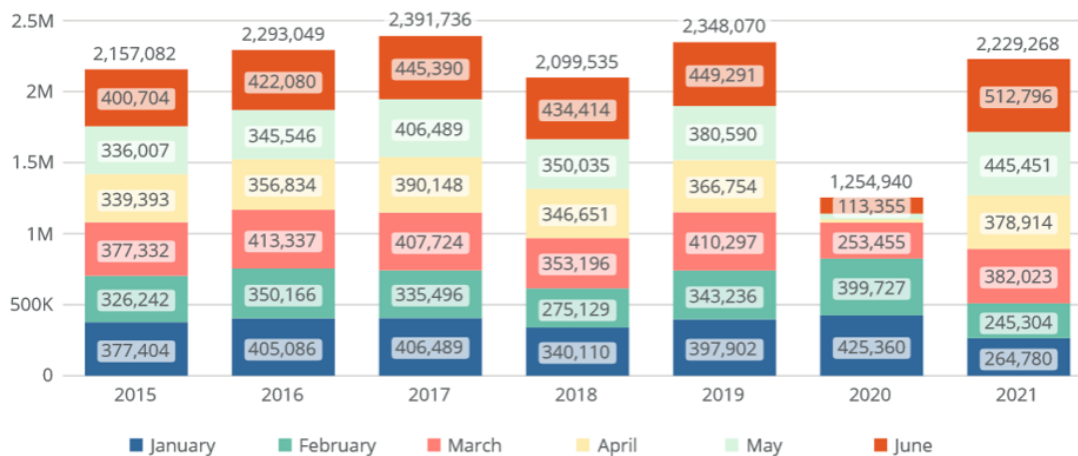




Research Update- July 13, 2021

For the second month in a row, Luis Muñoz Marín International Airport received a record number of passenger arrivals in June. Never has the airport received more passengers as they did last month. The previous record of 502,119 arrivals came in July 2017. Current airline schedules for July have an additional 7.9% seat capacity compared to that previous arrival high in 2017.

YEAR-OVER-YEAR SJU ARRIVALS
June arrivals set record for second month

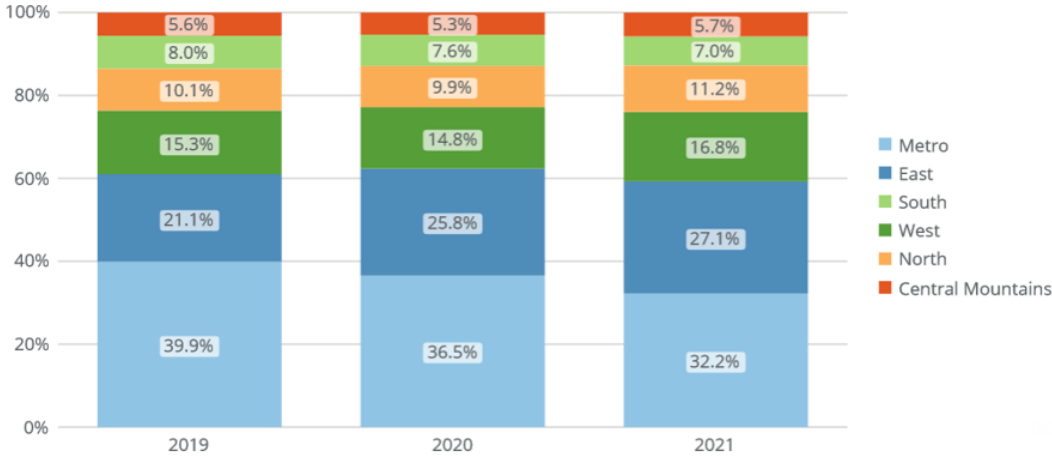


Discover Puerto Rico is charged with not only attracting additional visitors to the Island but also dispersing them to municipalities outside of the San Juan. Data provider Arrivalist uses geo-tracking of mobile devices to monitor visitors as they move around the Island. In the first six months of the year, there have been considerably more visits to regions outside of the metro area. In 2019, nearly 40% of all trips were to the metro area. For 2021, that has declined to less than a third.

The CDBG-DR funds that were awarded to Discover Puerto Rico were designed to lift up municipalities outside of San Juan that were still recovering from hurricanes and earthquakes in recent years. With this, Discover Puerto Rico has leveraged dedicated content to promote these regions and municipalities, including a creative messaging strategy that reflects the diversity of the Island, a website content strategy with promotion on the website’s homepage as well as individual regional content hubs, landing pages and specific topic-based website articles. Since the launch of CDBG-DR funded media in March, DiscoverPuertoRico.com has referred a total of 246,720 consumers to partner sites with 183,018 of those to businesses outside of San Juan (over 74% to businesses outside of San Juan).

SHIFT IN VISITATION OUTSIDE METRO

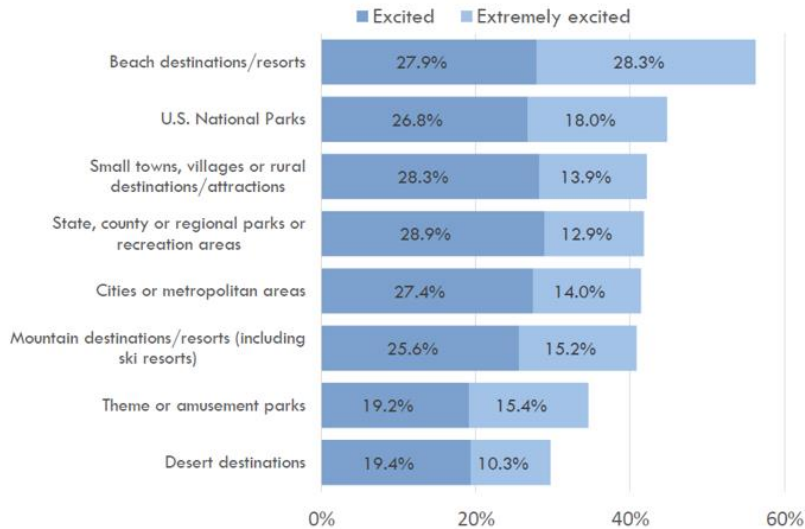
Growth in dispersion around the Island



This movement of visitors to municipalities outside of San Juan aligns with recent research from Destinations Analysts on consumer behavior during COVID-19. Their Coronavirus Travel Sentiment Index Report from June 22, 2021 shows that consumer product preferences continue to align with Puerto Rico’s product. Not only do consumers continue to be excited about beach destinations but parks and small towns continue to generate more excitement than urban areas.

EXCITEMENT FOR TRAVEL PRODUCTS

Beaches, parks and small towns continue to dominate



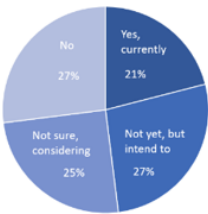
The record arrivals into SJU come at a time when the meetings and event sector of the industry continues to lag. Though the Discover Puerto Rico sales team continues to contract future events, forecasts from Tourism Economics indicates business travel won't return to 2019 levels until 2024. With this, meeting planners are continuing to anticipate offering virtual components of their events. In the Northstar Meetings Group Pulse Survey released July 9, 2021, 40% of planners anticipate continuing to plan hybrid meetings, up from 21% in January.

HYBRID MEETINGS WILL STAY

Even as live events return, plans for hybrid grows

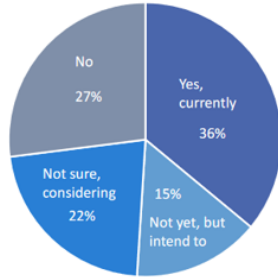


Are you currently planning hybrid events (with both in-person and virtual audiences)?



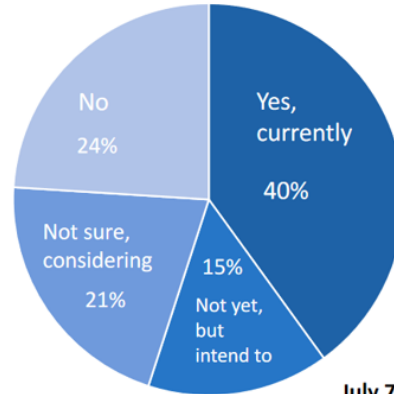
January 20, 2021

Are you currently planning hybrid events (with both in-person and virtual audiences)?



May 25, 2021

Are you currently planning hybrid events (with both in-person and virtual audiences)?



July 7, 2021