaks, hotel occupancy has dipped slightly. But the average occupancy remains far higher than the U.S. average.

OCCUPANCY HIGHER THAN U.S. AVERAGE

Slight dip after Spring Break but rebounding again



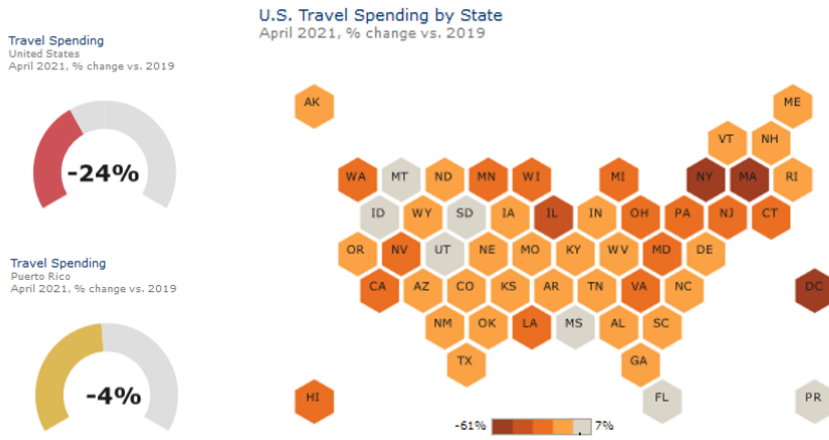
For the most recent reporting week ending May 29, 2021, occupancy in Puerto Rico was over 75.9% when the same week two years ago, occupancy was 58.8%. The U.S. average occupancy the same week this year was 61.8%. With this, it is evident that Puerto Rico’s tourism business is returning faster than in other destinations.

In the U.S. Travel Association’s Travel Recovery Insights Dashboard, Tourism Economics estimates that on average, travel spending across the U.S. in April was 24% lower than in 2019. During the same period, Puerto Rico’s travel spending was down only 4% for the same period.

However, because lodging revenue in Puerto Rico for April was the highest ever reported for the month, any losses from 2019 are attributable to other sectors of the industry that remain depressed due to continued limitations on capacity and service. This would include not only restaurants and attractions from overnight visitors but also tour companies and other entities that typically service cruises which remained unable to sail in April.

VISITOR SPENDING RETURNING FASTER

Puerto Rico outpacing most U.S. states



Certainly Puerto Rico has been uniquely positioned in the early months of the recovery of the industry. As an Island destination with beaches, natural attractions and small towns that consumers said throughout the pandemic they would seek out in initial travel experiences, Puerto Rico is enjoying early gains compared to the industry overall.

However, research from Destination Analysts shows that consumers are beginning to bring cities and metropolitan areas back into their consideration set. Their Coronavirus Travel Sentiment Index Report from June 1, 2021 shows more consumers are now expecting to take an urban trip in the next three months. This is a significant shift as beaches and small towns that consumers felt allowed for more social distance had been the preference for the previous 63 weeks the study was fielded.

The U.S. Travel Association's Recovery Dashboard clearly shows that in addition to beach locations like Puerto Rico and Florida, remote destinations such as Idaho, Montana, Utah and South Dakota are seeing the fastest recovery. But as vaccination rates increase and destinations begin to open, consumers will make a shift from remote areas back to urban cores.

TRIP TYPE FOR THE NEXT THREE MONTHS

Significant increase in interest in cities

