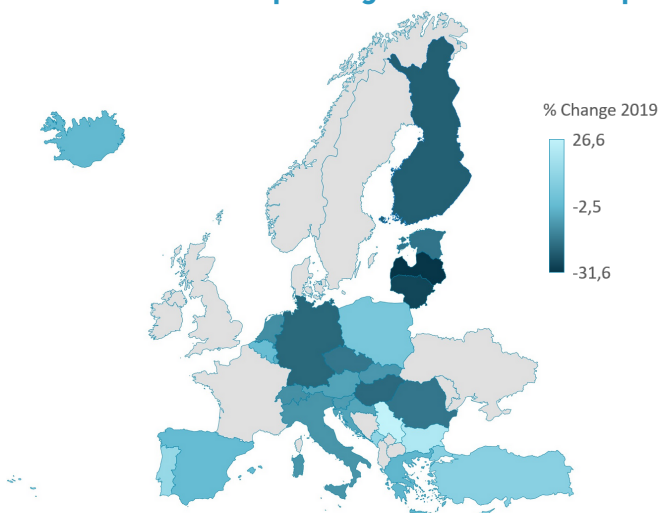


BUOYANT TRAVEL ENTHUSIASM WILL DRIVE EUROPEAN TOURISM RECOVERY THIS SUMMER, DESPITE ECONOMIC WOES SLOWING 2023 GROWTH PROSPECTS.

- Year-to-date data from reporting destinations shows that Europe has recovered to about 95% of 2019 levels of international tourist arrivals.
- The summer of 2023 is poised for robust air passenger demand, but will not be disruption-free.
- The U.S. has proven to be the strongest long-haul source market so far in 2023.

One in four reporting destinations surpassed pre-pandemic levels of foreign tourist arrivals

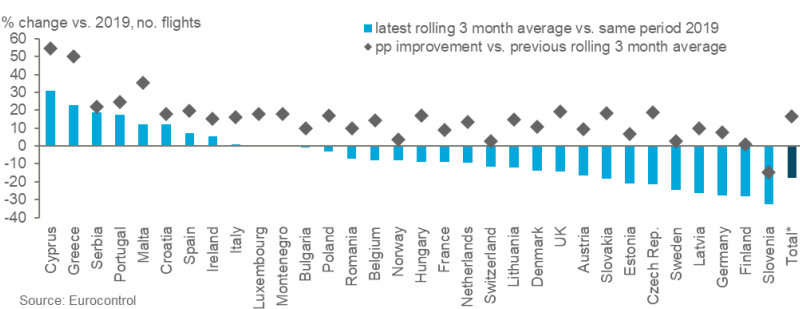


✓	Serbia	+27%	⚠	Latvia	-32%
	Bulgaria	+21%		Lithuania	-28%
	Portugal	+14%		Finland	-22%
	Montenegro	+12%		Germany	-21%
	Turkey	+9%		Hungary	-20%

Industry Performance

- Passenger traffic at Europe's airports returned to within 8% of 2019 levels in April 2023, according to the airport's association, ACI Europe.
- There remains considerable divergence between European countries in terms of how well they have recovered in flight volumes.

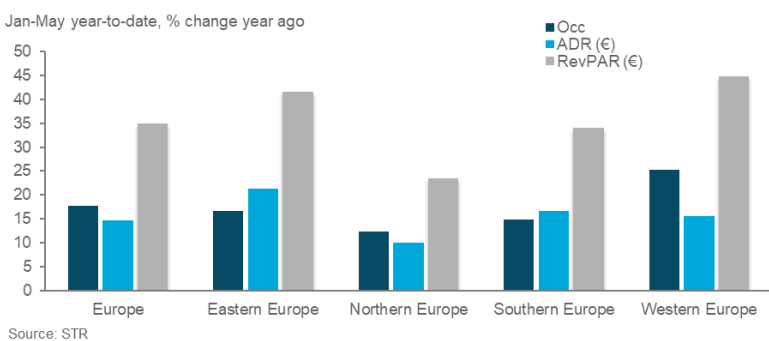
European air traffic by country, total flights arriving and departing



- On a three-month rolling average basis Croatia, Portugal and Serbia have been joined by Cyprus as growth markets. Slovenia, Germany, Latvia and Finland are the weakest performing countries in the Eurocontrol area.

- For hotels STR data shows a strong growth in RevPAR across Europe so far this year, evident across all regions. Occupancy growth is the key driver across most regions with the exception of Eastern and Southern Europe.

European Hotel Performance

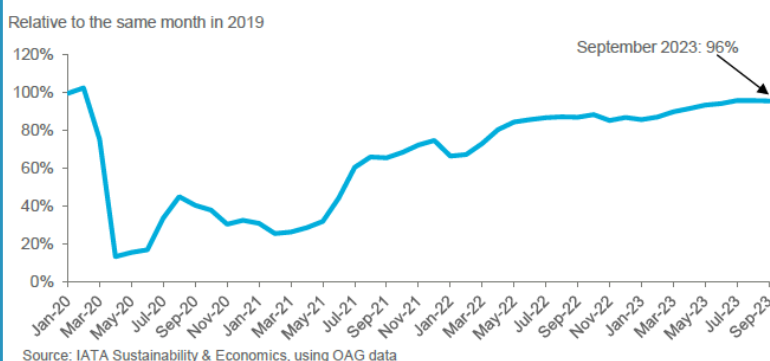


- Occupancy rates and RevPAR are growing particularly strongly in Austria (40.8% and 64.4%) and the Netherlands (34.8% and 61.6%).

Special Focus: Trends for Summer 2023

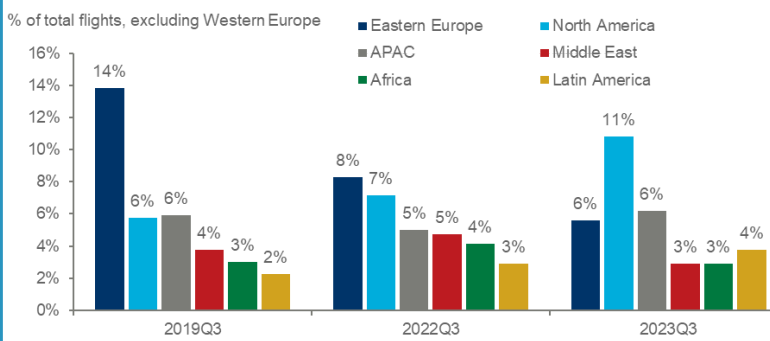
- Travel decisions this summer will be price-driven for many consumers, with weaker economic conditions tied to persistent inflation putting pressures on travellers' budgets.
- Crucially, travellers are still prioritising travel over material goods purchases, meaning that this summer's bookings data looks strong.

Scheduled seats to an from Europe



- Airlines have focussed on ensuring staffing delivers in 2023, given that forward bookings for this summer show continued demand growth. Although the situation is improving, some shortages are still likely to bite this year.
- Traditional tourism destinations like France, Italy, Spain and Portugal appear to have robust demand coming into the peak season, as well as many island and coastal destinations.
- Transatlantic travellers are expected to make up a larger proportion of European travel than normal this summer. Hopper, a US travel agent, cited that 37% of all searches from US-based travellers are for flights to Europe.

European inbound regional source market mix



- The French and Dutch tourism organisations have launched campaigns to try to disperse travellers more equally across the country as concerns of over-crowding are once again prevalent.

Transatlantic travel dominates long-haul recovery

Portugal (+58%) and Türkiye (+47%) report the strongest growth in Canadian arrivals from 2019.

23% of reporting destinations have registered an increase in arrivals from Canada and 30% for nights.

Russian tourists continue to have fewer holiday options as the summer period approaches.

Destinations that Russian's are able to fly to are seeing the strongest recovery so far, including Serbia (+260%), Türkiye (+62%), and Montenegro (+50%).

A closed Russian and Ukrainian airspace has increased flight times and prices from Japan to Europe.

Only Serbia registered a travel metric higher than 2019 levels, with nights up 85%. Iceland leads the recovery in arrivals (-37%).

Contrary to demand trends towards tighter budgets, recovery from Australia is strongest in Monaco.

Arrivals are up 37% and nights are up 109% on 2019 in the upmarket destination. Lithuania reported the weakest recovery with Australian arrivals at -59% and nights at -70%.

Chinese arrivals are expected to reach 40% of 2019 levels by the end of 2023.

So far the European average for arrivals from China remains at -66%, while nights average at -57% compared to 2019

The US is one of the strongest source markets so far this year, with tourists benefitting from a favourable exchange rate.

21 out of 30 reporting European destinations report growth on 2019 in American arrivals and/or nights. With many holidays for 2023 pre-booked to lock in the good exchange rate, recovery is expected to remain strong.

Montenegro (+171%) and Spain (+110%) show a significant growth on 2019 in arrivals from India.

Latvia (-93%), Sweden (-66%) and Norway (-47%) report the slowest recovery in tourist nights from Indian travellers.

Almost half of destinations have recovered to pre-pandemic levels in at least one travel metric from Brazil.

Nights are performing better than arrivals with 43% of destinations reporting growth above 2019 levels, compared to just 30% for arrivals.

