

CENTRAL EUROPEAN OFFICE

M A R C H 2020

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MARKET INTELLIGENCE / TRENDS

Market news this month revolved around the global spread of COVID-19. A snapshot of developments over the course of the last week of March is intended serve as insight to the progression of changes (in descending date order):

March 30th

General

High demand for 2021 flights:

The current travel ban seems to be tempting people to plan their vacation for next year. Flight requests have increased by more than 100% year-on-year. According to the digital marketing service provider Sojern, which has access to real-time data from travelers around the world, the decline in flight bookings is currently between 60% and 95% percent. But the US company also has good news: While the number of bookings for the current year is falling drastically, Sojern sees a very early increase in the purchase of airline tickets for 2021.

- In the past two weeks, the number of bookings for flights to Great Britain in January 2021 rose by 242% compared to the same period in the previous year. The increase is similarly high for Spain and at around 160% within the USA. The statistics only show a decrease for France (-25%) and Germany (-45%). However, the number of passengers between the USA and Germany was at an absolute record level last year.
- Looking at general searches for flights without specific departure dates, the picture becomes more differentiated: Italy shows a decline of 76%, Spain 50%, with Great Britain and France at minus 17% each. Only Germany recorded an increase of plus +25%.
- Sojern sees two explanations for the positive trend for 2021:
 - o People want to travel again after weeks or months of house arrest - and are already looking forward to this time.
 - o The steep upward trend could also be due to the fact that some airlines have published their winter flight schedules ahead of time and, thanks to more flexible cancellation and booking rules, are allowing free rebooking at any time. This allows vacationers to book without fear of losing their money. They are opting for flights from 2021 onwards, as they anticipate the pandemic may then be over.
- The greatest willingness to make an early decision is demonstrated by people living in Europe, North America and the Middle East. Europeans in particular are currently searching for flight connections for 2021 much more frequently than usual: growth compared to the previous year was 97% (Western Europe) and 164% (Eastern Europe). Only Asians (-60% percent) and Australians (-70%) are not yet interested in their 2021 vacations.

Of note: This is only an evaluation of flight searches (not specific bookings). In addition, it is questionable how the airlines will be financially able to survive the corona crisis and still be flying in 2021.

Travel restrictions & mobility curfews:

Because of the corona crisis we all have to stay at home for now. The (German) federal government has issued an official warning against any worldwide travel. The futurologist and tourism researcher Professor Horst Opaschowski has been studying travel for more than 30 years. “Without travel people are at risk of withdrawal symptoms, because travel simply belongs to human nature.” says Opaschowski. “Travel is the most popular form of joy,” says Opaschowski as it allows humans to change location and change roles (escape from everyday life) for a short period. So will the nature of travel change permanently because of this crisis? Opaschowski does not think so. “I have experienced the oil crisis, Chernobyl, the 1991 Gulf War and the September 11 attacks,” says the researcher. “Each time it was said: nothing will be the way it used to be. But in reality that has never happened.”

Germany

On Friday (27 March), it was announced that the Federal Government will not decide before 20 April on a possible extension of the warning against tourist travel abroad, possibly until the end of April. According to the Foreign Minister, the situation in the individual countries and the development of air traffic would then have to be reassessed.

According to a survey by the German Travel Association (DRV) reaching 700 member companies, 90% reported having not yet received any money from the various German federal government's “quick” aid measures. Around 70% of the companies view a solution to the problem of reimbursing canceled services as a matter of extreme urgency.

TUI AG has received approval from the German government for a “bridge loan” from the state funded KfW bank in the amount of 1.8 billion euros. With the funds of the development bank, the existing credit line of TUI is to be increased with its banks in the amount of 1.75 billion euros.

Austria

The Austrian government announced that from Wednesday (01 April) on it would be mandatory to wear a protective mask in supermarkets. In the medium term, the obligation should apply wherever there is contact between people.

Netherlands

According to reports, the previously imposed flight stops for China, South Korea, Italy, Iran, Spain and Austria were extended until 10 April at 06:00 p.m. (local time).

Belgium

On Friday (27 March) the general lockdown was extended until at least 18 April.

France

On Friday (27 March) the stay-at-home order was extended for another two weeks until at least 15 April. The duration will be extended further if conditions require it.

Ireland

From Saturday (28 March) a countrywide lockdown is in place until 12 April.

Spain

Restrictive measures to contain the coronavirus have been tightened in Spain. Starting 31 March, Spain is closing all non-vital companies, i.e. all workers working in non-essential sectors must stay home until 09 April. The construction sector and large parts of industry are particularly affected. Employees will continue to receive their salaries and will be expected to make up for the hours not worked at a later date.

Turkey

On Friday (27 March) it was announced that international air traffic would be completely suspended.

Slovakia

According to media reports, restrictions will be further tightened from Monday (30 March). Slovak citizens will no longer be allowed to stay outside their municipality of residence. In addition, protective masks and gloves must be worn in all grocery stores, post offices and other public places.

China

The Chinese government announced that all domestic passenger flights in Hubei province will be resumed from Sunday (29 March). Excluded from this is the international airport Wuhan-Tianhe, which will not be reopened until 08 April. Additionally according to media reports train services at Wuhan station and metro operations were resumed.

March 27th

Germany

Germany has offered to take in coronavirus patients from pandemic-stricken Italy. German hospitals “*with spare capacity*” will open their doors to “*at least 47*” of Italy’s 80,589 coronavirus patients in a sign of European solidarity, Foreign Minister Heiko Maas announced on Thursday (March 26).

Switzerland:

This week Switzerland extended entry restrictions to all states with the exception of the Principality of Liechtenstein. Entry is only permitted for Swiss and Liechtenstein citizens, people with a residence permit, a Swiss visa or a guarantee of a work permit and people who have to travel to Switzerland for professional reasons (cross-border commuters). Exceptions can be made in a "situation of extreme necessity" such as a death in the family, a subpoena, etc. Direct transit through Switzerland to reach your place of residence is still possible, but must be proven.

Travel Vouchers vs. Cash Reimbursement

Italy:

Italy was the first country in Europe to legally allow vouchers to be issued on March 2, 2020, i.e. 4 weeks ago. At that time, however, it was not primarily a question of the voucher, but to require tour operators and other providers to have to reimburse booked travel in certain cases: if the customer was unable to embark on planned travel due to their health situation, in quarantine, in isolation, or in hospital. At the time organizers were obligated to reimburse trips that could no longer be undertaken due to the Corona crisis because individual countries have imposed an entry ban on Italians.

The decree adopted on March 2 provided in a subordinate clause that payment in the form of a classic reimbursement can be made in cash or as a voucher. The voucher system was

expanded with another government decree on March 17. This expressly allows providers - including airlines - to issue a voucher instead of a refund in the event of cancellations.

Netherlands:

Since March 16, Dutch travel companies have been able to offer their customers a voucher instead of a cash refund. This solution came about together with the insolvency insurance fund SGR, which has long been relying on vouchers to compensate for customer money in the event of an organizer bankruptcy. The Corona voucher is covered by the guarantee fund. In this way, travelers can still be sure that the amount they have paid for their trip is secure. It is important that the sum of the voucher must not be higher than the amount that the customer paid or paid for the trip. Only then is the fund's coverage effective.

Belgium:

A very similar solution has also been agreed upon in Belgium this week.

Germany:

Allowing tour operators and travel agents to issue vouchers for canceled trips instead of paying in cash is currently being discussed intensively. A number of organizers, airlines and travel agencies are demanding that the federal government reimburse travel booked but canceled (due to the Corona Virus epidemic) by voucher instead of in cash. The reasoning: This is the only way providers can ensure their liquidity, and customers are promised that the amount paid can be used for a new trip within a year.

Aviation:

As of today (March 27) **Lufthansa** and **Eurowings** want to implement physical distancing on flights by keeping neighboring seats in Economy and Premium Economy Class empty on all flights from Germany. This also applies to domestic German flights. The new regulation does not apply to flights to Germany, since the return of as many people as possible to their home has top priority. In addition, if possible, all aircraft at German airports will be parked at jet way positions, not on the airfield, thus avoiding bus transportation to the terminals. Where this is not possible in the short term, twice as many buses with fewer passengers will be utilized. Both measures apply until April 19.

U.S. carrier **American Airlines** temporarily introduced a comparable rule. Since Tuesday (March 24), travelers have been able to choose a free seat on the plane, if available, to distance themselves from other travelers. American has also blocked 50% of the middle seats as well as those seats that are in the immediate vicinity of the seats of the crew members.

Like many other airlines, PGL (parent company to **LOT Polish Airlines**), is suffering brutally from the coronavirus crisis. That is why, according to a report, it is making high new demands for the **Condor** takeover that could prevent a deal. Because of the coronavirus crisis, Condor recently endeavored to extend the deadline for repaying the loan. And that's not all. According to an article in "Spiegel" magazine, the Poles made "extreme demands" on the German Ministry of Economy to secure the entire investment by the state. According to the report, a negotiator even suspected that the hurdles were deliberately chosen in order to get out of the purchase contract.

At the beginning of the corona virus crisis, airlines, for once in harmony with environmentalists, were annoyed by the existing **slot regulations**, which forced them to conduct flights with hardly any passengers given the slot rule that if a carrier didn't use at least 80% of its slot times, these would be lost - a risk that some airlines initially did not want to expose themselves to. In the meantime, air traffic has declined massively. Some airlines are temporarily at a standstill, others operate according to a fuselage flight plan and even certain airports are temporarily out of order due to government orders or due to a lack of demand.

Now the EU Parliament has finally managed to loosen up the existing slot rules. Specifically, the slot rule will be lifted until October 24, 2020 which is a longer extension than what airlines had initially requested, i.e. to June 30.

As of yesterday (March 26), operations at Paris' **Orly Airport** (ORY) will be completely shut down except for Terminal 3. This will also close on March 31. The entire Paris-Orly airport will then be temporarily closed. **London City Airport** (LCY) closed already on March 25th. British Airways had already canceled all flights to and from London City on March 23. The airport is still operational for repatriation or government flights.

March 26th

Spain:

Spanish authorities have been forced to use a Madrid ice rink as a makeshift morgue on ice to cope with the world's 2nd-highest Covid-19 death toll – now at 4,089 (Italy 7,503 / China 3,287). Around 80% of the Madrid population is expected to be infected by the disease, and regional authorities described the “*temporary and extraordinary measure*” of converting the ice rink as being designed to “*lessen the pain of the families of the victims and the situation that's being recorded in Madrid's hospitals.*”

Germany:

The German travel and tourism industry is calling for an urgent government aid program and state-backed ‘holiday vouchers’ to prevent a massive financial hit that could result in countless insolvencies within weeks. The German Travel Industry Association (DRV) estimates that German tour operators and travel agents are likely to suffer a revenue loss of more than EUR 4.8 billion between mid-March and the end of April due to cancellation repayments and lost bookings. This figure does not include revenues already lost in February and early March as the corona crisis started to escalate and excludes any estimates about the situation from May onwards. The urgent appeal for state aid comes after some 10,000 travel agencies were forced to close because of the country's anti-coronavirus shutdown. Many are trying to operate online, but new bookings are virtually non-existent at present, meaning both travel agents and tour operators face another month with minimal revenues.

- One short-term option would be to allow tour operators to give customers state-guaranteed vouchers for holidays at later dates instead of refunding them now for cancellations, Fiebig proposed. Similar schemes have already been introduced in the Netherlands, Belgium and Italy. At present, tour operators legally have to refund customers their advance payments for holidays that have been cancelled.
- In parallel, tour operators are withdrawing commission payments to travel agents. This means that travel agents are not only lacking new bookings but face losing money they already received for bookings over the last few months.

The German government is now intensively reviewing whether to permit such holiday vouchers, according to Thomas Bareiß, state secretary in the economics ministry. The German justice ministry is in contact with the European Commission about the proposal.

Leading tour operators and airlines in Germany have flown up to 100,000 customers home over the past 10 days in the country's biggest-ever repatriation program, but it could take up to two weeks before the remaining 100,000 travelers are back home. The government is contributing €50 million towards the costs of special charter flights, which are being coordinated with airlines and tour operators.

- **Condor** brought almost 53,000 package holidaymakers back to Germany between 16 March and 22 March on 275 scheduled and special flights from the Caribbean, Morocco, Egypt, but also the USA, South Africa and Spain.

- **Lufthansa Group** airlines have operated approx. 130 charter flights to bring about 25,000 passengers back to Germany and other European countries, with 100 more flights scheduled this week.
- **Eurowings** flew about 20,000 holidaymakers home on more than 100 flights last week.
- **TUI Germany** has organized about 40 daily TUIfly flights to repatriate holidaymakers and has also flown special charters on behalf of the German government.
- **FTI Group** has repatriated about 47,000 customers so far, including some 22,000 from Egypt alone.

Meanwhile, the German foreign ministry has officially extended its global travel warning until the end of next month, which includes the normally popular Easter travelling period. In response, many of the country's tour operators have extended their travel program stop and cancelled all bookings until April 30. Among cruise operators, Aida, Costa and TUI Cruises have also extended their sailings stop until the end of next month. Royal Caribbean has cancelled all their sailings until May 11.

South Africa:

South African President Cyril Ramaphosa announced a 21-day curfew in the country to combat the spread of the corona virus taking effect today (March 26). During the curfew, domiciles may only be vacated on urgently needed occasions; for example to buy groceries or see a doctor. In addition, since March 24, travelers who have entered from high-risk countries and are not yet in the country for at least 14 days are subject to an immediate quarantine until the 14-day period expires. In addition, all commercial airports will be closed until April 16.

Sweden:

Anders Tegnell, Sweden's state epidemiologist, relies on the positive effect of herd immunity. This means that older people and people at risk should be protected from the virus, whereas an infection is "fostered" in young people without previous illnesses and those who do not belong to a risk group. Tegnell's hope and belief is that a large proportion of the Swedish population will become immune in this way and the virus will lose its effectiveness in the long term.

Other:

United Nations chief Antonio Guterres has launched an appeal for \$2bn in international humanitarian aid to help poorer countries tackle the coronavirus pandemic, as the death toll in Italy and Spain continued to climb.

Guterres said COVID-19 was a threat to the "whole of humanity and the whole of humanity must fight back." As the UN launched the initiative, more deaths were reported in Europe – now the epicenter of the pandemic – with Spain recording more than 700 fatalities in 24 hours. It is now the second-worst affected country in the world after Italy.

After weeks of debate, denials and disapproval, the *International Olympic Committee* along with Japanese Prime Minister Shinzo Abe and local organizers have decided to postpone the Tokyo Olympics (scheduled for July 24 to Aug. 9, 2020) because of the world-wide coronavirus pandemic for about one year to the summer of 2021.

On a different note ...

Public health officials, as well as politicians around the world have denounced the practice of hoarding various items, most famously toilet paper, as unnecessary and selfish, as COVID-19 spreads. But if crises are believed to reveal the true character of individuals, various hoarding practices around the world also appear to reveal more collective preferences.

- **France:** According to published media reports, residents of France have been hoarding red wine and condoms. Apparent reasons include the obvious, but also apparently public health reasons related to COVID-19 as red wine could allegedly be used to sterilize surfaces.
- **Netherlands:** Residents of the Netherlands, one of the leading advocates of cannabis legalization, stock-piled cannabis, with long line-ups recorded outside of that country's famous marijuana cafes before the Dutch government closed them as part of its efforts to fight the spread.
- **Germany:** Germans, have mirrored the behavior of citizens around the western world in hoarding toilet paper. COVID-19 has also introduced the rest of the world to one of those German compound words that combine two seemingly unrelated concepts - in this case, *Hamsterkauf*, literally translated as hoarding purchase, with the first part of the word derived from the verb *hamstern*, itself referencing the cheek-stuffing hamster, and *kauf* (purchase).
- **Denmark:** Seemingly confirming the cliché about health-conscious Scandinavians, the Danish are ignoring beer in favor of eggs, vegetables and dairy.

March 25th

Travel Voucher vs. Commission Reimbursements:

The German federal government is intensively examining whether customers of canceled package tours should receive a voucher instead of a refund. DRV President Norbert Fiebig sees the voucher solution as a good way to quickly secure liquidity, especially for medium-sized organizers, who have already paid service providers. "The vouchers have the advantage that the commission remains in the travel agency," said Fiebig. As an alternative, the DRV demands a state fund that pays for the cancellation costs of tour operators and travel agencies. This would be the ideal solution, says Fiebig, but it could take too long. In view of the dramatic situation, a quick solution is important. According to a spokesman, the Federal Ministry of Justice and Consumer Protection is in contact with the EU Commission regarding the practice of issuing vouchers and will be conferring with the federal government on a solution.

Aviation:

Air traffic control is also affected by the corona virus pandemic. German air traffic control registered just over 2,000 flights in the sky above Germany on Monday (March 23). A decline of 76% compared to the previous year and as little as in years. The German Air Traffic Control (DFS), which is responsible for airspace control, is expecting further declines. In response, the state-owned company (DFS) is now exploring a new collective agreement with the union for its 5,600 employees with a view toward reducing work hours and thereby avoiding layoffs.

The Lufthansa Group, whose share price is currently below 10 Euros, has secured a new major shareholder, the multi-billionaire Heinz Hermann Thiele. The 78-year-old now holds 10% of the airline group. He is described as controversial and power conscious. As a lieutenant in the reserve, he is used to giving orders and does not tolerate contradiction. Thiele has reportedly not yet commented on the level of his engagement with Lufthansa.

France:

A committee of scientific experts working with the French government announced that a duration of at least six weeks for the current curfews is recommended (since the start of the measure on 17 March). The number of COVID-19 deaths rose by 240 to about 1,100 on Tuesday (24 March).

Tidbits:

- 29 tourism associations in Germany are writing to the German Chancellor asking for an emergency plan for the tourism industry. The group includes Fraport, DRV and Visit Berlin.
- German Railway is currently operating at approx. 75%-80% capacity; however, expects to reduce to 50% due to lack of passengers.
- TUI has almost completed their return program for stranded passengers.
- DRV (German Travel Agencies Assn.) and DTV (German Tourism Assn.) are starting a campaign, “if you love travelling, postpone”, i.e. do not cancel, but postpone.
- The Netherlands has stopped all events and gatherings until June 1. KLM has cancelled 90% of all flights until May 3. The Netherlands is seeing a slowing of the virus spread there.
- Hotelplan Group has cancelled all trips until April 30. Bookings are possible again from May 1.

March 24th

Airlines / Airports:

Airline Passenger Sales

According to the International Air Transport Association (IATA), the corona virus pandemic has the airlines in the worst crisis in their history. The expected drop in sales exceeds the already drastic forecasts from the beginning of March per Iata. It is now anticipating revenue losses in the passenger business of \$ 252 billion (equivalent to €233 billion) this year. On March 5, it had forecast losses of up to \$ 113 billion. Iata chief economist Brian Pearce said that a significant recovery can be expected in 2021. But the spread of the Sars-CoV-2 virus goes hand in hand with a recession, which slows the recovery.

Lufthansa further revised long-haul operations, as the airline’s April 2020 schedule sees only 6 routes being served. Lufthansa’s long-haul service for the period of 29MAR20 – 19APR20 is as follows:

Frankfurt – Bangkok 3 weekly A340-300

Frankfurt – Chicago O’Hare 3 weekly 747-8I

Frankfurt – Johannesburg 3 weekly 747-8I

Frankfurt – Montreal 3 weekly A330-300

Frankfurt – Newark 3 weekly A330-300

Frankfurt – Tokyo Haneda 3 weekly 747-8I

Munich – Bangkok Eurowings service resumes on 15APR20, 1 daily A330-200

Munich – Las Vegas Eurowings service resumes on 17APR20, 2 weekly A330-200

Air France as of Monday (23MAR20) morning gradually filed a planned long-haul operation for the period of 29MAR20 – 21APR20 that include two USA destinations:

Paris CDG – Los Angeles 3 weekly 777-300ER

Paris CDG – New York JFK 3 weekly 777-300ER

Air Canada has outlined planned operations for the month of April 2020. From 01APR20 to 30APR20, the Star Alliance carrier will operate 13 International and 26 Trans-Border routes. For the week of 05APR20, Air Canada operates 62 weekly International flights departing from Canada, compared to 55 weekly, while US service sees 371 weekly flights departing from Canada, compared to 1549

International service includes:

Montreal – Frankfurt 7 weekly 787-8

Montreal – London Heathrow 3 weekly 787-8

Montreal – Paris CDG 7 weekly A330-300
Toronto – Frankfurt 7 weekly 787-9
Toronto – London Heathrow 7 weekly 787-9
Vancouver – London Heathrow 4 weekly 787-9

US service includes:

Montreal – Fort Lauderdale 1 daily 767-300ER (Air Canada rouge)
Montreal – Los Angeles 1 daily A319
Montreal – Orlando 1 daily A319 (Air Canada rouge)
Toronto – Fort Lauderdale 1 daily 767-300ER (Air Canada rouge)
Toronto – Los Angeles 2 daily 767-300ER/787-9
Toronto – Orlando 1 daily A319 (Air Canada rouge)
Vancouver – Los Angeles 2 daily A320

Ryanair, one of Europe's largest low-cost airlines, is canceling all flights for at least two months due to the corona pandemic (during April and May).

FRA / Frankfurt Air Traffic:

Between March 16 and 22, the number of passengers processed dropped by 73.5% to 331,353 and freight volume dropped by about a fifth to 36,591 tons. The number of flight movements decreased by 58% to 3,960 take-offs and landings.

TXL & SXF / Berlin Airports - Temporary Closure:

The temporary closure of one of Berlin's two airports, either Tegel or Schönefeld, is under consideration. Significant liquidity problems are the issue. In the best case scenario, a three-digit million Euro amount would be needed to compensate for the loss of revenue from the corona virus. The supervisory board has agreed to request state aid. The airport company itself has an operating obligation, i.e. only the authorities could order the closure.

Hotels:

For the first time in 100 years Hilton has started to close hotels that are not being renovated. The situation is dramatic with the global occupancy rate within the 6,000 hotels of the group at about ten percent.

Germany:

After announcing financial assistance for larger companies and corporations last week, the German government said it would help smaller companies with quick grants of up to 15,000 Euros a month for the next 3 months. The government has earmarked up to 50 billion Euros for this. In addition, an unlimited special loan program by the KfW development bank also started on Monday (March 23) that provides liquidity aids of over 100 billion Euros. The stabilization fund for large companies includes loan guarantees of up to EUR 400 billion. 100 billion Euros are reserved for state holdings. New relaxed rules on "short-time" work should make it easier to keep employees in the company. Insolvency laws were also relaxed.

Travel Agency Dilemmas:

- Numerous travel agencies fear for their futures. For weeks, revenues have dropped dramatically and tour operators are now requesting reimbursement of commissions which have been paid for trips already booked, but now cancelled due to imposed travel bans as a result of the Corona epidemic. Agencies are now questioning the legality of this, since commissions were paid months ago for future trips booked. The agencies now hope that the state will step in. The German Travel Association (DRV) had asked for a protective umbrella for tourism a few days ago: "Either the federal government agrees to pay the

current costs of reimbursements for trips that have not commenced or cannot be started, or it gives tour operators the option to issue a travel credit with a validity of one year. This could then be redeemed at the same travel agency / through the same tour operator and would be secured by the state."

- The Lufthansa Group is currently refusing to reimburse ticket prices for the flights that it has canceled. On Saturday (March 21) the refund functions in the Amadeus, Galileo and other reservation systems has simply been deactivated. It wasn't until Monday (March 23) at 11:46 a.m. that the LH Group deployed the information via their B2B "Experts" newsletter that it "temporarily deactivated the reimbursement functionality for tickets" in all reservation systems as well as on the airlines' websites and on lhgroup-agent.com. This means that the airline group and other airlines no longer pay the agencies appropriate refunds - money to which customers have a legal right. Refunds that have already been submitted "will be processed at a later date," writes the Lufthansa Group without giving any further details. It is unclear whether the Lufthansa Group's approach is legal. Certain service providers such as airlines and various large tour operators have already started offering customers vouchers instead of cash for canceled trips.

The Netherlands:

The Netherlands has banned all events and meetings of 100 persons or more from Monday (23 March) until 01 June (previous date: 06 April). No more than three guests are to be invited into private homes, and citizens are asked to do their shopping alone. So far, about 5,560 corona-infected persons and 576 deaths have been confirmed in the Netherlands.

Spain:

Since yesterday (March 23) there is an entry ban for all foreigners to Spain for 30 days. This does not include citizens of the EU and the Schengen countries who are returning to their place of residence and holders of long-term residence permits from an EU country.

France:

The French government further tightened the curfews in the country starting Tuesday, March 24. Leaving one's domicile for outdoor sports activities may last for no more than one hour whereby movements are limited to a radius of 1 kilometer from one's home.

March 23rd

Germany:

A lockdown for Germany was being considered, but instead freedom of movement will be severely restricted. Per a press conference held by German Chancellor Angela Merkel at 17:30 CET today, the Federal Government and the Prime Ministers of the federal states have agreed on further measures to ensure the same rules and restrictions apply nationwide in an effort to combat the dramatic spread of COVID-19.

1. Citizens must reduce contacts to others - except for their own household - to an absolute minimum.
2. Spending time in public spaces is only permitted with ONE person who is NOT living in the household. Outdoor movement of more than 2 people belonging to the same single household is permitted.
3. Group get-togethers are unacceptable in this situation. Violations will be punished.
4. A minimum distance of 1.5 meters between people must be observed at all times.
5. Helping fellow citizens, outdoor exercise and other necessary activities (going to work, grocery shopping, doctor and pharmacy visits, banking) are of course still possible.

6. All gastronomy is closed. Meals may be obtained on a take-out basis for consumption at home.
7. Hair salons, barber shops and massage establishments are closed due to the nature of close contact with customers.
8. Necessary medical treatments such as physical therapy are still possible.
9. Starting immediately, these measures will be valid for a minimum of 2 weeks (thru April 5th).

Germany's Federal Foreign Office published a travel warning to refrain from all unnecessary tourism related trips until the end of April. As a result, several tour operators are cancelling travel accordingly, for example:

- **DER Touristik** will cancel its worldwide travel program until April 30 (extended from March 29). Free rebooking is possible for all trips with a departure date until May 31, 2020. The rebooking must be made at least ten days before departure.
- **FTI Group** is cancelling all travel programs until April 19 (extended from March 31). This applies to all tour operator brands FTI Touristik, Fünf vor Flug, Big Xtra and LAL Sprachreisen.
- **TUI Germany** is now suspending the worldwide travel program until April 23 inclusive (extended from March 27). Customers who decide to book a new TUI trip later in the summer season by March 31 will receive a loyalty bonus of up to EUR 100 per person.

Switzerland:

Based on the current development and recommendations by the Federal Council, Travelhouse (belonging to Hotelplan Suisse) has decided to cancel all trips with arrival / departure dates until April 19. All vacation packages with departure until April 19 will be canceled free of charge.

Netherlands:

The Dutch government announced that entry restrictions will be tightened for non-EU citizens who wish to travel to the Netherlands starting from March 19. The travel restrictions do not apply to EU citizens (including citizens of the United Kingdom) and their family members, as well as citizens from Norway, Iceland, Switzerland, Lichtenstein and their family members. Meanwhile, the increasing restrictions to try and curb the spread of this virus worldwide have left thousands of Dutch tourists stranded abroad. A large part of those who made their travel bookings through a travel agency, have since been brought back to the Netherlands, per Frank Oostdam, director of travel agencies' association ANVR. By Friday (March 20) afternoon, between 14,000 and 19,000 had been brought back to the Netherlands. Most of the rest will be repatriated next week.

Italy:

In order to further counteract the still rapidly increasing numbers of infections and deaths, the Italian government announced late on Saturday (21 March) the nationwide closure of all non-essential manufacturing industries. Previously, 1,420 people in Italy had died of COVID-19 between Friday and Saturday (20/21 March) alone.

SALES ACTIVITIES

ITB (March 4th – 8th, 2020):

Known as the “world’s largest tourism fair” with over 10,000 exhibiting companies from 181 countries and 160,000 visitors including 113,500 trade professionals, ITB was scheduled to be held in Berlin where we planned to exhibit within the Visit Florida Pavilion. The show was officially cancelled by Messe Berlin late on the evening of 2/28/20 due to potential health risks brought on by the coronavirus pandemic. Preparation for this show is lengthy and quite intensive, starting 6 months out. The annulment sent a shockwave through the tourism industry, as this was among the first major tourism industry related cancellations prompted by the virus. In the aftermath, all arrangements related to hotel, transportation and evening events were immediately cancelled. Arrangements were also made to have our collateral material shipped back to our warehouse. In addition, we rescheduled all 38 scheduled ITB appointments to conduct them by phone.

Results of post-ITB communiqués: All tour operators partners reported 2020 was off to an excellent start with bookings to the United States up on 2019, YTD bookings to Florida clearly above 2019’s status (+20%), whereby St. Pete/Clearwater tracking ahead of other FL destinations and ranked among top destinations on the Gulf Coast. Generally speaking, it was anticipated that 2020 would become a ‘banner year’ for travel to the United States based on early 2020-season booking indicators.

Trends:

- Over 50% book their U.S. travel between 91 and 120 days out.
- Approx. 15% book their U.S. travel between 61 and 90 days out.
- Approx. 80% of sales revenues are generated by retail travel agencies (offline) via tour operators with 20% coming from other online retailers.
- Several tour operators are moving to annual catalog production rather than seasonal production runs (winter & summer).
- Some tour operators operating on tailor-made direct-booking business models are moving away from a traditional catalog, producing magazine-style inspirational material instead.
- Customers are becoming increasingly keen on destination experiences and soft adventure.

DER Touristik Webinar (March 31st, 2020):

We have secured a B2B webinar opportunity with DER Touristik focused on Visit St. Pete/Clearwater exclusively. The many features, benefits and myriad experiences in VSPC will be the focus of the 45-minute presentation. Due to market sensitivities in conjunction with the explosive spread of the coronavirus coupled with massive customer repatriation and rebooking efforts across tour operator and travel agency platforms, the webinar has been postponed to May 19th.

Visit USA Germany Webinar (April 2nd, 2020):

We will join forces with Visit Orlando for a Visit USA Committee Germany B2B webinar. During a 45-minute product presentation, comprehensive destination information, highlights and insider tips will be conveyed. The webinar will be promoted on various channels including the VUSA website and eNews blasts. It will also be recorded and made available online for future reference on the Visit USA Committee Germany’s travel advisor platform of vusa.travel. Presentation development and test run with the Visit USA Committee were completed this month.

TUI Germany FAM (April 19th-20th, 2020):

TUI Germany, one of the market's top tour operators and among our strongest partners, will be bringing a group of 14 hand-selected, top-producing travel advisors to our area. The group will be accompanied by two product management staff from TUI Germany headquarters in Hannover. We liaised with our Leisure Sales Department regarding details including tour routing through Florida, number of rooms requested, preferred itinerary elements, etc. The group will be traveling in 4 rental cars, hence ground transportation is not required unless deemed appropriate by the CVB's Leisure Sales Department.

This month, the FAM was cancelled due to the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12/20. TUI has thus postponed its FAM plans to our area until 2021.

Visit USA Germany Bowling Workshops (May 5th-7th, 2020):

The Visit USA Committee and Brand USA will join forces in staging an educational and interactive forum for travel advisors in Hamburg and Berlin. Up to 80 travel agents can participate in the evening events and will be divided into 8 groups of up to 10 agents upon registration. Each partner will hold a 10-minute workshop for each of the 8 travel agent groups followed by an interactive 60-minute bowling tournament and ensuing American buffet. With only 8 presenting partner slots, we registered promptly early this month.

The Travel Club & Your Travel Workshop, Netherlands (May 15th-16th, 2020):

After our very successful participation in the above workshop last year, which was staged in conjunction with Delta Air Lines' inaugural flight from AMS->TPA, we will again participate this year in further pursuit of our sales efforts in the Dutch market.

The Travel Club is the largest and fastest growing independent franchise organization for independent travel consultants and business advisors in the Netherlands and Belgium. More than 360 travel agents are members producing an annual turnover of > €122 million (2019).

Twice a year, The Travel Club organizes the well-known "Workshop Days" during which suppliers have the opportunity to present products and educate agents - 18 sessions of 20 minutes each. We are very pleased to have secured one of the coveted participation slots for the May workshop forum!

IPW (May 31st-June 3rd)

U.S. Travel Association's IPW is the leading international inbound travel trade show driving \$4.7 billion in future travel to the United States. It is a national showcase of America, where U.S. travel exhibitors connect with travel buyers and media from more than 70 countries to promote their products, negotiate future business and build relationships. IPW secures America's position as a foremost global travel destination by increasing international visitation and showing the world the best of what the U.S. has to offer. This year's show will be held in Las Vegas, Nevada.

Supplier appointment scheduling was due to open 3/16. After President Trump announced a travel ban to the U.S. from Europe's Schengen countries on 3/12, IPW's General Manager deployed the following notification:

We understand the tremendous impact last night's announcement to temporarily suspend air travel from Europe will place on IPW buyers, media, exhibitors and the entire travel industry both abroad and here in the U.S. We are hopeful that the government's aggressive actions will quickly resolve the worst of concerns about coronavirus. We plan to issue an update about the status of IPW no later than April 3 and are looking at all scenarios to preserve this event for 2020.

Swiss VIP Client Business Development Event (June 30th, 2020):

We will again orchestrate an upscale business development event for Switzerland's top producing tour operators and travel trade media with 2020 marking our 9th consecutive year. We are pleased to welcome Visit Florida as our co-host this year. As last year, we will continue with the summer timing incorporating an innovative and interactive outdoor activity focused on destination education. The event also focuses on expressing our gratitude for continued partnership and business to the destination. The venue has been secured. Event logistics are in the planning stages.

FTI Freestyle Camp (July 9th-11th, 2020):

FTI will be launching a brand new B2B educational program this year. The "Freestyle Camp" is a full weekend event during which suppliers will meet with agency owners, decision makers and over 280 of Germany's top agents with highest turnovers for the FTI Group. Innovative and experiential activities will ensure a highly concentrated engagement with travel advisors, in addition to entertaining networking events making for lasting impressions. Pre/post marketing initiatives will enhance the impact of the event, ensuring repeated VSPC presence and messaging on FTI's channels. We registered for this one-of-a-kind opportunity in cooperation with Visit Orlando (shared stand).

Additional Activity:

- Participated in innumerable conference calls, tourism organization webinars, sales calls, deployed Brighter Days Ahead messaging to key clients, continuous updates to HQ on effects of coronavirus pandemic in Europe, etc.
- **Website Requests for Destination Magazines:**
10 requests received via the crm@simpleviewinc.com platform this month.

MARKETING INITIATIVES

Our efforts continued this month in developing and expediting marketing initiatives and advertising programs, which included:

Brand USA 'Affinity' Co-Ops:

- **EXPEDIA AFFINITY PROGRAM** (January 15th - March 31st, 2020)
Expedia's network of sites attracts a monthly audience of tens of millions of unique visitors. With Expedia being our activation partner for this campaign, we will focus on an integrated marketing approach to engage consumers with the right messaging at the right time with a view toward driving activation.
The campaign comprised of **banner placements** linking to a **dedicated landing page** (containing destination content, video and travel offers) will run in three countries across the Expedia Brands Portfolio. Based on market intelligence related to booking behavior, budget allocation will be as follows: Germany 75% (placing 85% on Expedia / 15% on Hotels.com; Switzerland 15% (with 100% placement on Hotels.com), The Netherlands 15% (with 100% placement on Expedia).
All creative assets required for development of banners and landing page have been delivered in concert with HQ's directives.
Campaign paused until further notice in the aftermath of the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

Brand USA 'Originals' Co-Ops:

- **SPRING GERMAN MULTI-CHANNEL CAMPAIGN** (April/May)
After a very successful fall campaign last year, we will continue our cooperation with Brand USA and Expedia in 2020. Germany is one of the top volume markets to the U.S. and Brand USA continues to provide partners with innovative international marketing opportunities. This multi-channel campaign is designed to reach consumers at the right time, with the right message and in the right place. The new digital media channels provide an integrated marketing approach to engage consumers and ultimately drive activation.
 - **Mobile Takeover Unit:** 200,000 est. impressions / hero image & click-through to destination content
 - **GoogleDisplayNetwork Traffic Gen:** 4,000 clicks
 - **Facebook Carousel Ad Unit:** Added value, Tile 3 or 4 position in one unit
 - **Expedia Activation Partner Marketing:**
 - Dedicated hotel results page (one page per co-op)
 - 415,000 co-branded display ads driving to a hotel search results page
 - Inclusion on “Visit The USA” landing page linking to our hotel search results pageWe continued to liaise closely this month with HQ and Miles Partnership in providing all elements required for the campaign’s creative development. Proofs were reviewed, corrected and approved.
Campaign paused until further notice in the aftermath of the travel ban to the U.S. from Europe’s Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

VISIT FLORIDA Co-Ops:

- **CANUSA TOURISTIK** (November 2019/June 2020)
We are pleased to have the opportunity to cooperate with Visit Florida on marketing initiatives with CANUSA Touristik this fiscal year.
Additional Florida partners are: Florida Keys, Fort Lauderdale and Sarasota.
 - **B2C CANUSA Magazine** – November 2019
All partners were featured in CANUSA’s print magazine with image, logo and content. The magazine was deployed to 30,000 consumers.
 - **B2C CANUSA eNewsletter** – December 2019
This eNewsletter with VSPC placement of image, logo and content was deployed to 50,000 consumers.
 - **B2C Ad Placement in GEO Saison Magazine** – January 2020
VSPC will be featured with a ½ page ad placement including logo, image and content in the January issue of GEO Saison magazine, a high-end travel publication.
Pub frequency: monthly / circ. of 60,333.
 - **B2C Out-of-Home Bus Wrap**– February-June, 2020
VSPC will be featured with imagery and logo on a bus wrap within the Hamburg transit system for 5 months. Estimated impressions: over 1M
 - **B2C Ad Placement on Social Media Platforms** – January-February 2020
VSPC will be featured in several Facebook and Instagram ads with image and text.All required creative assets have been delivered and layouts approved as applicable.
Individual campaign elements paused in the aftermath of the travel ban to the U.S. from Europe’s Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

- **FTI TOURISTIK** (March 2020)
After a successful December 2019 road show in cooperation with Visit Florida and FTI Touristik - one of Germany's top tour operators, FTI offered to provide an additional promotional initiative benefitting all eight Florida partners who attended the VF road show:
 - **FTI B2B VIP ENEWS BLAST**
Each FL partner will be integrated in FTI's upcoming "Long-Distance"-themed eNews with key visual, logo and destination content leading to a special offers page. The blast will be deployed to 300 VIP travel advisors in Germany and 160 VIP travel advisors in Switzerland.
Originally planned for deployment the end of this month, the date has been postponed until the end of next month due to market sensitivities resulting from the coronavirus pandemic.
- **SECRET ESCAPES** (February/March)
After a very successful campaign with Visit Florida and Secret Escapes last year, we will once again be part of a special Florida's Gulf Coast program.
Secret Escapes is Europe's leading website for luxury travel offering unique deals with discounts of up to 70%. 54 million members in 21 countries. In Germany, Secret Escapes generates 15 million page impressions per month with almost 4 million visits.
 - **Microsite** – February 26th – March 22nd, 2020
VSPC will get its own subpage on the Florida's Gulf Coast microsite depicting the destination as multifaceted including emotional copy, imagery and videos. For the duration of the campaign, tactical travel offers to VSPC are included.
 - **Newsletter** – February 26th, March 11th, & 18th, 2020
VSPC will be featured in three newsletters with content, imagery and link to the booking page. Deployment to 500,000 subscribers.
 - **Display ads** – February 24th – March 22nd, 2020
Secret Escapes will further strengthen the awareness for VSPC and promote the subpage. The display ad bundle comprises: Billboard, Special Ad, Skyscraper & Medium Rectangle.

All assets have been delivered, layouts received, corrected and approved with the campaign launching this month.
Individual campaign elements paused in the aftermath of the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

German National Consumer Campaigns:

- **CAPRI SUN: CROSS-MARKETING CAMPAIGN** (January-March)
Background ...
In 1969, Capri Sun is born in Germany under its former name Capri Sonne! For the very first time, a beverage in a stand-up pouch is sold. The first flavors are lemon and orange. 10 years later, the legendary TV spots with the "King of Boxing" - Muhammad Ali - are the cornerstone of Capri Sun's new international success and in 1982, Capri Sun is acclaimed for the best new product launch in the United States with the drink pouch being awarded the coveted U.S. medal for Packaging of the Year. 10 years thereafter, Capri-Sun becomes the European market leader and by 1994, Capri Sun even becomes the market leader in the USA with its flexible packaging and delicious fruity flavors. 2004 saw record-breaking sales of over five billion drink pouches sold worldwide and in

2010, the European Space Agency (ESA) develops the Capri Sun pouch further for use by astronauts on the International Space Station (ISS).

With its inventive ideas and its name containing the word *Sun*, Capri Sun is the ideal partner for a special cross-marketing consumer campaign with VSPC.

➤ **Cross-Marketing Campaign (In-Store & Digital)**

The Capri Sun beverage will be distributed in ‘pack shots’, i.e. cartons containing 10 pouches. VSPC will be featured on the pack shots with destination name, image and logo and will be promoted in a sweepstakes to win a one-week trip to St. Pete/Clearwater.

- **In-Store**

The campaign will be launched with pack shot cartons and banner displays in over 10,000 supermarkets Germany-wide. Estimated impacts: 12 million

Of note:

The Capri Sun sweepstakes for a chance to win a trip to St. Pete/Clearwater will include an ‘enter-to-win’ vanity URL. Accessing the site will lead to a dedicated Capri Sun microsite, which will include a link to America Unlimited, our activation partner. America Unlimited’s link will lead to a dedicated St. Pete/Clearwater microsite with destination information and travel offers.

- **Digital Channels**

In addition, Capri Sun will promote the sweepstakes through their own online channels:

Capri Sun Website: 10 million online impressions

Social media: 10 million impressions

Results to be forthcoming upon campaign conclusion.

- **B2C SOCIAL MEDIA “ESCAPE” CAMPAIGN** (February-April)

The idea behind this exciting and innovative consumer campaign is to present web and social media users with an enticing escape from their everyday lives to a fabulous St. Pete/Clearwater getaway. Digital ads will link to a dedicated VSPC landing page featuring content, imagery, videos and CTA partners (America Unlimited & FTI Touristik) with commensurate links to their dedicated sites including VSPC content, imagery and fabulous travel offers to our area.

This campaign’s placement environment will include:

- ✓ Facebook Video Ads and Link Ads
- ✓ Instagram Video Ad, Story Ads and Link Ads
- ✓ Google Search Ads
- ✓ DSP Programmatic Native and Display sites

Layouts for the campaign were finalized; campaign launched this month.

Campaign paused until further notice in the aftermath of the travel ban to the U.S. from Europe’s Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

Tour Operator Co-Ops:

- **CANUSA TOURISTIK PROMOTION PACKAGE** (January 2020-open ended)
We have joined forces with Canusa Touristik on an innovative digital campaign focused on attracting new customers and raising awareness for VSPC on several platforms:
 - **You Tube Video** – March-open ended
A professionally produced YouTube video will tell a relevant and appealing destination story. CANUSA will create two versions of an exclusive video: 60-180 second master YouTube video and a 20-30 second teaser video for Facebook and Instagram promotions.
 - **Social Media Promotion Premium** – mid-March – mid-April 2020
The goal is to reach regular CANUSA fans and followers with editorial posts as well as new customers with social media ads. Existing content on the CANUSA website will be combined with attractive, representative travel packages in individual recommendation ads.
75,000+ fans on Facebook plus 5,900+ followers on Instagram plus relevant hashtag reach. Approx. 150,000 ad impressions on Facebook and Instagram are targeted.
Campaign paused until further notice in the aftermath of the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

- **KNECHT REISEN** (Switzerland)
 - **Jelmoli Campaign** – January - July 2020
VSPC will be the travel partner in the new Miss Jelmoli contest. In March 2018, «Miss Switzerland» was elected for the last time. In 2019, the rights of the organization were acquired by the fashion company JELMOLI, one of the leading and most successful players in the Swiss fashion market with a new «Miss Jelmoli» having been elected. In 2020, the contest will be held anew – with a new focus on travel – with VSPC having been selected as the preferred destination partner in cooperation with Edelweiss Air and Knecht Reisen.
The campaign will include several phases with following timeline:
 - January-July 2020: Total campaign runtime
 - January-March 2020: Motivation phase with contest teaser
 - April 2020: Voting phase and selection of «Miss Jelmoli 2020» winner
 - May 2020: Winner trip to St. Pete/Clearwater
 - January-March:**
 - **Online Store Photo Drawing:** VSPC will be featured with key visual and logo on Jelmoli's online store www.jelmoli-versand.ch during this photo drawing motivation phase. Average of 140,000 visitors per week.
 - **Standalone Newsletters:** 2 standalone newsletters, one in January/one in March, promoting the contest with its coop partners will be deployed to 150,000-200,000 subscribers per newsletter. Average opening rate: 27%.
 - March-July:**
 - **Online:** Presentation of Miss Jelmoli winner in Jelmoli-Versand's online store "Miss Jelmoli-Versand 2020" (www.jelmoli-versand.ch) including VSPC key visual and logo.
 - January&May:**
 - **Print Catalog:** Direct mailing containing the Miss Jelmoli contest with imagery and logos. First direct mailing with ad size of 210x240mm will go out to 'best customer' target group (print run: 80,000)

Second direct mailing with ad size of 183x218mm within a beach fashion theme will go out to new potential customers (print run of 1,000,000).

January-July:

- **eNewsletters:** The Miss Jelmoli contest will be featured in five newsletters including coop partners' imagery and logos. Average opening rate 25%.
- **YouTube Trailer:** New trailer for the contest will be featured on Jelmoli-Versand's YouTube channel for Miss JelmoliVersand 2020 including our imagery and logo. Estimated reach: over 1M views.
- **Facebook Posts:** Minimum of 5 posts including our logo and imagery placed on www.facebook.com/jelmoliversand with several topics/stages such as motivation for photo drawing, winner presentation and winner trip. 22,800 followers.
- **Instagram Posts:** Minimum of 5 Instagram posts with our logo and imagery will be featured on new Miss Jelmoli-Versand Instagram channel with same topics as on Facebook: motivation for photo drawing, winner presentation and winner trip.

All creative assets have been delivered.

On top, our tour operator partner **Knecht Reisen** will support the campaign with additional online activities on their platforms:

- **Newsletters:** Knecht Reisen will include the Miss Jelmoli contest with all coop partners including logos and imagery in two of their newsletters during the campaign period of Jan-Jul. 55,000 subscribers. Opening rate of 30%.
- **Facebook Posts:** 3 posts including our logo and imagery will be placed on Knecht Reisen's Facebook page. 3,000 followers.
- **Instagram Posts:** Knecht Reisen will also publish 3 posts with our logo and imagery. Over 700 followers.

Several campaign elements paused until further notice in the aftermath of the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

- **TUI GERMANY** (January - May)

We are pleased to have again worked out great marketing initiatives with TUI Germany:

- **B2B Instagram Story & Raffle** – January
VSPC images and videos as well as short content bursts and logos. Link to the TUI Newsnet article will be mentioned in the text. To make it more enticing, a raffle will be included to win TUI travel coupons. Users: approx. 1,787 travel advisors.
- **B2B TUI Newsletter Teaser** – January
VSPC is one of the current topics in the TUI newsletter directed to 17,000 TUI travel advisors. Teaser is linked to the TUI Newsnet article.
- **B2C TUI.com Weekly Integration** – February + May
The TUI.com Newsletter is deployed on Fridays to all subscribers and travel agencies with a newsletter subscription. Content includes news, offers, selected destinations, etc. VSPC featured with 2-3 offers, logo and link to a dedicated landing page on the TUI site. Reach: 600,000 subscribers. Average opening rate of 22,4 %.
- **B2C TUI.com Hero Teaser** – February
VSPC featured prominently with hero teaser on TUI.com/USA landing page including image, logo and link to TUI.com booking engine to convert bookings directly or link to VSPC landing page. TUI.com has approx. 20 million page views per month.
- **B2B2C Instore TV Communication** – January
With this regionalized offer and image advertising on 280 flat screens in TUI retail agency storefront shop windows, VSPC is featured in prime locations throughout Germany. The daily rotation (ø 10 hours) displays key visuals, destination info,

videos, sales offers and flash animations. The transmission loop of max. 6 minutes in length repeated 10 x per hour. Approx. 1 million impressions during the 3-week run time.

All creative assets have been delivered, applicable layouts received and approved. Campaign elements planned for February were launched.

The TUI.com Weekly Integration scheduled for May has been postponed until further notice in the aftermath of the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic.

Travel Trade/Consumer Publications & Portals:

- **INFOX GERMANY** (December 2019 - May 2020) *Trade*
We negotiated a special deal to deploy three exclusive VSPC eNewsletter blasts via INFOX distribution service within the next 6 months to over 25,000 travel agency and travel advisor contacts.
The first eNews blast launched in December with #Danke2019 (#Thanks2019) theme focused on a VSPC review of the year 2019 coupled with engaging travel advisors by inviting them to share what they were thankful for in 2019 on our social media channels. Best answers received a dolphin beanie as a thank you gift.
Opening rate of this first newsletter was: 20.86% with a CTR of 4.01 %.
The next blast planned the end of this month has been postponed until further notice in the aftermath of the travel ban to the U.S. from Europe's Schengen countries imposed by President Trump on 3/12 as a result of the coronavirus pandemic 2020.

- **TRAVELUTION – The eTraining Company** (Netherlands) *Trade*
 - Travelution exclusive VSCP eLearning – February-December
The eTraining Company owned by Travelution will create and upload an eLearning program dedicated exclusively to St Pete/Clearwater on the Dutch travel advisor training platform www.etraveltraining.eu. This online eLearning platform targets independent travel professionals who advise travelers in a tailored way utilizing their networks, sharing destination knowledge and experience and are very motivated, being they are all independent entrepreneurs. Comprised of 30 comprehensive destination training modules, VSPC will seize the opportunity to update, educate and inform these advisors in a very targeted and efficient way.
Reach: The Travel Club (approx. 275 agents in the system)
Travel Counsellors (approx. 230 agents in the system)
Personal Touch Travel (approx. 165 agents in the system)
TravelXL (approx. 215 agents in the system)
All assets have been delivered, layouts received and approved. The eLearning went live last month.

Our efforts continue every month in negotiating and fine-tuning marketing initiatives with our vendors of choice. With St. Pete/Clearwater being a long-haul travel destination for the Central European markets, it is to be kept in mind that the positive effect of launched campaigns continues beyond the actual placement timeframes due to the lead time between inspiration, consideration and effective booking by consumers.

Given we are strongly focused on optimizing our area's placement in the marketplace, considerable time and effort is spent on intensive communication with our vendors with a view toward ensuring the best possible positioning for St. Pete/Clearwater in the marketplace. This effort is conducted in addition to our regular scope of work.

Public Relations:

Kaus Media Services - VSPC's German PR Agency

This month saw us assisting the agency with the following projects:

- **2 Press Releases March:** Proofread and corrected.
- **Newsletter March:** Proofread and corrected.

All initiatives, activities and programs described herein have been duly completed as described.