



LOS CABOS TOURISM OBSERVATORY

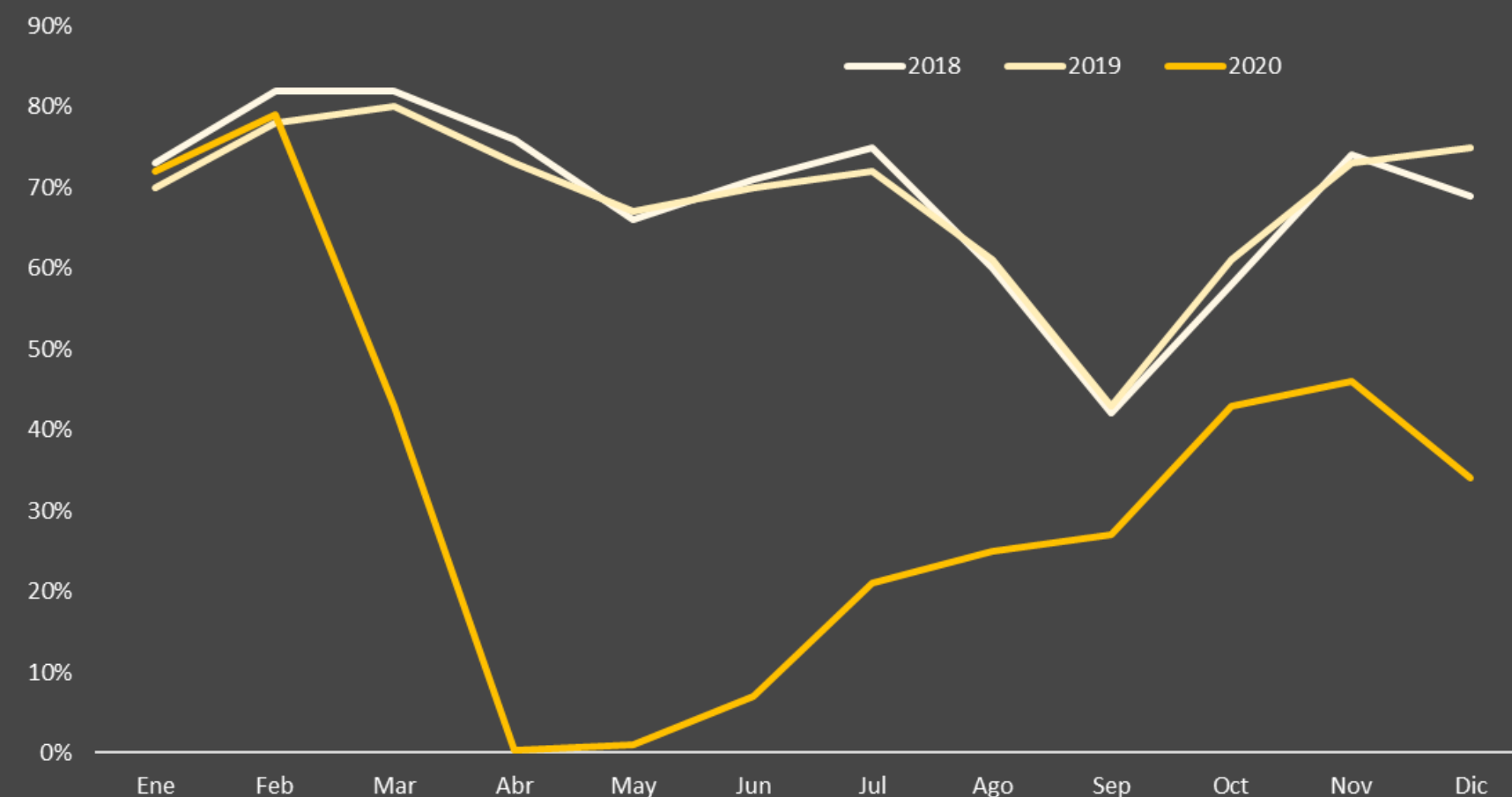
KEY PERFORMANCE INDICATORS

JANUARY 2021

Main indicators – Summary

Hotel Activity

Hotel Occupancy:



Hotel Occupancy

(Dec-2020):

34%

-41pp

(vs. Dec-2019)

SOURCE: AHLIC

Rooms Available

(Nov-2020):

21,762

-1.6%

(vs. Nov-2019)

SOURCE: DATATUR

Room nights

(Nov-2020):

733,024

-33.6%

(vs. Nov-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers

(Dec-2020, expressed in thousands):

173

-33.9%

(vs. Dec-2019)

National Passengers

(Dec-2020, expressed in thousands):

73.8

-8.6%

(vs. Dec-2019)

International Passengers

(Dec-2020, expressed in thousands):

99.2

-45.1%

(vs. Dec-2019)

SOURCE: GAP

Other indicators

Tourist Satisfaction:

more than expected
(Dec-2020):

43.7%

+9.2pp

(vs. Dec-2019)

SOURCE: TOURIST SURVEYS

Attendees to congresses and conventions

(Dec-2020):

0.2%

-0.6pp

(vs. Dec-2019)

SOURCE: TOURIST SURVEYS

Tourists' Origin

(Dec-2020):

71.5% foreigners

-2pp

(vs. Dec-2019)

SOURCE: TOURIST SURVEYS

Cruise ships

(Nov-2020):

0

-21 vessels

(vs. Nov-2019)

SOURCE: DATATUR

Cruise passengers

(Nov-2020):

0

-100%

(vs. Nov-2019)

SOURCE: DATATUR

Group Business Total

RFPs (Dec-2020):

12

-18 RFPs

(vs. Dec-2019)

SOURCE: CVENT

Main indicators – Summary

PASSENGERS ARRIVAL

- In Dec-2020, Los Cabos International Airport registered a 33.9% (-88.6 thousand) decrease in the total number of passengers arriving at the destination compared to Dec-2019, adding up to a total of 173 thousand (when considering arrivals only).
 - Passengers on domestic flights (73.8 thousand) represent 42.7% of total arrivals. These decreased by 8.6% (-6.95 thousand vs. Dec-2019).
 - Passengers on international flights (99.2 thousand) represent 57.3% of total arrivals. These decreased by 45.1% (-81.65 thousand vs. Dec-2019).

FLIGHT SCHEDULES

- Compared to the same period last year, the domestic market has 7.1% more available seats scheduled for the period from Jan-2021 to Jun-2021 (compared to the pre-pandemic seating plan registered in Dec-2019). About 7.4% more seats are expected for Jan-2021.
- MTY and TIJ seats increased by 8.2% and 52.7%, respectively (compared to the pre-pandemic programming, Dec-2019).
- The United States market expects 23.5% more seats scheduled for the next 6 months (compared to the pre-pandemic programming). In Jan-2021, there were 35.9% more.
- LAX (+45.4%), PHX (+59.5%) and DFW (+22.5%) had the most significant increase. However, San Diego, Houston and San Francisco show a decrease of -36.6%, -1.1% and -13.1%, respectively.

FLIGHT SCHEDULES (Cont'd)

- From Canada, 96.2% fewer seats are expected for the next 6 months. In Jan-2021, there were 89.3% less.
- All destinations have shown decreases: Calgary by 41%, Edmonton by 81.8%, Toronto by 63.7%, and Vancouver by 46.2%.

HOTEL ACTIVITY

- Occupancy in Dec-2020 was 34%, compared to 75% in Dec-2019 (-41pp).
 - Cabo San Lucas' occupancy drops 40pp when compared to Dec-2019 and now stands at 36% (it decreased 13pp vs. Nov-2020).
 - San Jose del Cabo registers 32% (41pp less than in Dec-2019, and 9pp less than in Nov-2020).
 - Los Cabos Corridor registered 29% (11pp less than in Dec-2019, and 11pp less than in Nov-2020).
- The number of rooms available in Los Cabos decreased by 1.6% between Nov-2019 and Nov-2020, registering 21,762.
- Tourist arrivals to hotels in Los Cabos decreased by 36% (-84.4 thousand) between Nov-2019 and Nov-2020.
 - Domestic tourism fell 55.5% (-35.6 thousand), and international tourism dropped 28.7% (-48.8 thousand).
 - There were 733 thousand occupied room nights in Nov-2020, 33.6% less compared to Nov-2019 (-370 thousand nights).

TOURIST SURVEYS

- In Dec-2020, 43.7% of tourists rated their experience in Los Cabos as better than they expected (9pp more than in Dec-2019 and 6.3pp more than in Nov-2020).
- The perception of security improved in Dec-2020, compared to the same month a year ago (12% perceived it as being bad or regular, -2pp than in Dec-2019).
- CDMX's market participation decreased 8.3pp vs. the previous year, while EDOMEX's decreased by 7.8pp.

CRUISE SHIP ARRIVALS

- There were no registered cruise ship arrivals at the Port of Cabo San Lucas in Nov-2020.

ADVANCE RESERVATIONS

- As of December 31st, the volume of flight bookings during Dec-2020 registered a fall of 46%. Further decrease is expected for Jan-2021 and Feb-2021 (of 55% and 65%, respectively).
- During Dec-2020, the volume of domestic bookings registered an increase of 37%. This volume grew 36% in Jan-2021.
- By Dec-2020, bookings from the international market continue to drop (-53% vs. the previous year). This decrease will reach -60% during Jan-2021 (cut-off date as of December 31st).



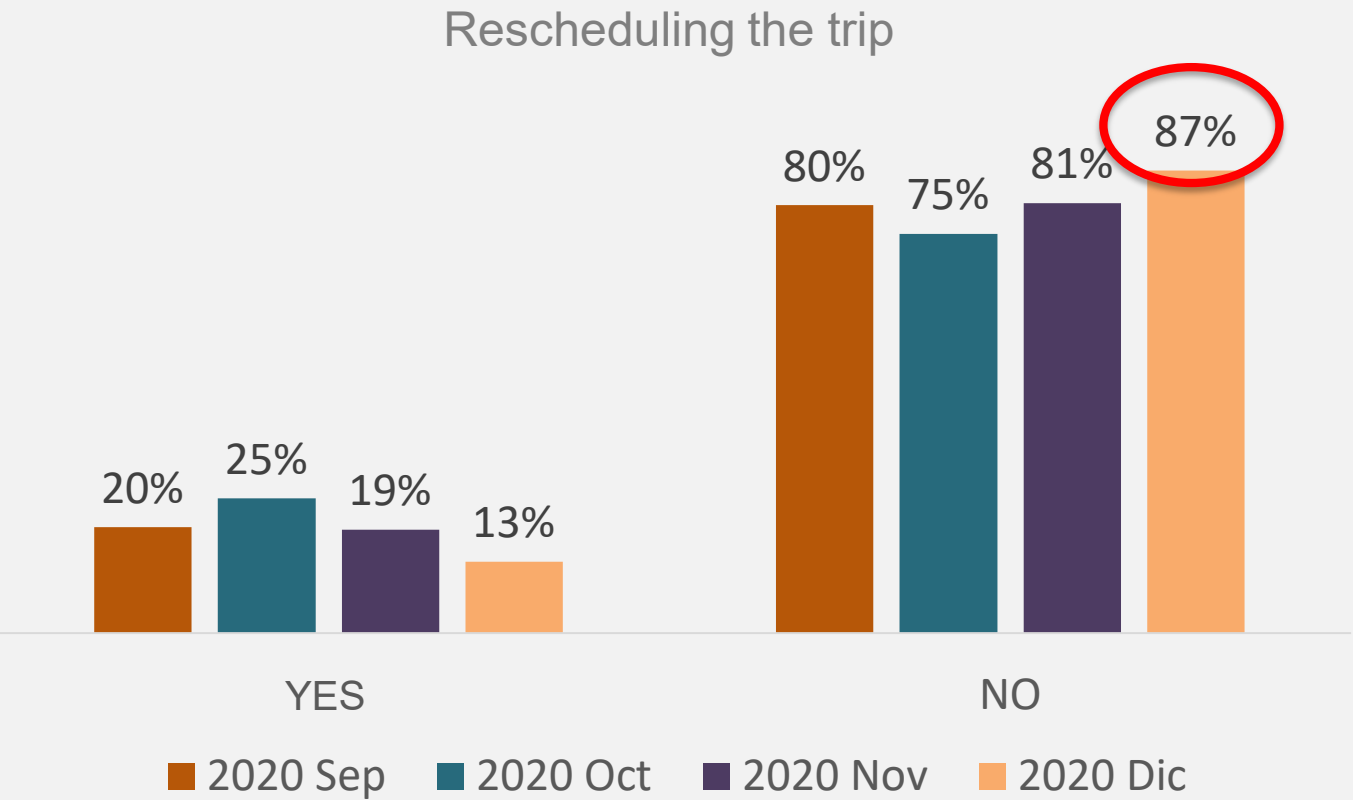
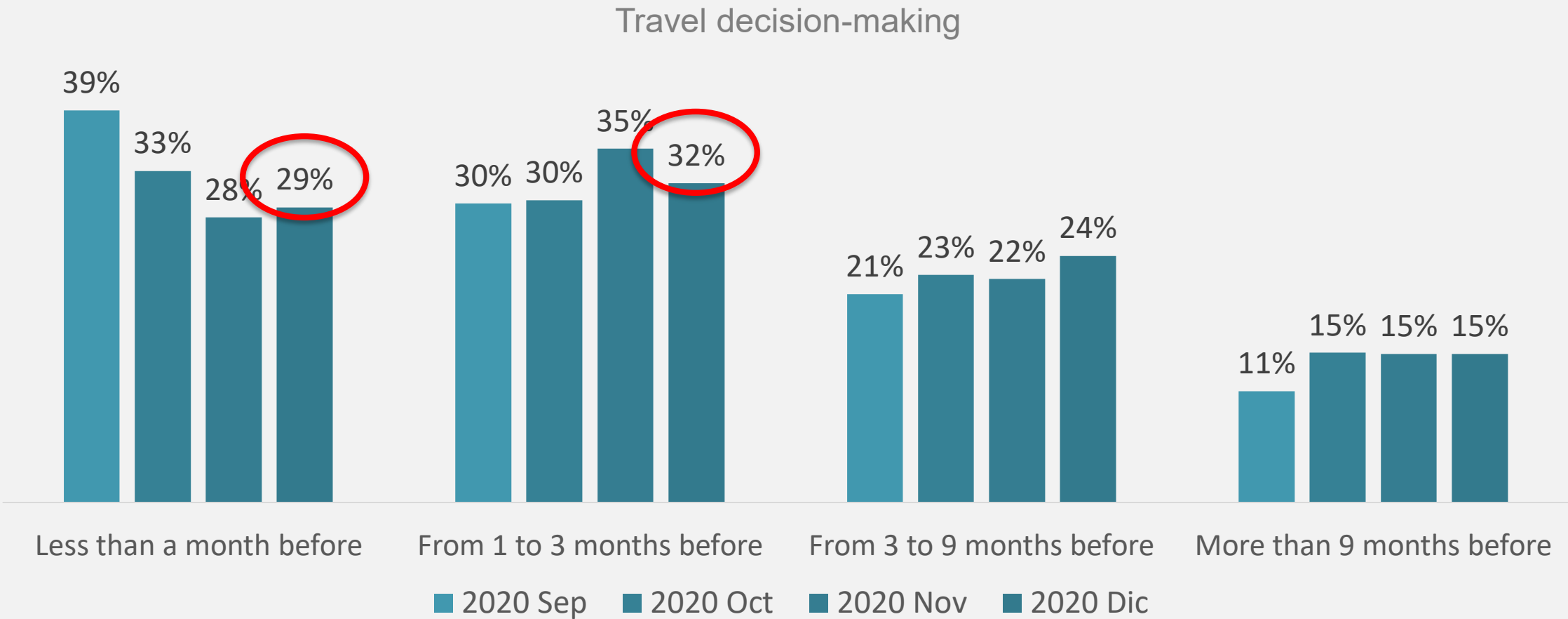
LOS CABOS TOURISM OBSERVATORY

THE IMPACTS OF COVID-19 TRAVEL TRENDS

Travel trends and assessment of
COVID-19 in Los Cabos tourism.

Tourists who are traveling to Los Cabos under current conditions

- Most tourists (32%) plan their trip 1 to 3 months in advance, and 29% do so less than a month before.
- 36.8% of tourists already had their vacation planned. Flight and hotel prices remain the second most important factor when making the decision to travel.



Reasons to make the decision to travel	Sep	Oct	Nov	Dec
Already had their vacation planned	30.7%	35.4%	38.3%	36.8%
Flight and hotel prices	64.1%	27.4%	20.9%	27.9%
Vacation offers	7.8%	15.0%	12.6%	10.8%
Cancellation/rescheduling flexibility	6.2%	12.4%	10.9%	11.0%
They are timeshare owners	5.3%	8.3%	10.9%	11.2%

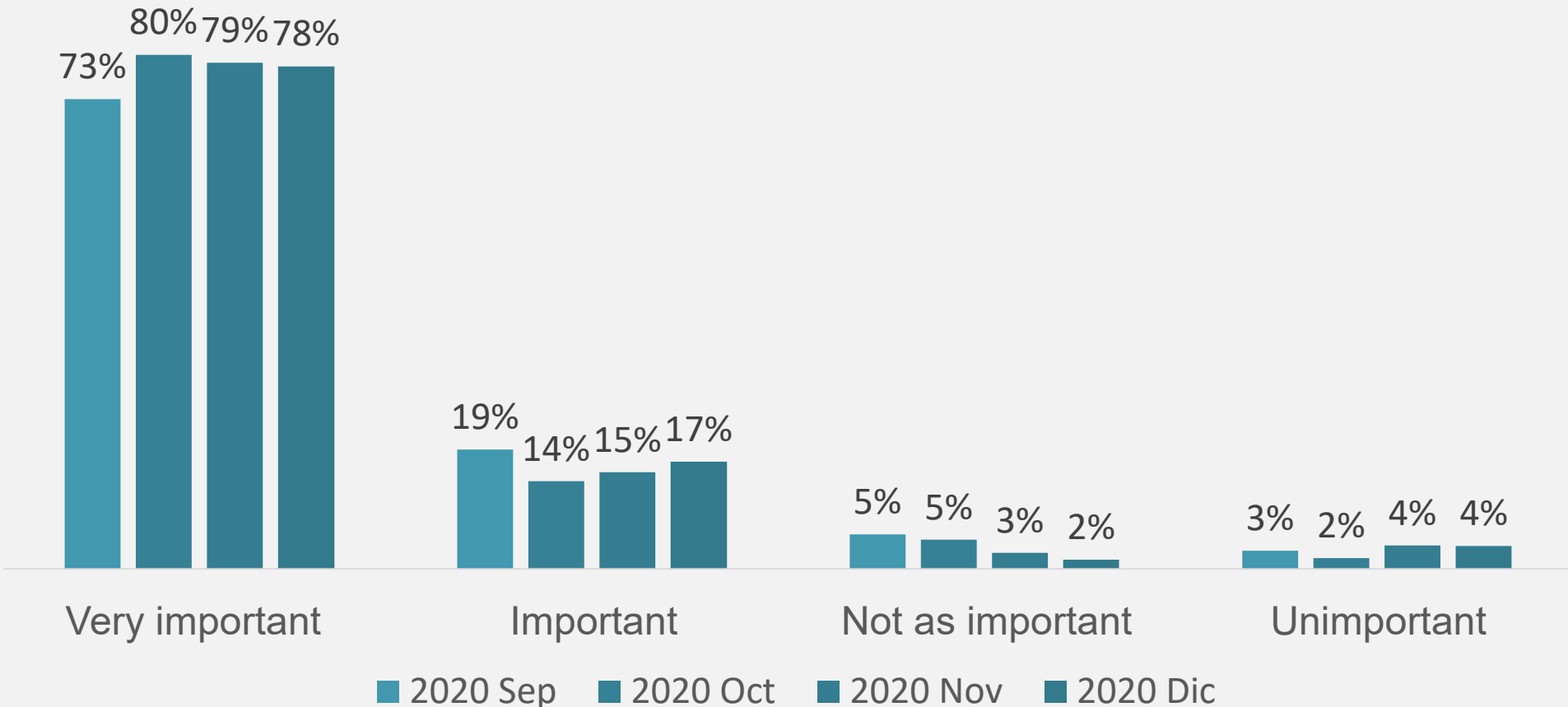
SOURCE: TOURIST SURVEYS

Accommodation preferences of tourists visiting Los Cabos

(Spontaneous) reasons for choosing accommodation	Sep	Oct	Nov	Dec
Price	14.5%	10.0%	8.4%	9.5%
Safety	7.3%	8.0%	7.9%	5.0%
Cleanliness	6.5%	11.4%	7.2%	6.7%
Timeshare	5.1%	4.4%	6.2%	5.7%
Location	4.7%	4.6%	4.9%	3.6%
Comfort	2.9%	3.6%	2.7%	1.7%

- The main reason for choosing accommodation is the price, whereas cleanliness becomes the second most important.
- As for the evaluation of the hygiene and safety measures observed by tourists: the body temperature control on employees and guests improved.

Importance of getting the Cleanliness and Safety Certification



Hygiene and safety measures observed	Sep	Oct	Nov	Dec
Hotel employees are wearing masks.	82.6%	78.3%	81.2%	81.9%
Disinfectant gel available in the rooms and at the front desk.	81.1%	76.8%	78.5%	78.8%
Body temperature control on employees and guests.	75.1%	76.0%	66.4%	72.3%
Cleaning and disinfection system upon entering the hotel.	69.0%	63.0%	63.5%	65.6%
Guide of the measures that have been taken by the hotel (on both the website and on the premises).	56.8%	56.0%	54.3%	57.0%

SOURCE: TOURIST SURVEYS





LOS CABOS TOURISM OBSERVATORY

THE IMPACTS OF COVID-19

Effects of COVID-19 on Mexico's
tourism sector.

Traffic light monitoring system for epidemiological risk of COVID-19

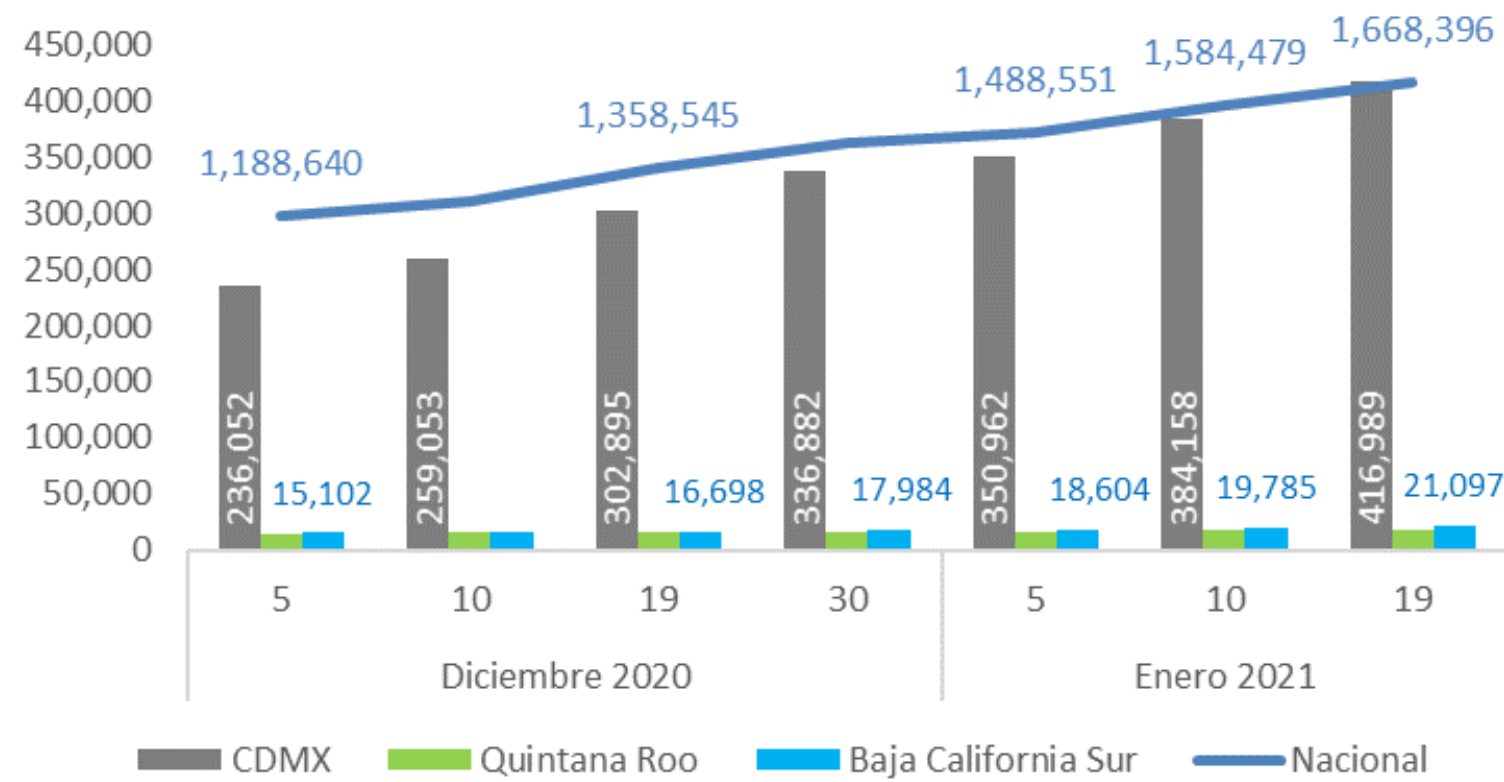


-  Only essential economic activities are allowed.
-  In addition to essential economic activities, companies with non-essential economic activities may conduct operations with 30% of their staff. Outdoor public spaces can open with reduced capacity.
-  All work activities are allowed. Outdoor public spaces can open on a regular basis, and indoor public spaces can open with reduced capacity.
-  All activities, including school activities, are allowed.

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx). TRAFFIC LIGHT MONITORING SYSTEM UPDATED AS OF JANUARY 20th, 2021.

Confirmed COVID-19 cases overview

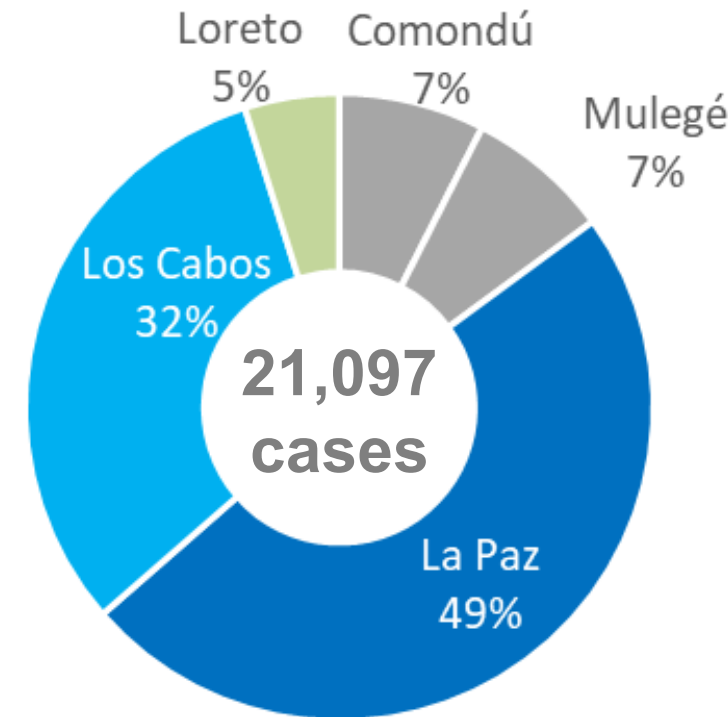
Confirmed cases (cumulative)



As of January 19th, 2021, there are **1,668,396 confirmed cases** in Mexico, 309 thousand more than those registered as of December 19th.

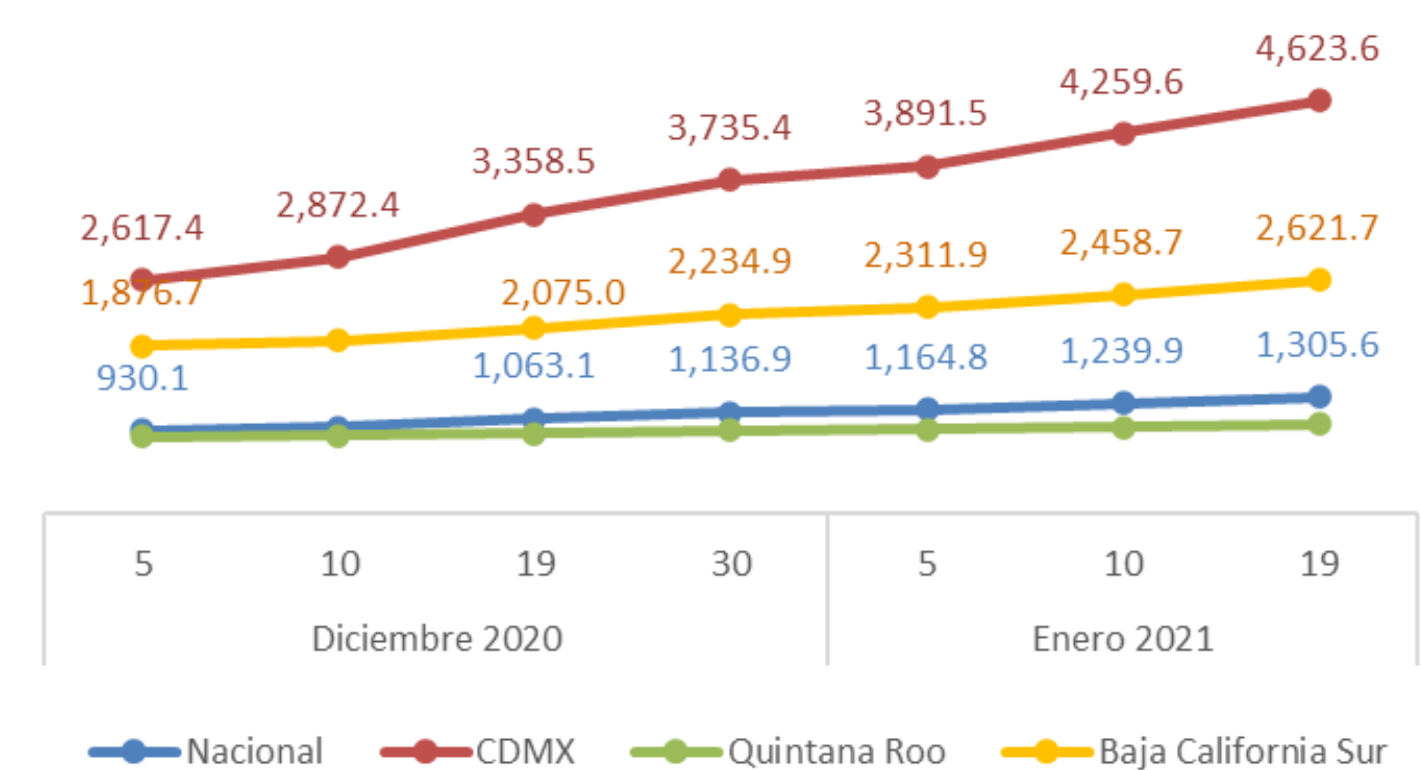
- Baja California Sur has 4,399 more cases than those registered as of December 19th, which results in a total cumulative of 21,097 confirmed cases in the state. Quintana Roo accumulates 17,293 cases, 1,845 more than those registered as of December 19th.

Confirmed cases by municipalities in B.C.S.



- 81% of the state's cumulative confirmed cases are concentrated between La Paz and Los Cabos.
- La Paz has 1,977 more cases than those registered as of December 19th, accumulating a total of 10,266 confirmed cases.
- Los Cabos has 1,381 more cases, adding up to a total of 6,655.
- Loreto accumulates 1,028 cases (252 more).

Incidence of infection

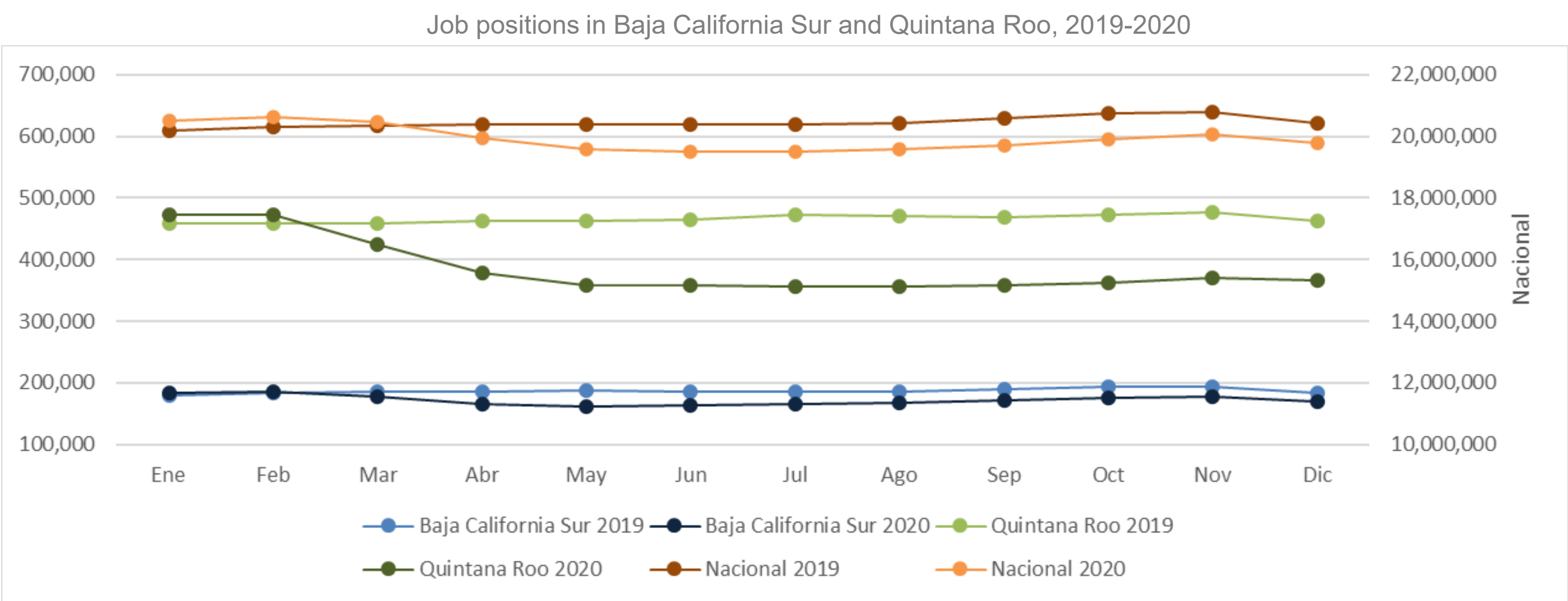


- The national average rate of infection is **1,305.6 cases** per 100 thousand inhabitants.
- Mexico City still has the highest rate of new COVID-19 cases, which is above the national average: 4,623.6.
- Quintana Roo: 1,003.5.
- Baja California Sur is the second state with the highest rate: 2,621.7.
 - Los Cabos has **2,014.8 cases** per 100 thousand inhabitants.

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx).
FIGURES UPDATED AS OF JANUARY 20th, 2021.

Effects on employment in Mexico

Jobs generated/lost vs. the previous month of 2020		% variation vs. Dec-2019
Ene	68,955	0.3%
Feb	123,139	0.9%
Mar	-130,593	0.3%
Abr	-555,247	-2.4%
May	-344,526	-4.1%
Jun	-83,311	-4.5%
Jul	-3,907	-4.5%
Ago	92,390	-4.1%
Sep	113,850	-3.5%
Oct	200,641	-2.5%
Nov	148,719	-1.8%
Dic	-277,820	-3.2%
Cumulative: -647,710		



- As of December 31st, 2020, the country had **19,773,732 jobs** registered in IMSS, 277,820 less than those registered the previous month.
- When comparing the closing of Dec-2020 with that of December 31st, 2019, 647,710 job positions have been lost (-3.2%).

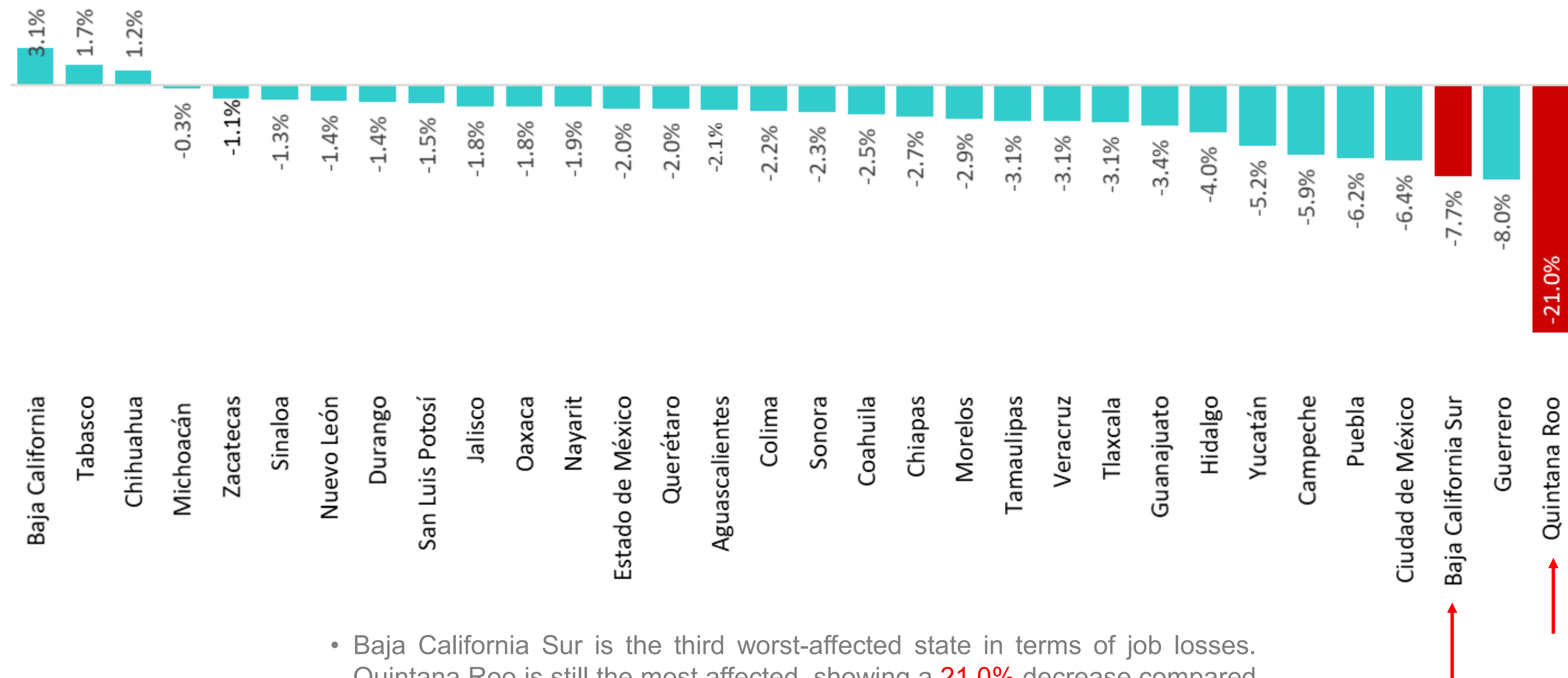
- Baja California Sur closes 2020 with 169,371 jobs, which is **-7.7%** vs. Dec-2019.
- Compared to Dec-2019, there were 14,116 jobs lost during Dec-2020.

- Quintana Roo closes Dec-2020 with 365,783 jobs, which is **-21.0%** vs. Dec-2019.
- Compared to Dec-2019, there were 97,381 jobs lost during Dec-2020.

SOURCE: IMSS

Effects on employment in Mexico

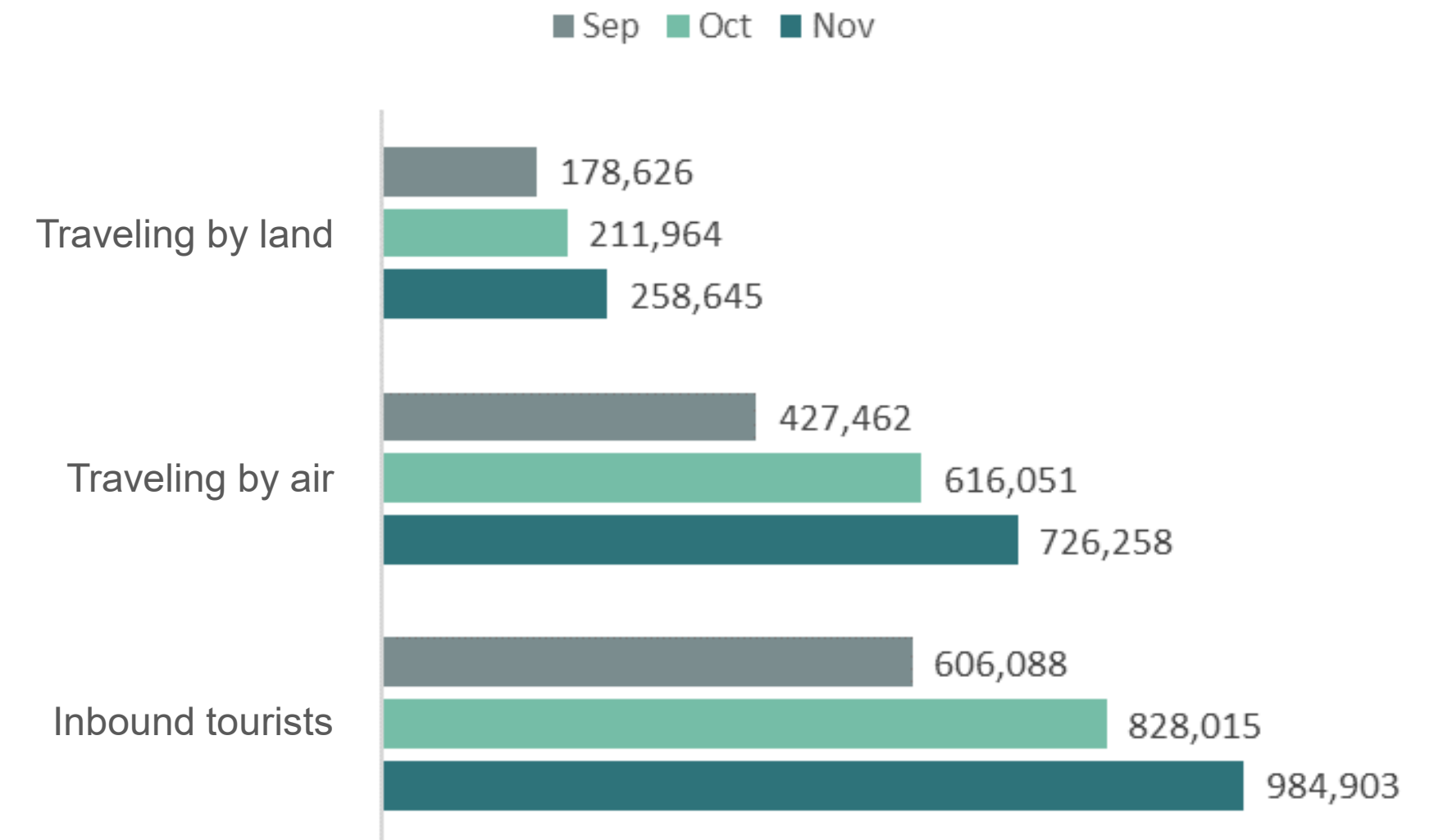
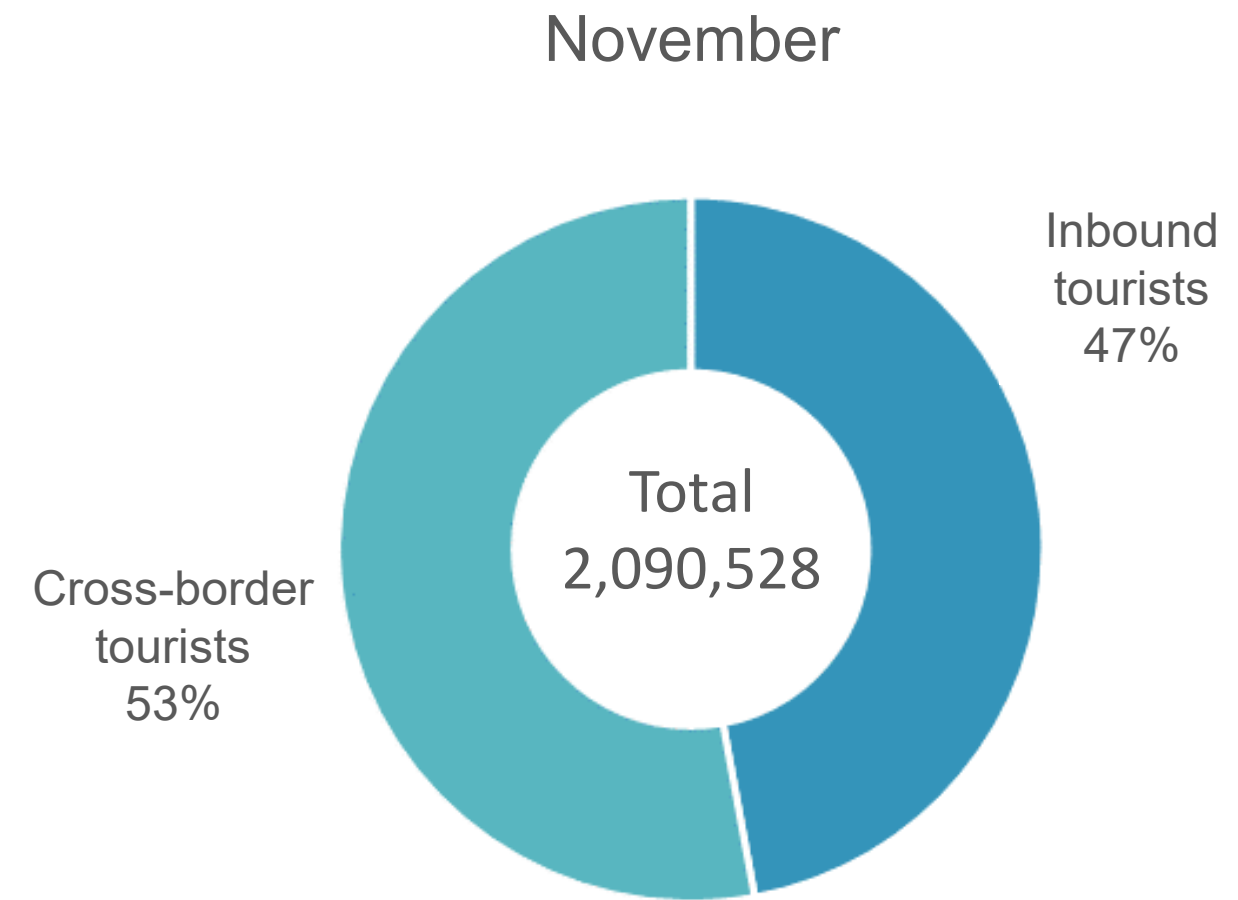
% Employment variation by state (December 2020 vs. December 2019)



- Baja California Sur is the third worst-affected state in terms of job losses. Quintana Roo is still the most affected, showing a 21.0% decrease compared to the jobs registered at the end of December 2019.

SOURCE: IMSS

International tourist arrivals to Mexico



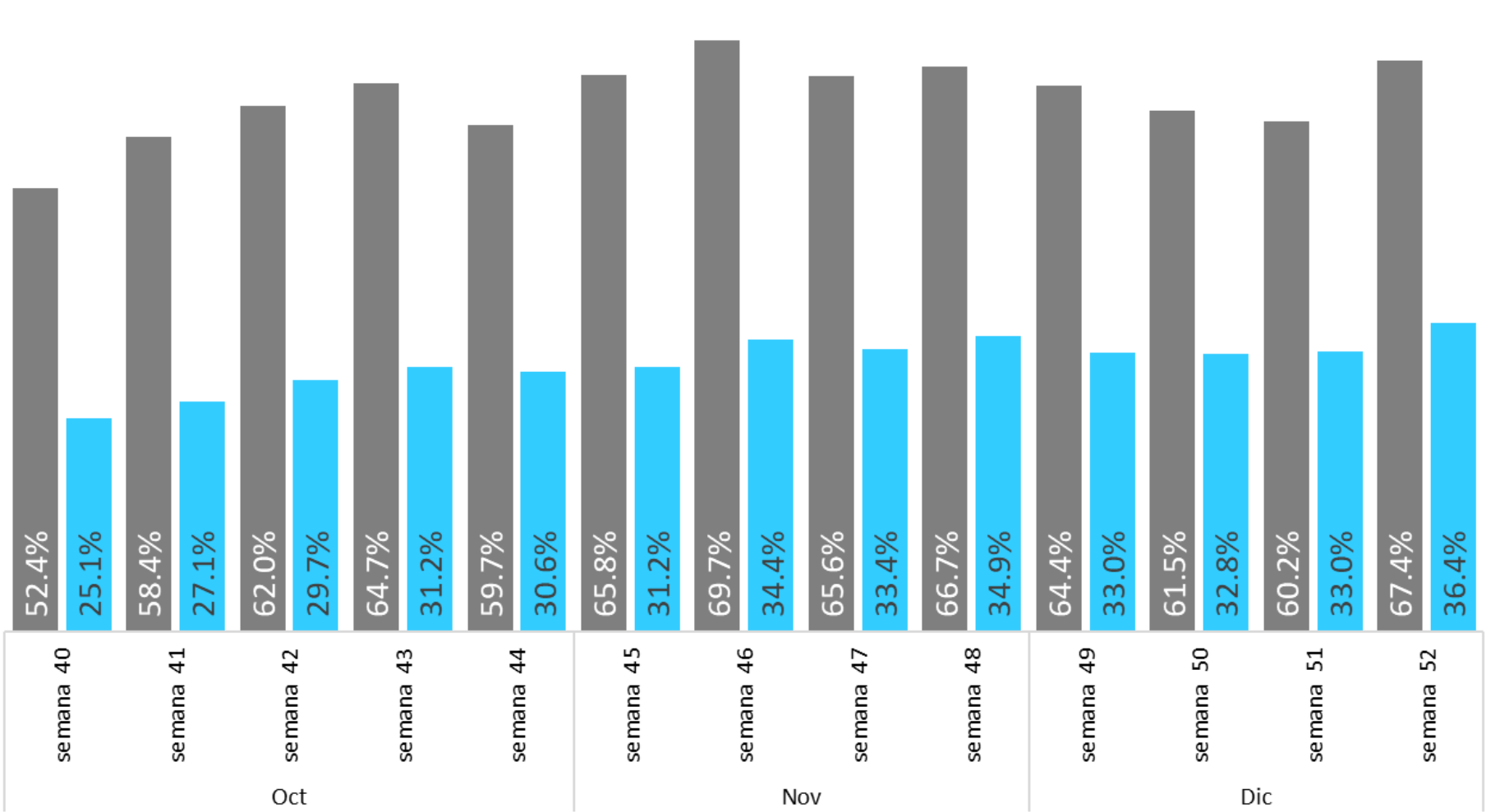
- In Nov-2020, 2,090,528 international tourists arrived in the country (46% less than in Nov-2019).
- The average spending of international tourists traveling by air was \$877.91 USD (\$45.34 less vs. the average spending in Nov-2019).

- There is a 19% increase in the total number of inbound tourists, compared to those registered in October, of which 74% traveled by air, and 26% did so by land.
- Compared to October, there is a 18% increase in those who arrived by air and a 22% increase in those who did so by land.

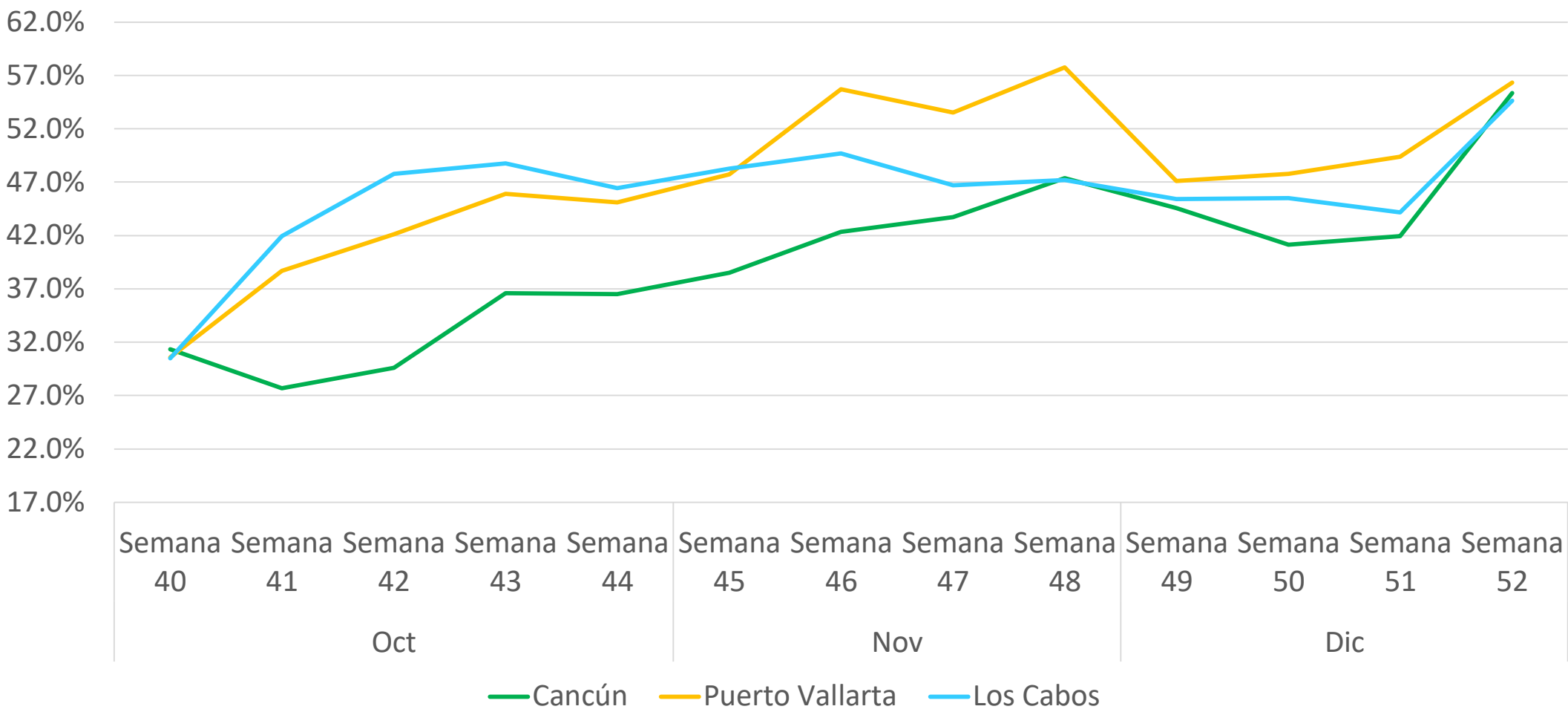
SOURCE: INEGI, INTERNATIONAL TOURIST SURVEYS

Hotel indicators in Mexico

Hotel occupancy percentage (average of 12 destinations in Mexico)



Hotel occupancy percentage in Cancun, Puerto Vallarta and Los Cabos, 2020



- Mexico closes 2020 with a hotel occupancy rate above 30%. A 36.4% occupancy rate was reported by the end of week 52 (December 31st), 31.0pp less than that observed in the same week of 2019.

- The three selected destinations report a higher occupancy rate than the national average.
- Puerto Vallarta closed week 52 with 56.3% occupancy. It recorded its peak occupancy rate (57.7%) on week 48.
- Cancun closed the year with 55.3% occupancy (its highest hotel occupancy rate in 2020).
- Los Cabos closed the year with 54.6% occupancy, also its highest occupancy rate in 2020.

SOURCE: DATATUR. MONITORED DESTINATIONS: VILLA HERMOSA, AGUASCALIENTES, TUXTLA GUTIERREZ, QUERETARO, PUEBLA, PUERTO VALLARTA, SAN CRISTOBAL DE LAS CASAS, LOS CABOS, CANCUN, MEXICO CITY, ACAPULCO AND SAN MIGUEL DE ALLENDE.

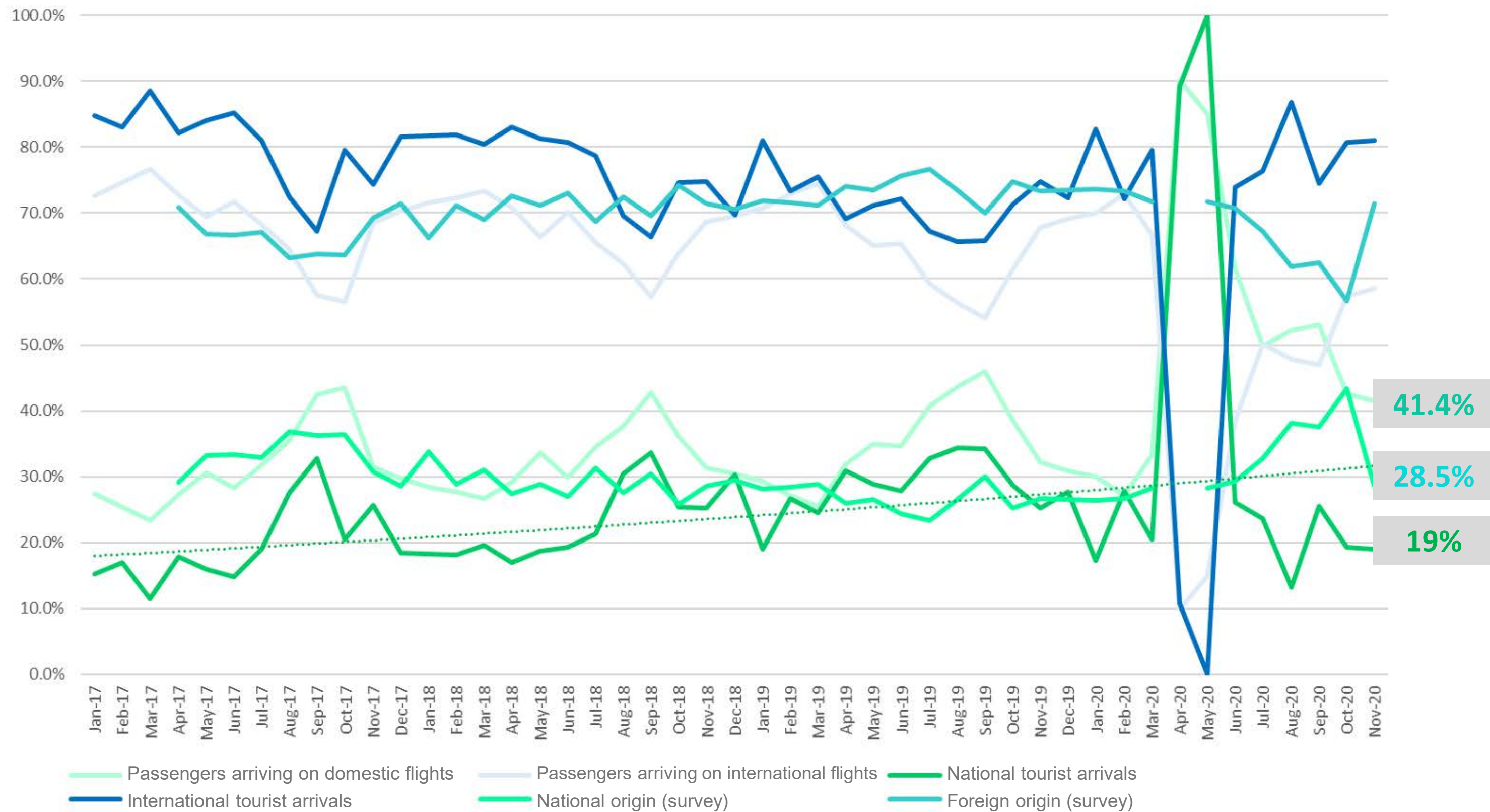


LOS CABOS TOURISM OBSERVATORY

DEMAND INDICATORS
PASSENGERS AND TOURISTS

Evolution of national and international tourism participation

Participation percentage of both resident and non-resident tourist arrivals at hotels in Los Cabos, including passenger arrivals on domestic and international flights at Los Cabos International Airport (2017-2019)



- According to DataTur, the number of national residents arriving at hotels in Los Cabos reached **19%** in Nov-2020 (6.3pp less than the previous year).
- Moreover, the participation of national passengers in the total registered by Los Cabos International Airport was **41.4%** in Nov-2020. This represents an increase of 9.3pp vs. Nov-2019.
- In Nov-2020, Tourist Surveys indicated **28.5%** domestic tourism participation in the total received by Los Cabos (1.7pp more than the previous year).

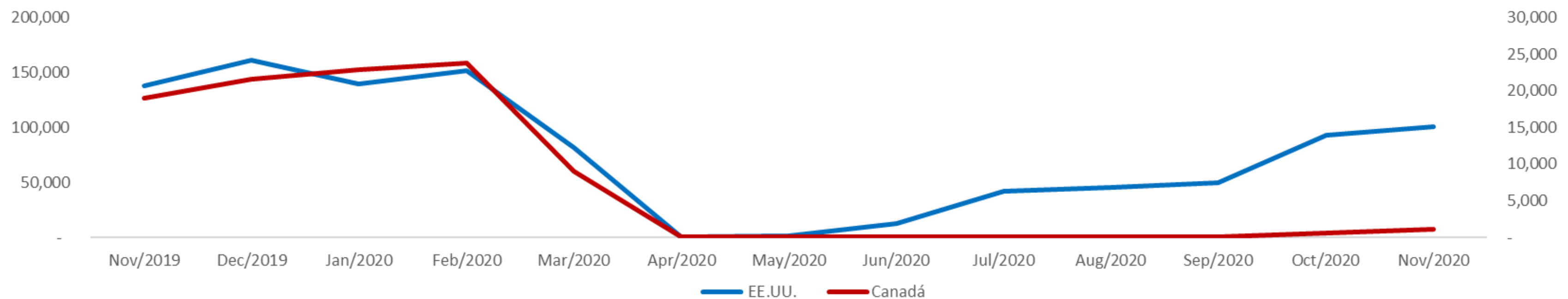
SOURCE: DATATUR, GAP, TOURIST SURVEYS

International tourist arrivals by air, by origin (residence), monthly 2019-2020

SOURCE: INM-SIOM

Regiones	Nov/2019	Dec/2019	Jan/2020	Feb/2020	Mar/2020	Apr/2020	May/2020	Jun/2020	Jul/2020	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Δ Nov-20 / Nov-19	Δ Ene-Nov-20 / Ene-Nov-19
EE.UU.	137,433	161,174	139,238	151,410	82,042	508	1,084	12,433	41,696	45,112	50,077	93,069	100,320	-27.0%	-49.8%
Canadá	19,046	21,542	22,830	23,837	9,003	13	15	52	74	106	128	563	1,126	-94.1%	-57.7%
Europa	1,230	1,210	1,434	1,235	557	10	12	20	43	52	40	48	70	-94.3%	-62.9%
Caribe, Centro y Sudamérica	152	148	210	175	83	3	-	12	34	19	33	37	48	-68.4%	-69.1%
Resto del Mundo	796	898	940	622	242	-	7	34	52	64	71	106	127	-84.0%	-76.1%
Gran total	158,657	184,972	164,652	177,279	91,927	534	1,118	12,551	41,899	45,353	50,349	93,823	101,691	-35.9%	-50.8%

Mercados clave	Nov/2019	Dec/2019	Jan/2020	Feb/2020	Mar/2020	Apr/2020	May/2020	Jun/2020	Jul/2020	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Δ Nov-20 / Nov-19	Δ Ene-Nov-20 / Ene-Nov-19
Reino Unido	827	773	942	692	357	2	5	9	8	19	10	9	21	-97.5%	-25.6%
Australia	268	305	415	181	114	-	5	10	13	9	18	18	42	-84.3%	-76.0%
Corea del Sur	134	126	98	93	23	-	-	1	2	3	6	5	8	-94.0%	-81.0%
Total mercados clave	1,229	1,204	1,455	966	494	2	10	20	23	31	34	32	71	-94.2%	-58.0%



International tourist arrivals by air, by origin (residence)

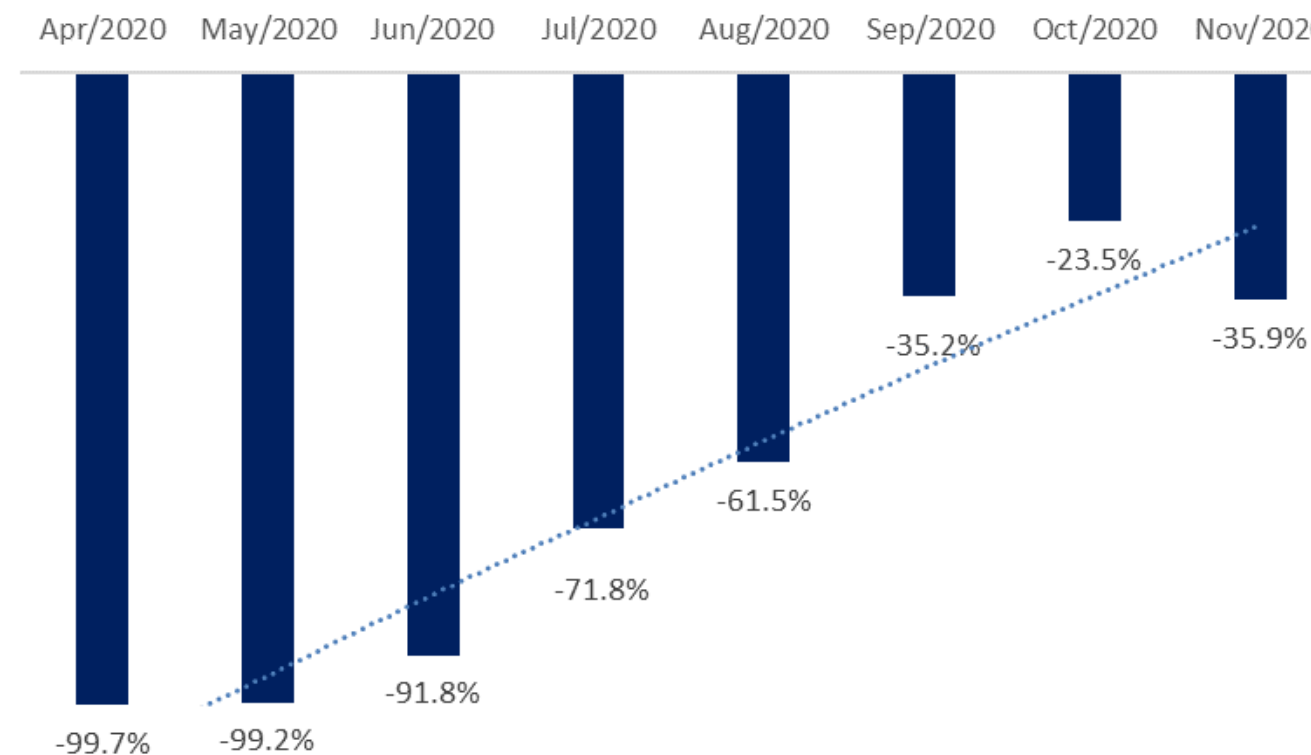
-35.9%

Nov-2020 vs. Nov-2019

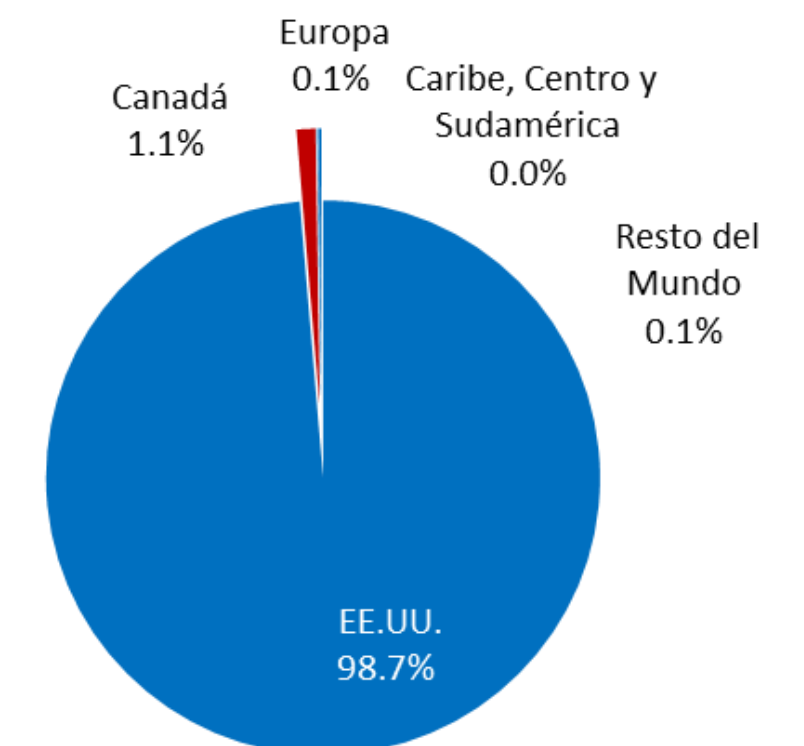
The entry of 101,691 international tourists that arrived by air at the Los Cabos International Airport was registered in Nov-2020. This signified a decrease of 35.9% compared to Nov-2019.

Americans represent 98.7% of the total.

Annual variation of international tourist arrivals by air to Los Cabos International Airport (Apr-Nov-2020)



Participation of international tourist arrivals by air to Los Cabos International Airport (Nov-2020)



SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence), accumulated Jan-Nov, 2019-2020

Regiones	Nacional			Los Cabos		
	Ene-Nov-2019	Ene-Nov-2020	Δ 2020/2019	Ene-Nov-2019	Ene-Nov-2020	Δ 2020/2019
Estados Unidos	9,663,286	4,511,910	-53.3%	1,429,358	716,989	-49.8%
Canadá	1,992,341	910,941	-54.3%	136,596	57,747	-57.7%
Europa	1,789,146	480,982	-73.1%	9,416	3,521	-62.9%
Caribe, Centro y Sudamérica	2,447,757	655,632	-73.2%	2,130	654	-69.1%
Resto del mundo	661,570	192,976	-70.8%	9,521	2,265	-76.1%
Gran Total	16,554,100	6,752,441	-59.2%	1,587,021	781,176	-50.8%

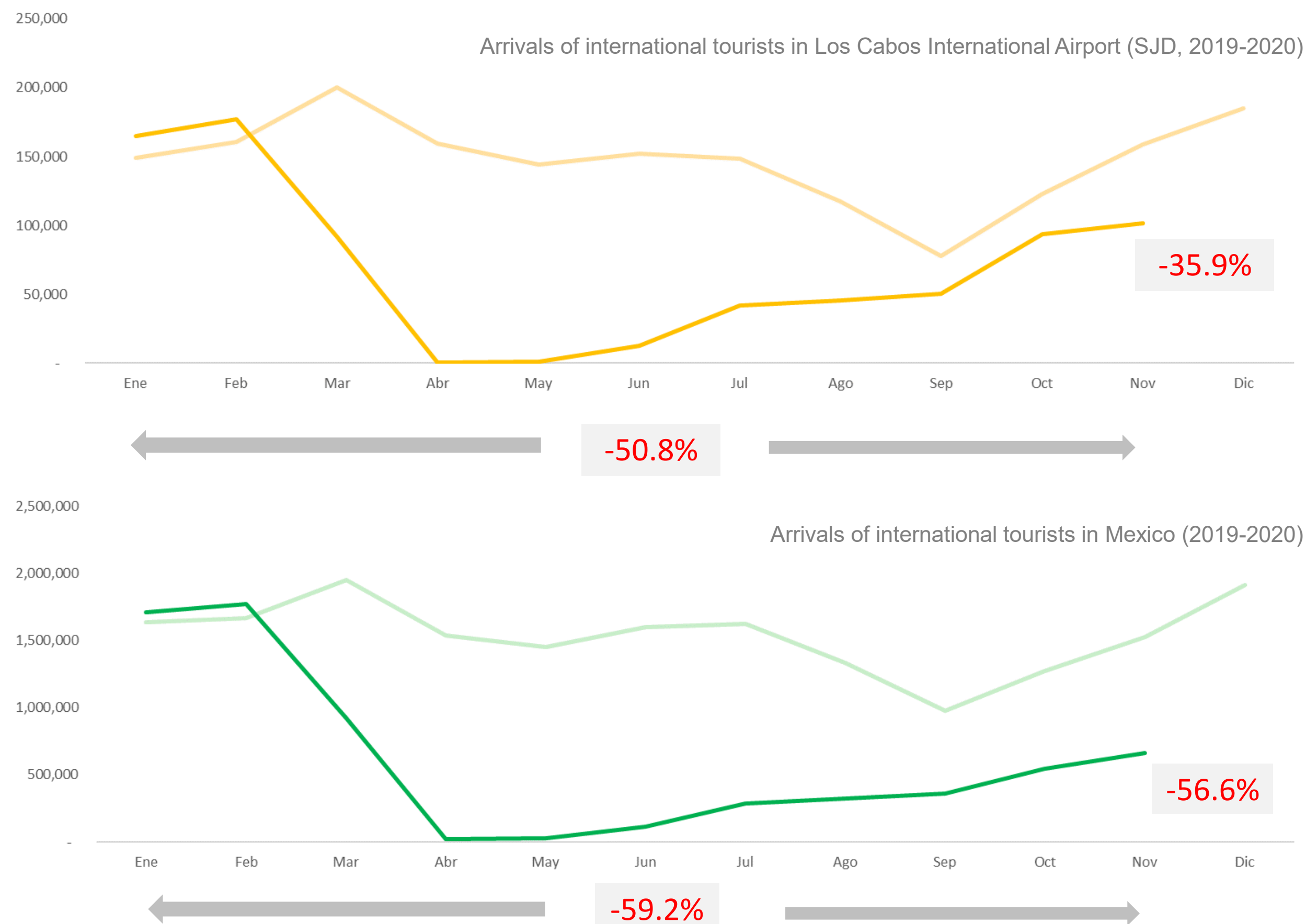
Mercados Clave	Nacional			Los Cabos		
	Ene-Nov-2019	Ene-Nov-2020	Δ 2020/2019	Ene-Nov-2019	Ene-Nov-2020	Δ 2020/2019
Reino Unido	523,578	86,688	-83.4%	2,780	2,074	-25.6%
Australia	58,256	14,374	-75.3%	3,441	825	-76.0%
Corea del Sur	78,162	23,712	-69.7%	1,259	239	-81.0%
Total mercados clave	659,996	124,774	-81.1%	7,480	3,138	-58.0%



Monthly evolution of the international tourist arrivals by air at the Los Cabos International Airport (SJD) and on a national level, 2019-2020

- When comparing Nov-2020 vs. Nov-2019, tourist arrivals decreased by 56.6% nationwide, and by 35.9% in Los Cabos.
 - The American market decreased by 33.1% on a national level, whereas the Canadian market did so by 92.3%.
 - At the Los Cabos International Airport, the U.S. market decreased by 27%, and the Canadian market did so by 94.1% when comparing Nov-2020 to the previous year.
- The Jan-Nov cumulative registers a decrease of 59.2% nationwide, and of 50.8% in Los Cabos.
 - So far in 2020, the U.S. market's cumulative registered a decline of 53.3% nationwide, and of 49.8% in Los Cabos.
 - In the year's cumulative, the Canadian market declines 54.3% nationwide and 57.7% in Los Cabos.

SOURCE: INM-SIOM

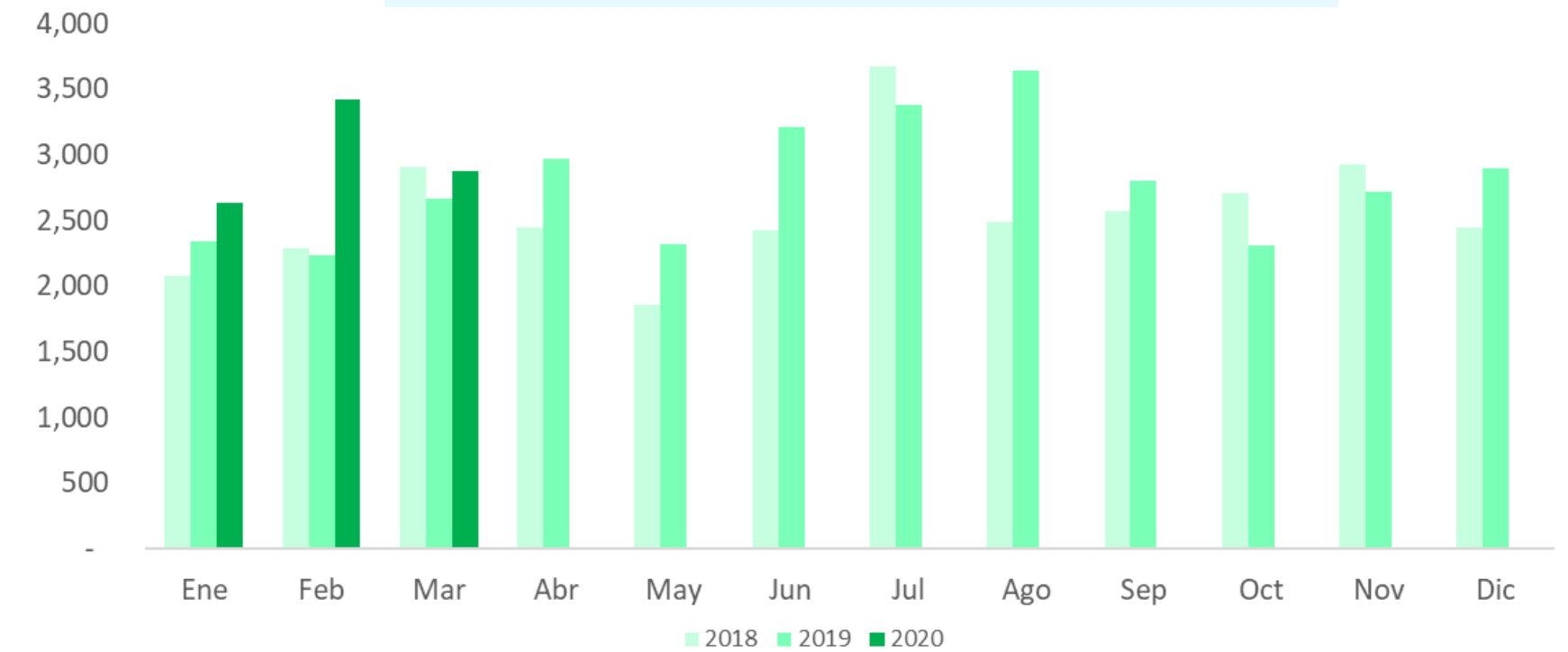


Cruise activity

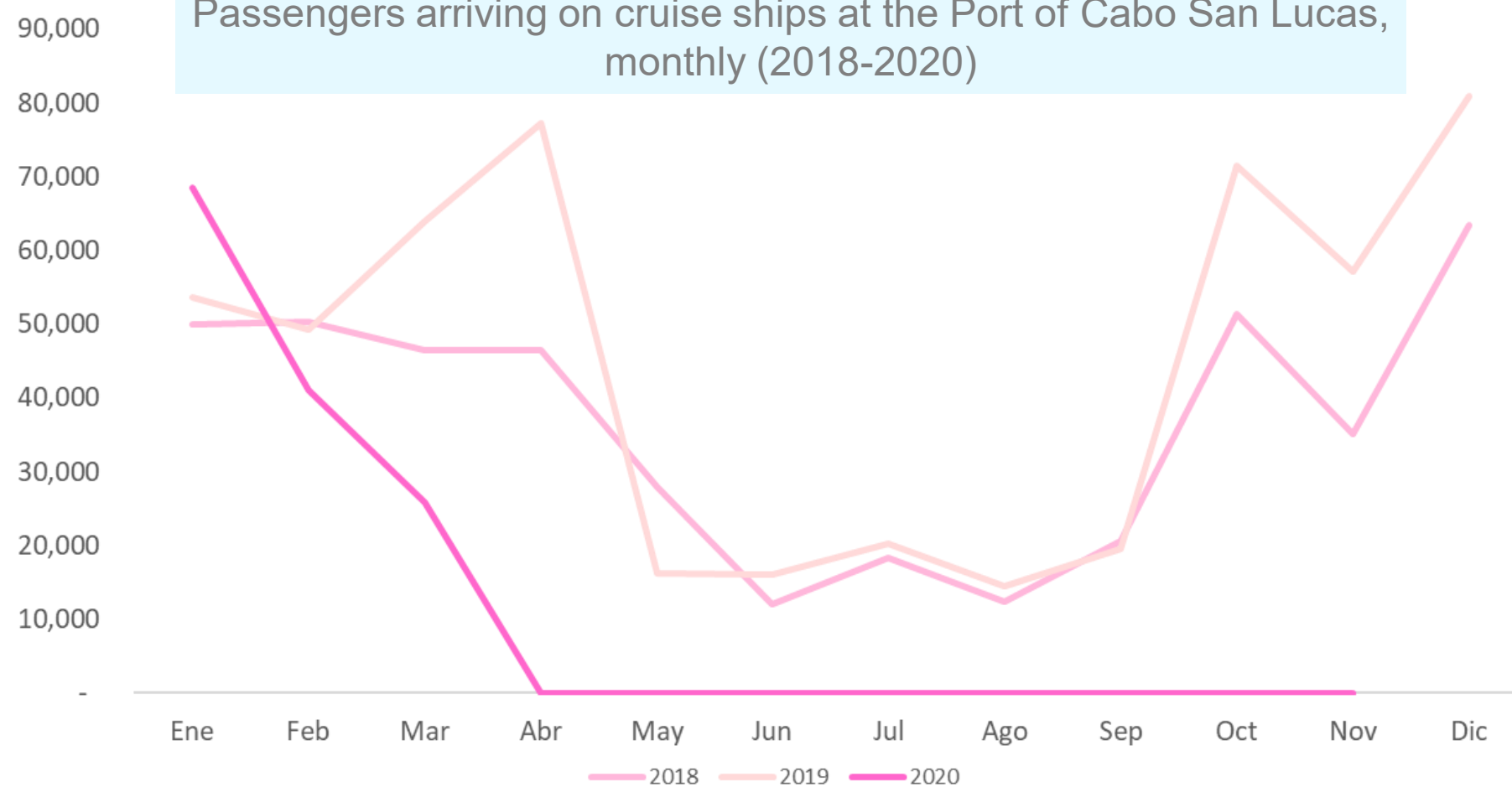
There were no registered vessel or cruise ship arrivals at the Port of Cabo San Lucas in Nov-2020.

SOURCE: DATATUR - SCT

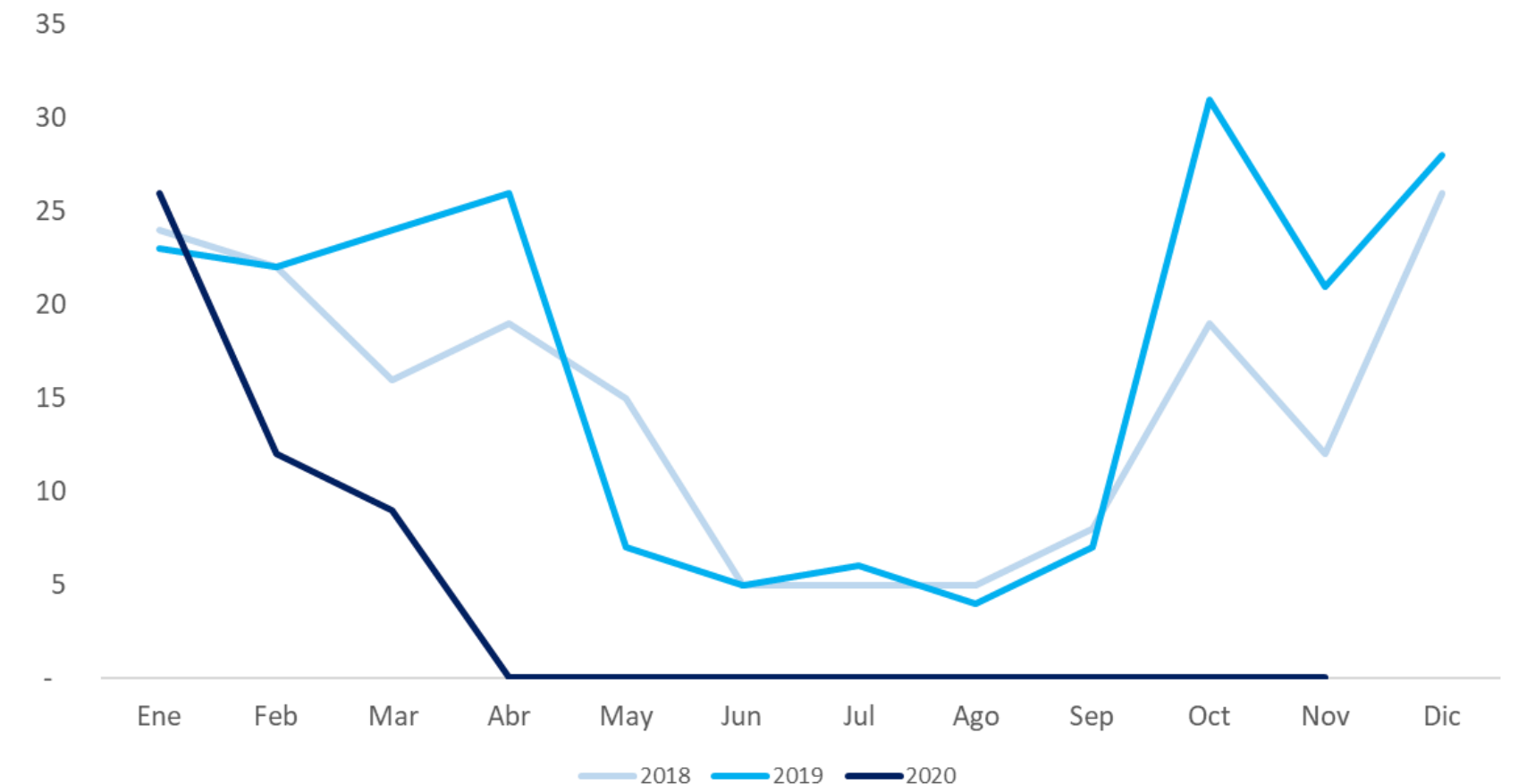
Passengers per vessel, monthly (2018-2020)



Passengers arriving on cruise ships at the Port of Cabo San Lucas, monthly (2018-2020)



Vessels arriving in the Port of Cabo San Lucas, monthly (2018-2020)



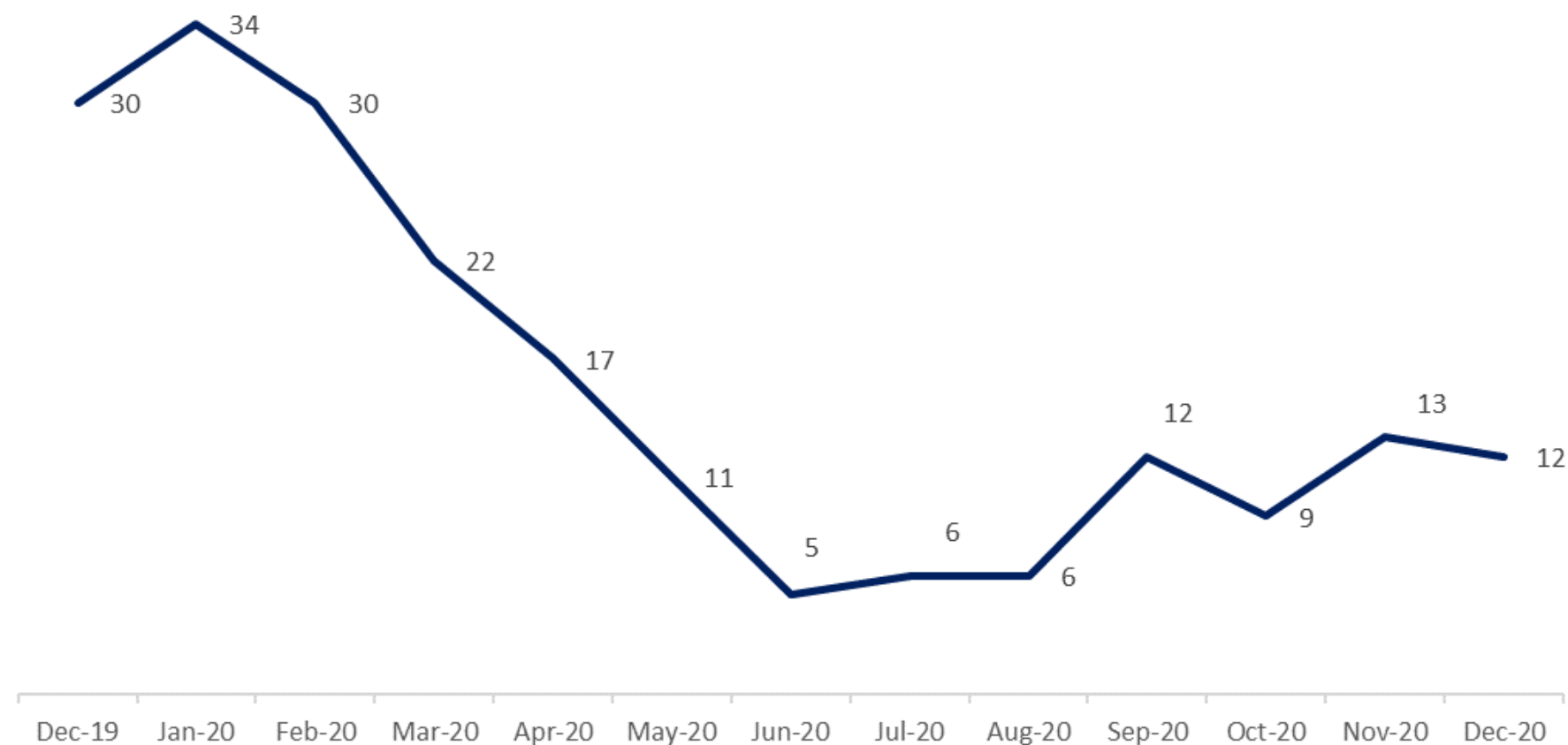


LOS CABOS TOURISM OBSERVATORY

**TOURIST SURVEYS & GROUP
BUSINESS**

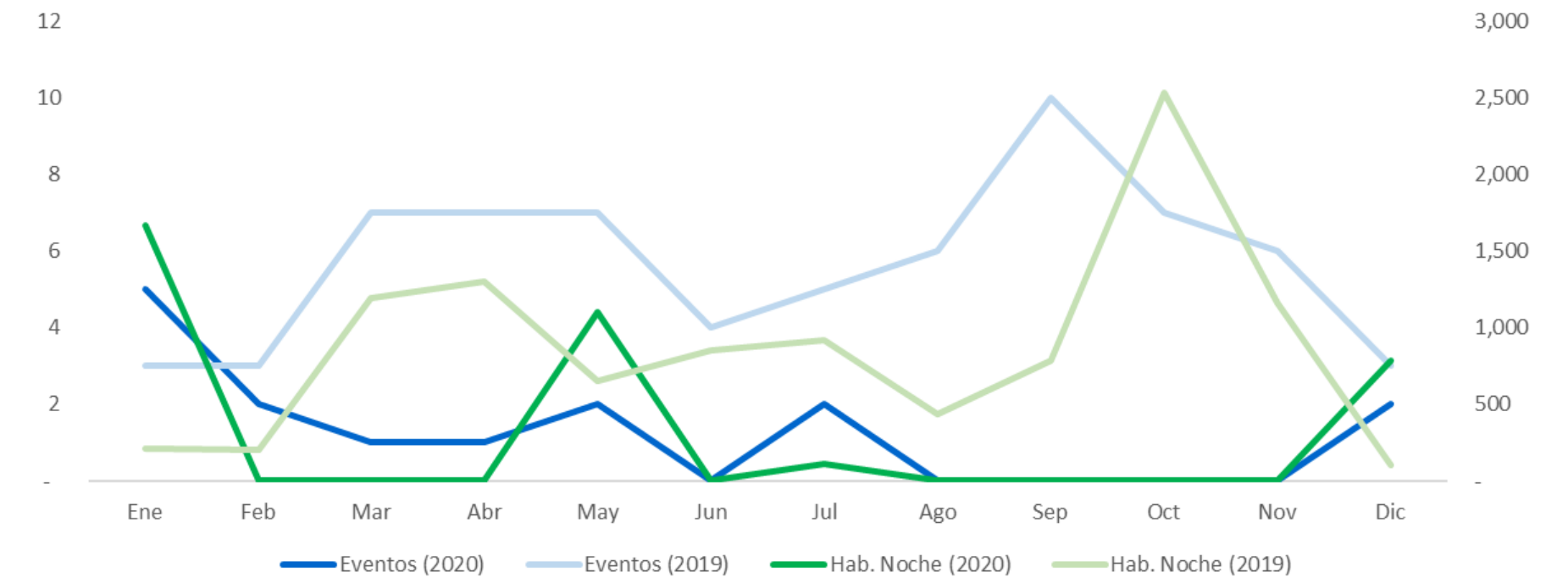
Demand indicators: Group Business

RFPs received from meeting and group events, last 12 months (CVENT)



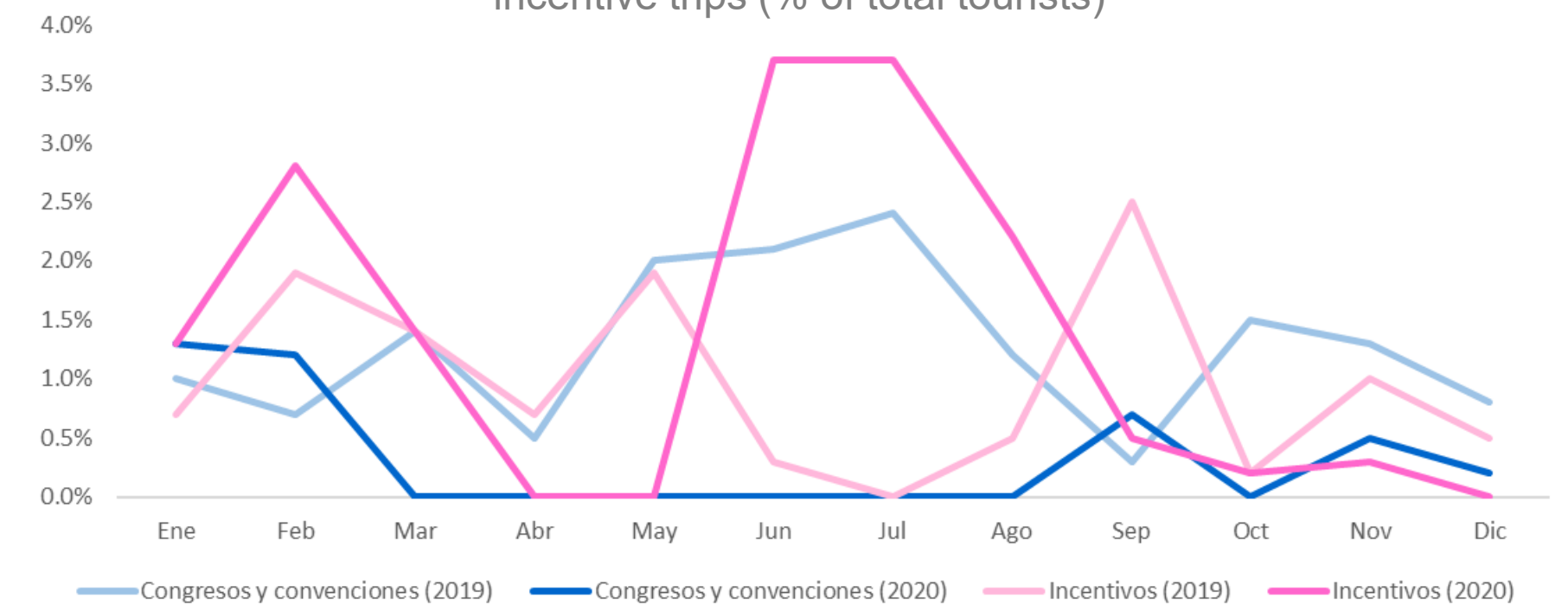
SOURCE: CVENT

Confirmed room nights and events, for meetings and groups



SOURCE: HELMS BRISCOE

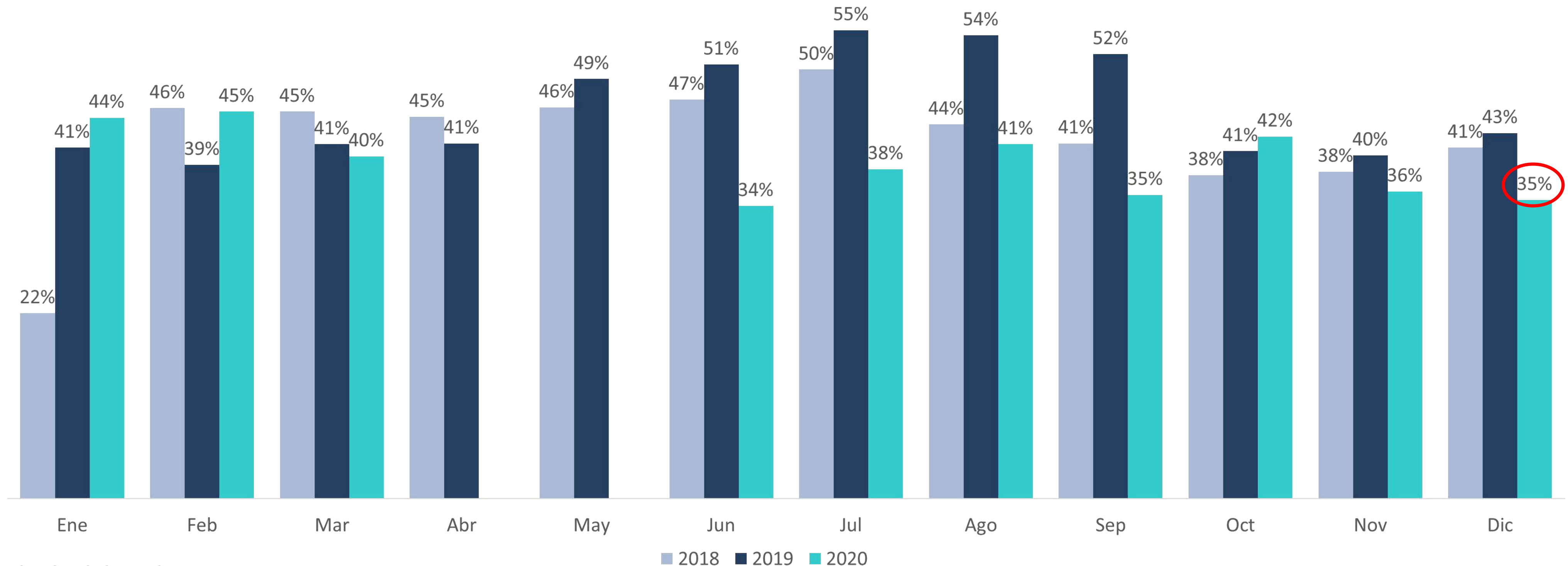
Attendees to congresses, conventions and incentive trips (% of total tourists)



SOURCE: TOURIST SURVEYS

Package tour purchases

The number of tourists who bought a package tour remained below those recorded in 2018 and 2019 (35% in Dec-2020, 6pp less vs. Dec-2018, and 8pp less vs. Dec-2019).

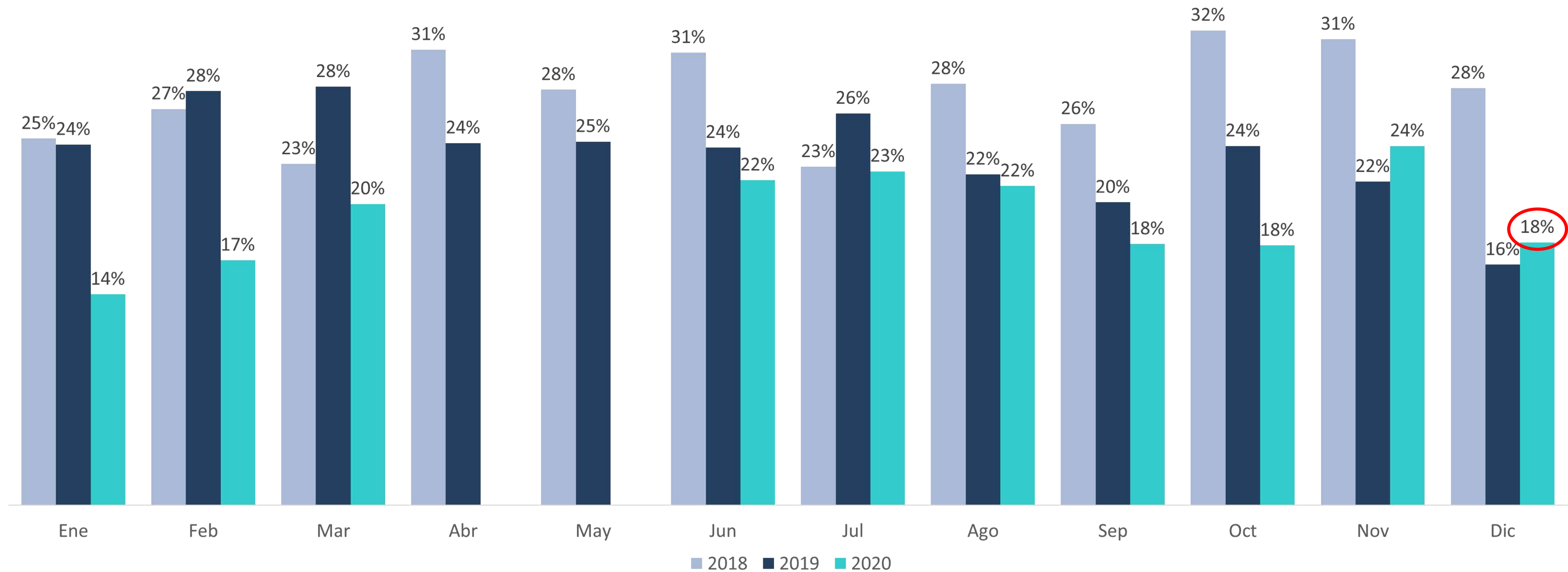


SOURCE: TOURIST SURVEYS

NO INFORMATION WAS COLLECTED DURING APR-MAY-2020 DUE TO THE CONTINGENCY GENERATED BY COVID-19.


Timeshares

The percentage of tourists who stayed at timeshares increased:
2pp more than the same month last year.



SOURCE: TOURIST SURVEYS

NO INFORMATION WAS COLLECTED DURING APR-MAY-2020 DUE TO THE CONTINGENCY GENERATED BY COVID-19.

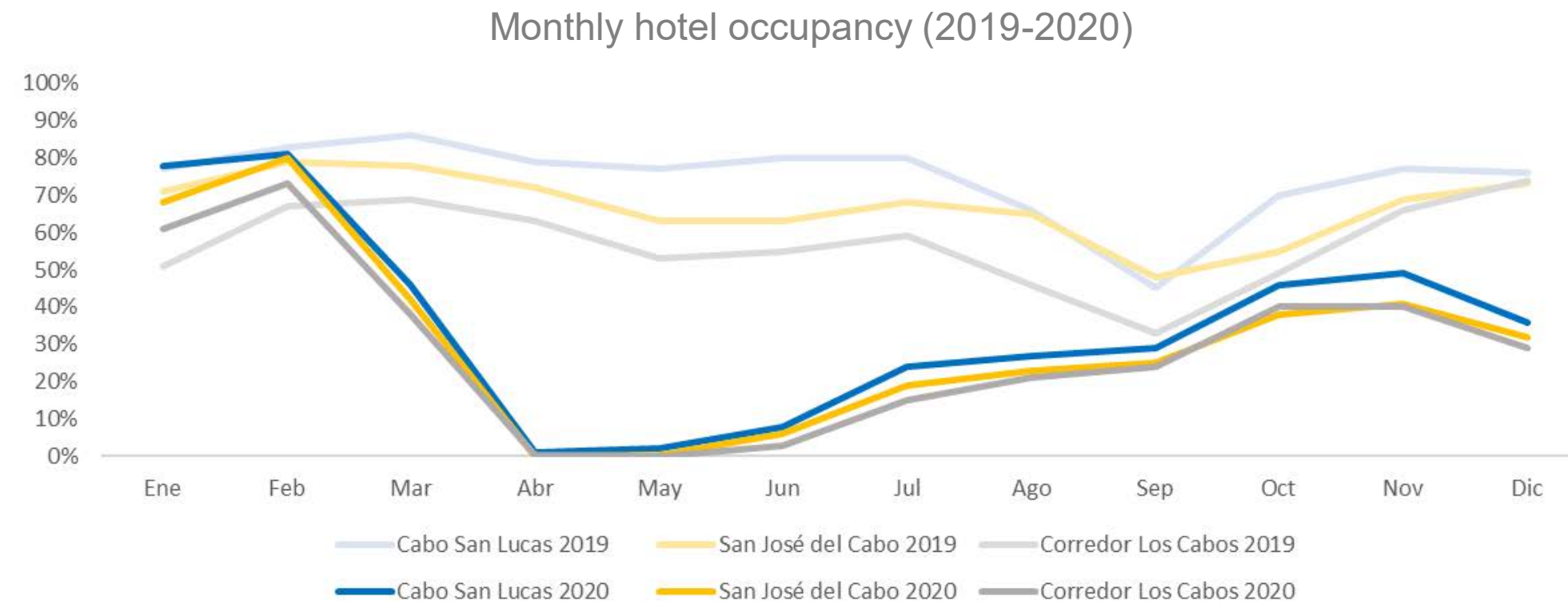
An aerial photograph of a coastal area with clear, turquoise water. In the lower-left quadrant, two small kayakers are visible on the water. Above them, a large, light-colored rock formation juts out into the sea. The background shows a dense field of smaller rocks and coral reefs. The image is partially obscured by a large white curved shape on the right side.

LOS CABOS TOURISM OBSERVATORY

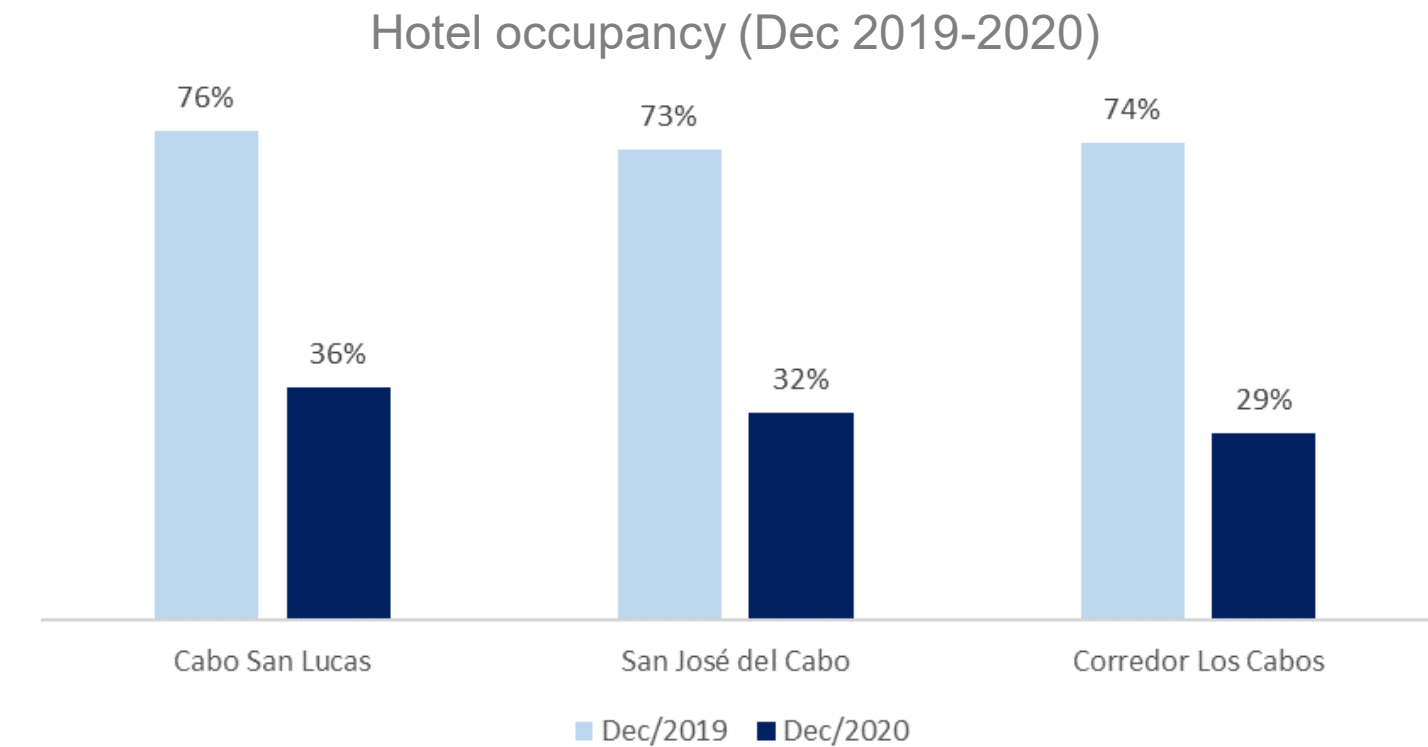
SUPPLY INDICATORS

HOTEL OFFER

Evolution of the hotel offer in Los Cabos and sub-destinations



SOURCE: AHLC



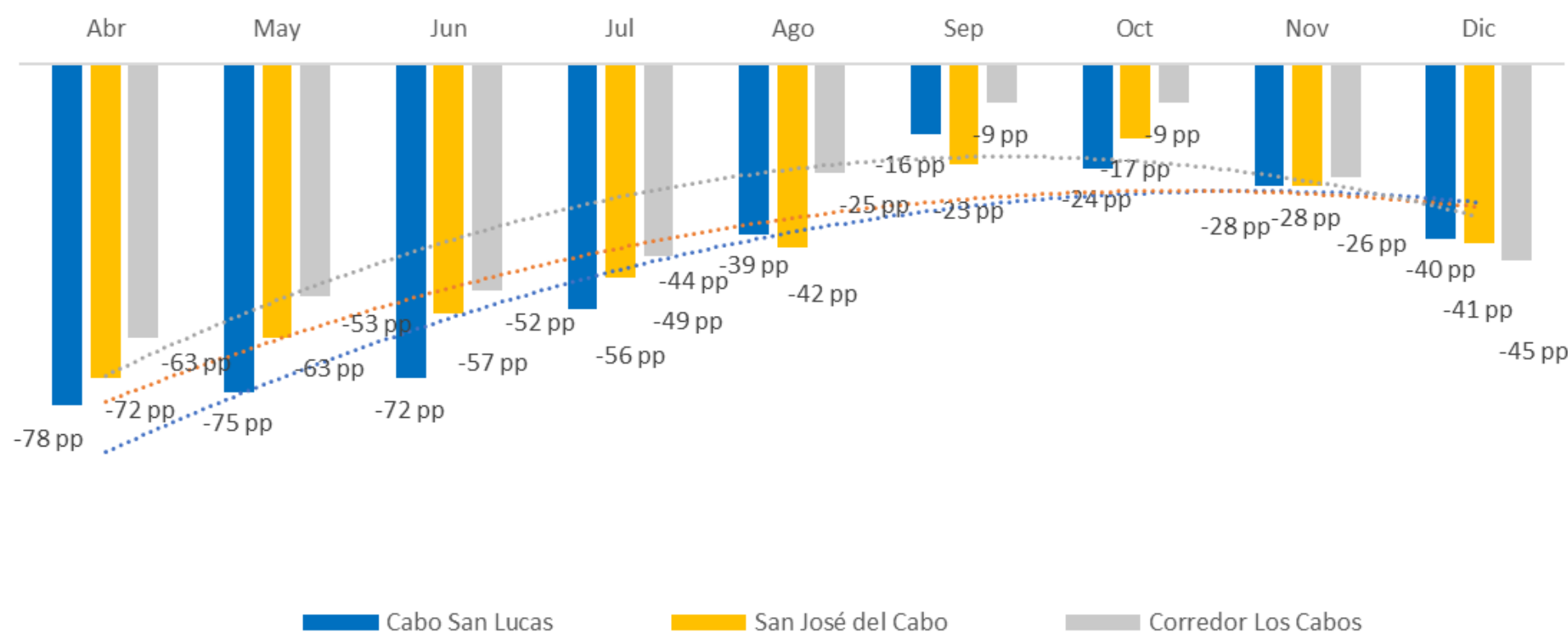
SOURCE: AHLC

- According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 34%, decreasing 41pp compared to last year. Occupancy dropped 12pp compared to Nov-2020. On a sub-destination level, Cabo San Lucas had an occupancy of 36%, decreasing 40pp compared to the previous year. Meanwhile, San Jose del Cabo also dropped 41pp, reaching 32%, and Los Cabos Corridor decreased 46pp, registering 29%.
- Los Cabos registered 149.9 thousand tourists arriving at hotels in Nov-2020, 36% less compared with Nov-2019. The average stay increased by 0.18 nights (from 4.71 in Nov-2019 to 4.89 in Nov-2020, according to DataTur).
 - International tourist arrivals at hotels fell 28.7% in this period, while national tourism did so by 55.5%.
 - In Nov-2020, national tourism represented 19% of the total. The previous year, a participation of 25.3% was registered.

HOTEL OFFER

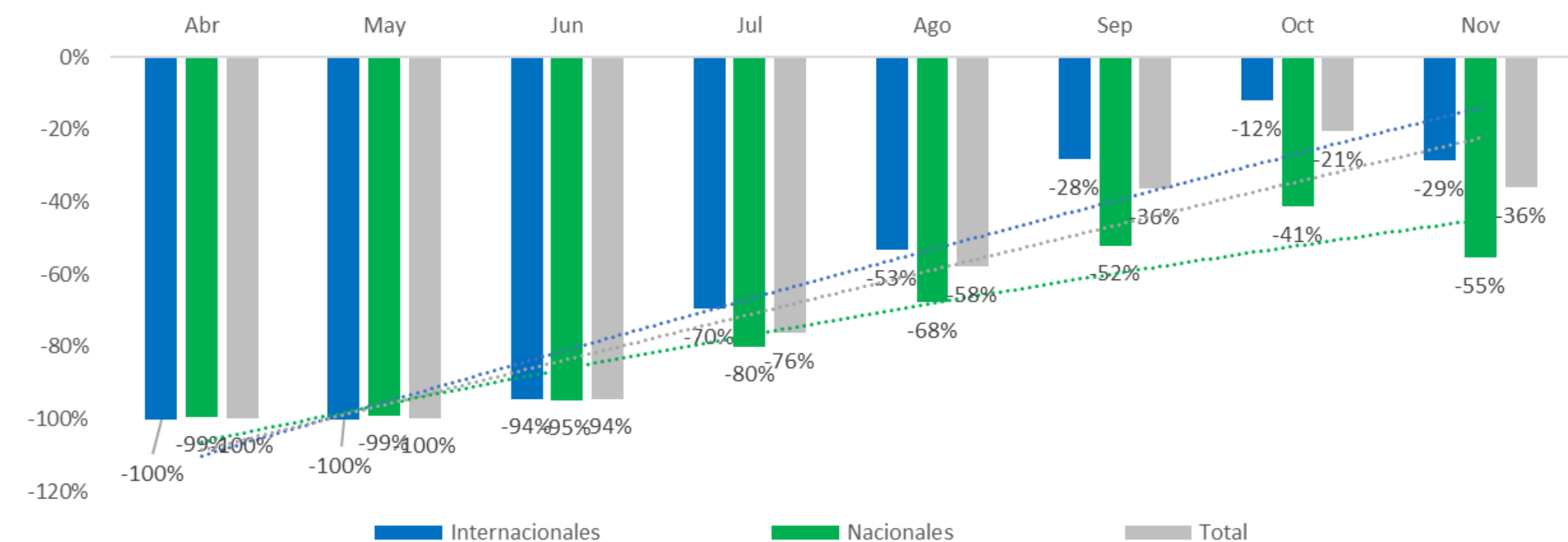
Evolution of the hotel offer in Los Cabos and sub-destinations

Annual variation in hotel occupancy, by destination
(Apr-Dec, 2019-2020)



SOURCE: AHLIC

Annual variation of tourist arrivals to hotels, by origin
(Apr-Nov, 2019-2020)



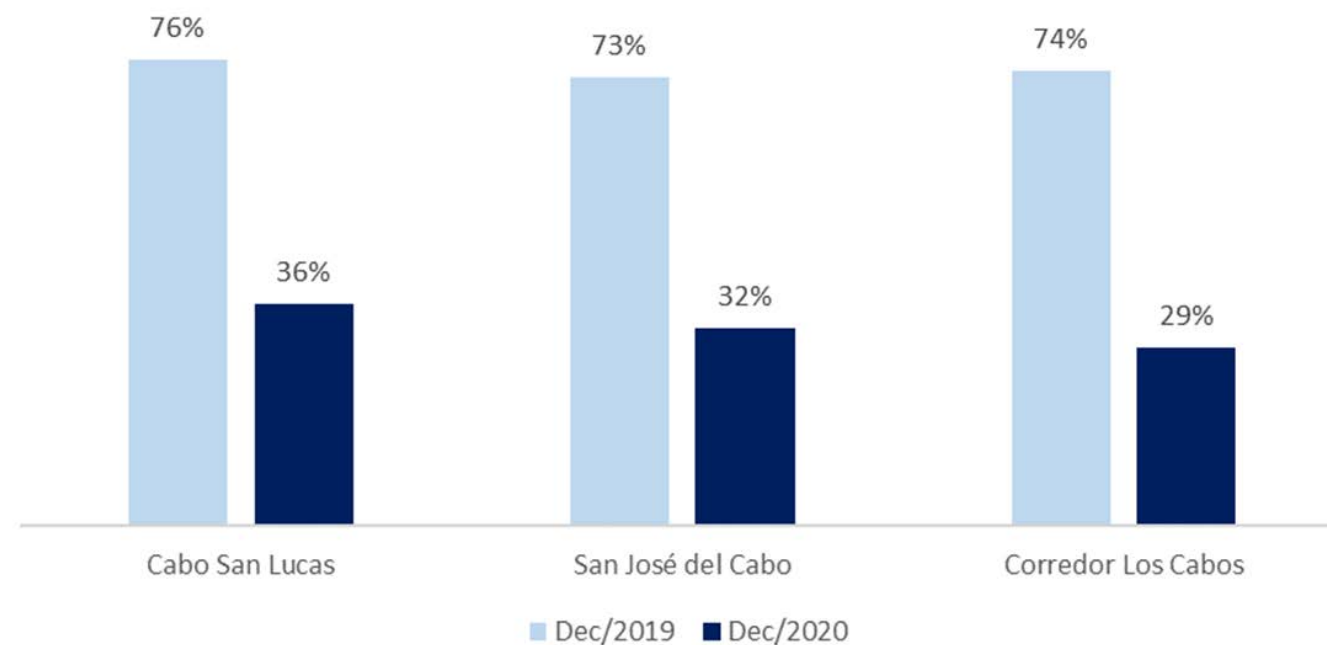
SOURCE: DATATUR

- The drop in hotel occupancy has been decreasing as the destination's recovery has progressed; however, it became accentuated again in Dec-2020. In Cabo San Lucas, the decrease went from 78pp in April to 40pp in December, while Los Cabos Corridor dropped from 63pp in April to 45pp in December.

HOTEL OFFER

Evolution of the hotel offer in Los Cabos and sub-destinations

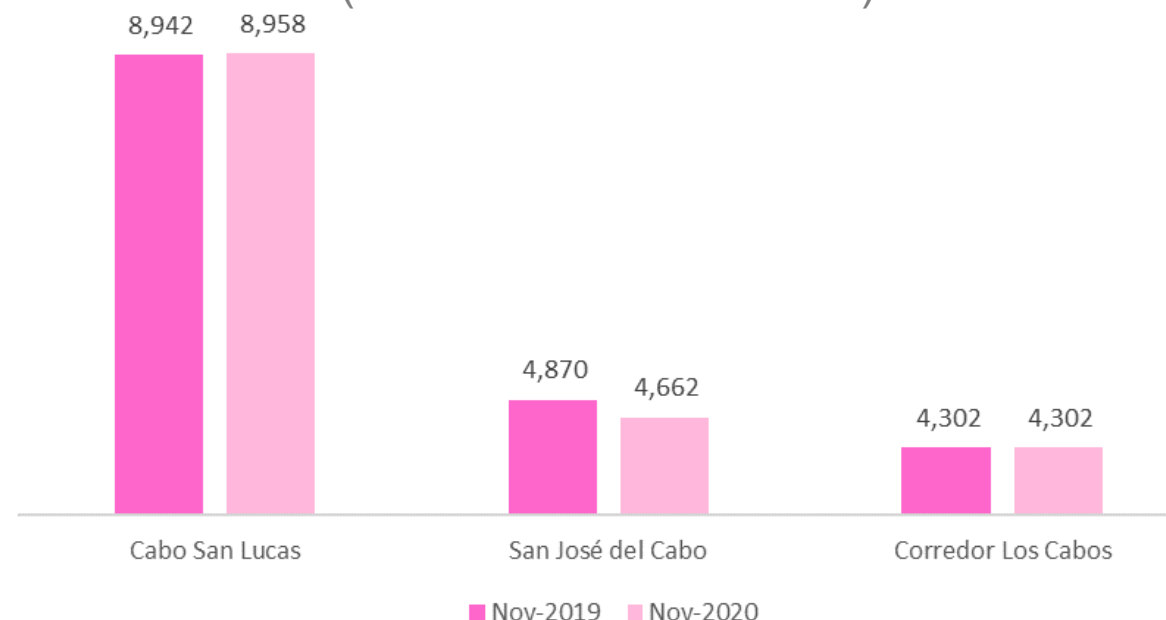
Hotel occupancy (Dec 2019-2020)



SOURCE: AHLC
CABO SAN LUCAS

- The hotel occupancy registers 26%, which implies a decrease of 40pp (Dec-2019 vs. Dec-2020, AHLC).
- Its hotel offer remained practically unchanged between Nov-2019 and Nov-2020, registering 8.9 thousand (+0.2%, DataTur).
- Occupied room nights dropped 30% between Nov-2019 and Nov-2020 (DataTur).

Rooms available
(Nov-2020 vs. Nov-2019)

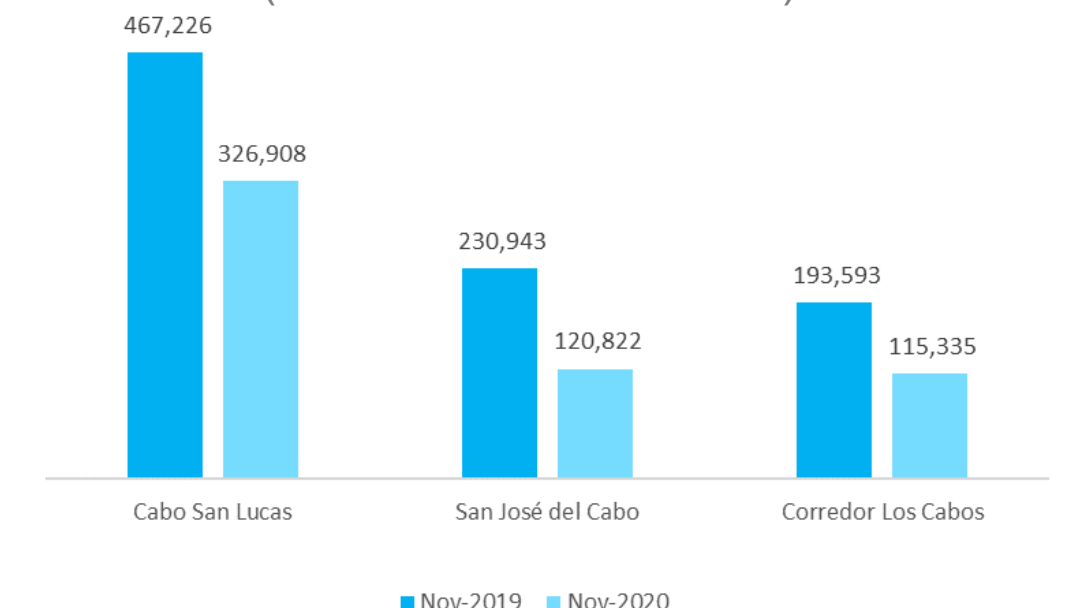


SOURCE: DATATUR

SAN JOSE DEL CABO

- Occupancy dropped 41pp when comparing Dec-2019 to Dec-2020 (AHLC): 32%.
- Its hotel offer decreased 4.3% between Nov-2019 and Nov-2020, registering 4.7 thousand rooms (DataTur).
- Occupied room nights dropped 47.7% between Nov-2019 and Nov-2020 (DataTur).

Room nights
(Nov-2020 vs. Nov-2019)



SOURCE: DATATUR

LOS CABOS CORRIDOR

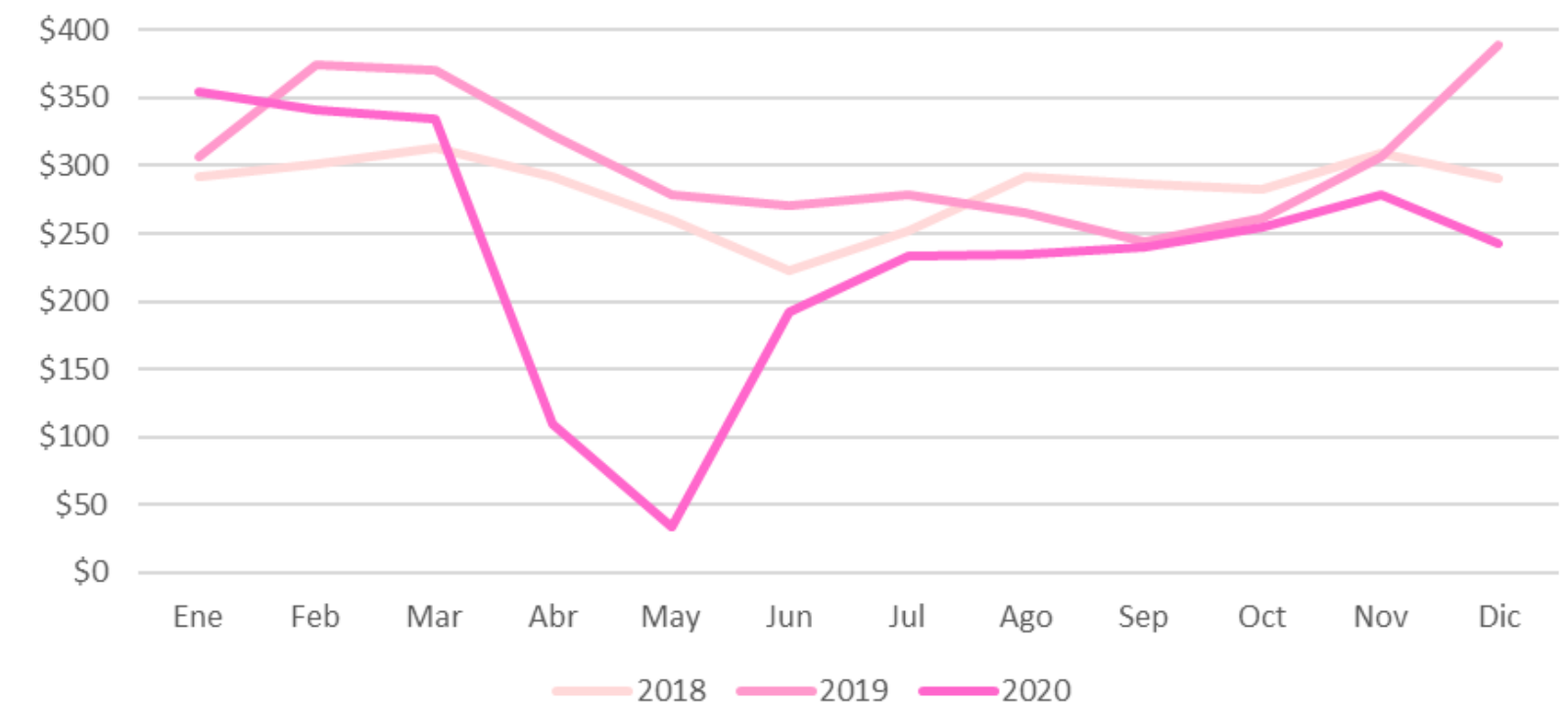
- Occupancy registers 29% in Dec-2020, which implies a decrease of 46pp (AHLC).
- Its hotel offer remained the same between Nov-2019 and Nov-2020: 4.3 thousand rooms (DataTur).
- Occupied room nights decreased 40.4% between Nov-2019 and Nov-2020 (DataTur).

HOTEL OFFER

Evolution of the RevPAR and the average hotel rate in Los Cabos & sub-destinations

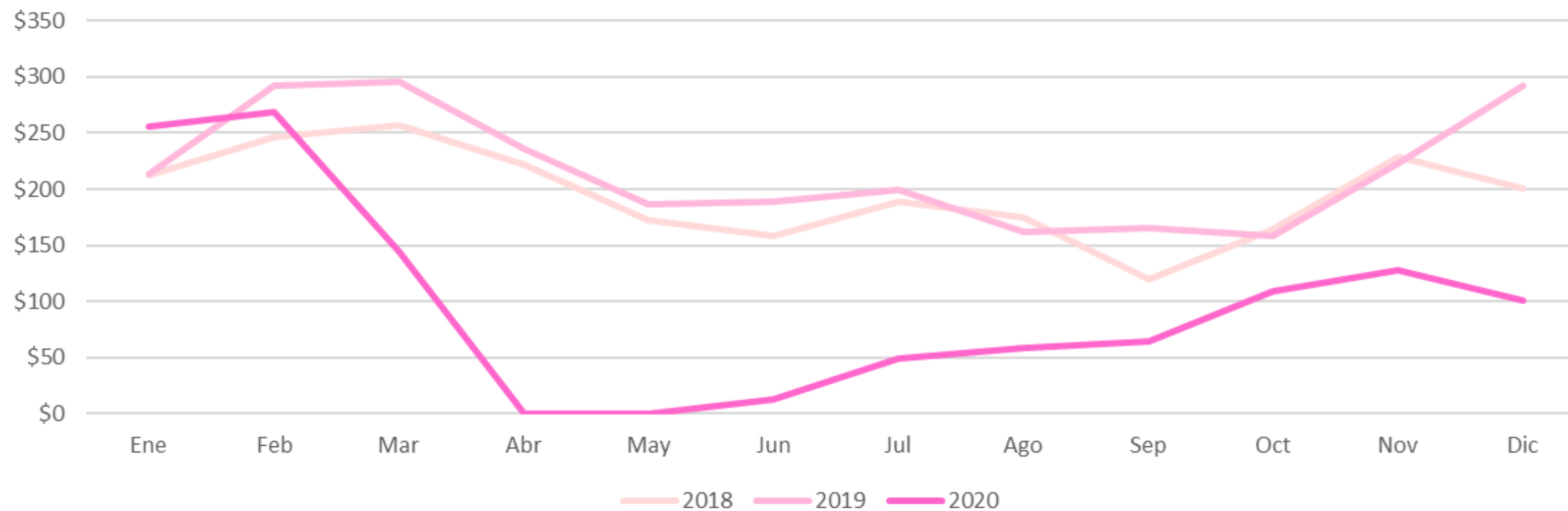
- The average hotel rate in Los Cabos for Dec-2020 was \$241 USD; \$5 above the average of the past 12 months, and \$147 less than that in Dec-2019.
 - Los Cabos Corridor reduced its average rate compared to the previous year: -\$16 USD (-25.4%), registering \$334.
 - Cabo San Lucas has reduced its rate by \$50 USD (-23%), registering \$167.
 - San Jose del Cabo has reduced its rate by \$54 USD (-21.3%), reaching \$199.
- The RevPAR for Dec-2020 was \$101 USD.
 - \$191 USD below the one registered in Dec-2019.

Average Hotel Rate, Los Cabos (USD, 2018-2020)



RevPAR Los Cabos (USD, 2018-2020)

SOURCE: AHLIC

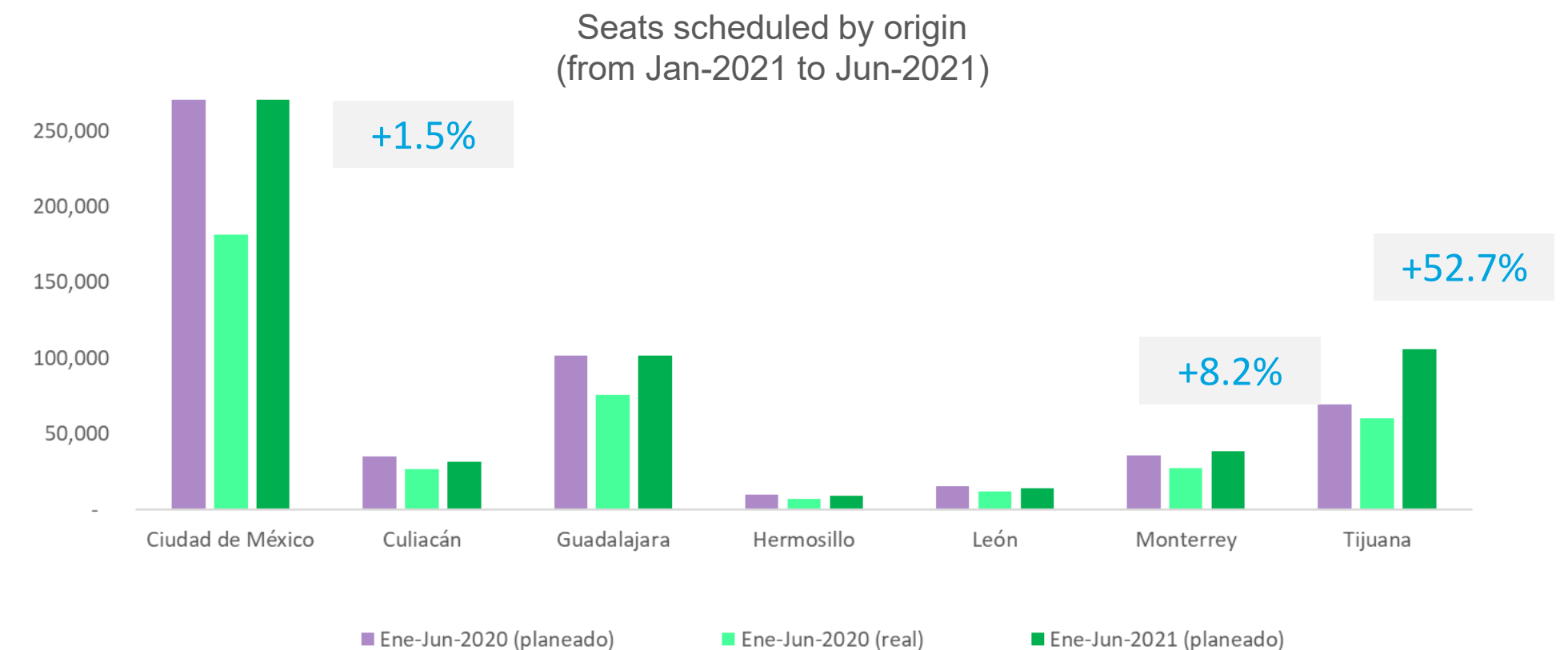
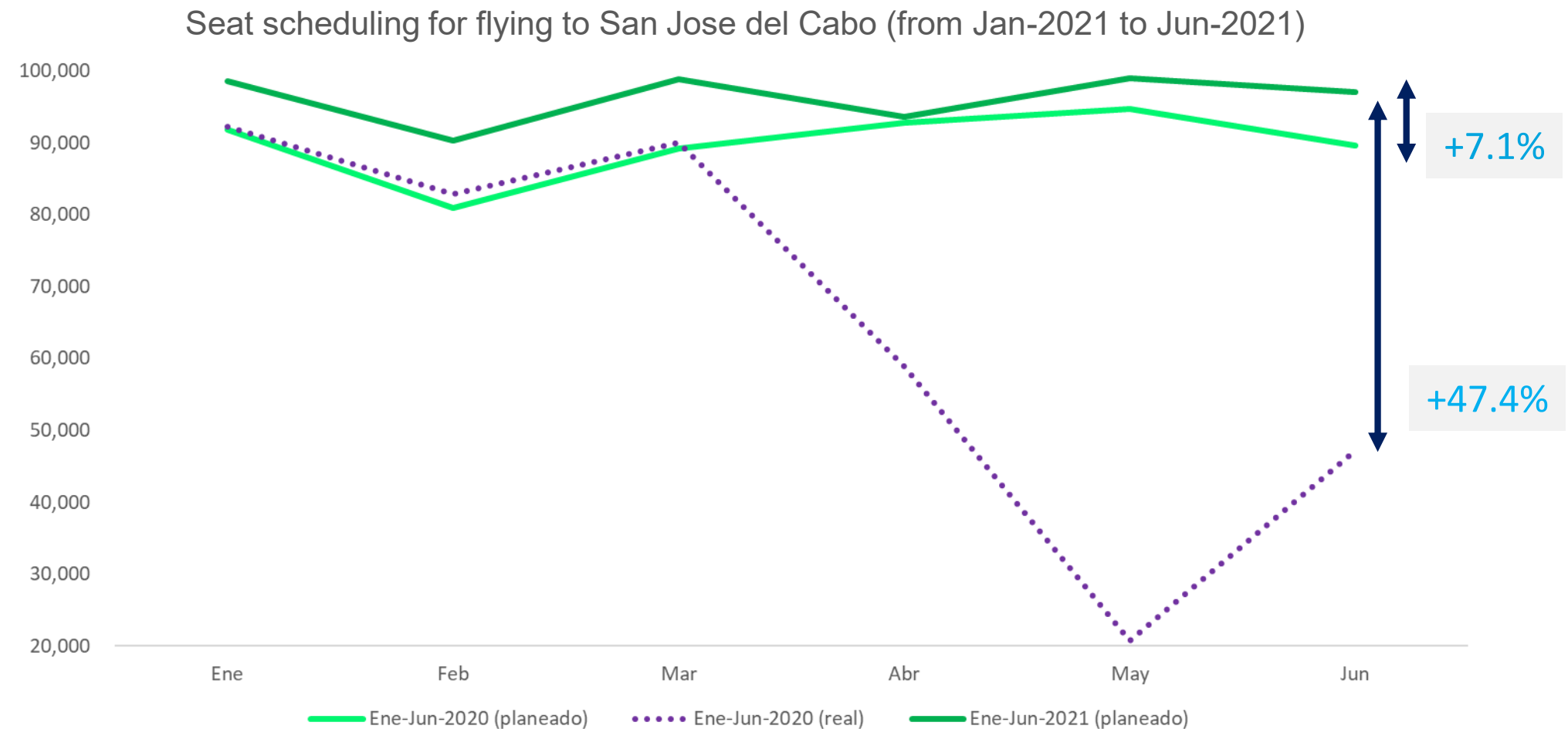


Average Hotel Rate, Sub-destinations (USD, monthly, last 12 months)



SEATS SCHEDULED FROM JAN-2021 TO JUN-2021 Seat offer report for the month in question and the 6 following months, as the case may be

- For the next 6 months (from Jan-2021 to Jun-2021), there are 578 thousand seats scheduled, **7.1% more** than the same period last year (**scheduling prior to the pandemic, Dec-2019**).
- However, when comparing the seats scheduled for the next 6 months against this year's actual schedule, the volume of programmed seats is **47.4% higher**. This is due to the 43.7% decrease that occurred since Apr-2020 as a result of the pandemic. There are 7.4% more available seats expected for Jan-2021 than those scheduled for Jan-2020 (Dec-2019 scheduling).
- Mexico City, Guadalajara and Tijuana are the most relevant issuing markets, having 48%, 18%, and 18% of the total available seats (from Jan-2021 to Jun-2021), all followed by Monterrey (7%), Culiacan (6%), Leon (2%), and Hermosillo (2%).
- Seats from CDMX, MTY, and TIJ increased by 1.5%, 8.2%, and 52.7%, respectively (compared to the scheduling before the pandemic, Dec-2019), while GDL remained unchanged.
- Between Jan-2021 and Jun-2021, 50% of the available seats will be provided by Volaris, followed by Viva Aerobus with 30% and Aeromexico with 20%. Interjet has dropped to practically 0%.
- Aeromexico, Viva Aerobus, and Volaris show an increase of 64.6%, 9%, and 37%, respectively. However, Interjet experienced a decrease of 97.6%. It's worth noting that this corresponds to the information provided on the OAG portal, and, given the flight suspensions announced by the airline and the sales restrictions implemented by IATA, this number would likely change.
- The national airlines' occupancy factors for Oct-2020 were: Aeromexico (81%), Viva Aerobus (77%), Interjet (80%), and Volaris (79%).

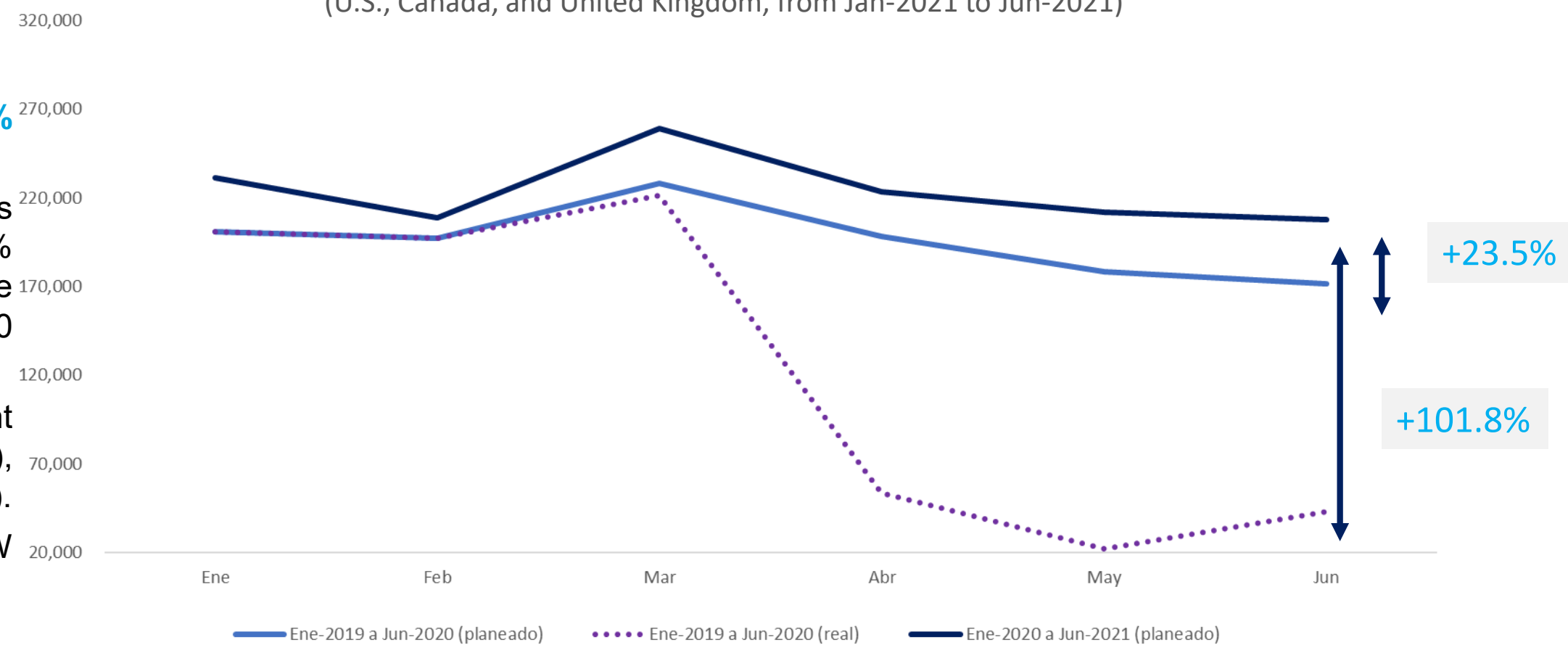


SEATS SCHEDULED FROM JAN-2021 TO JUN-2021

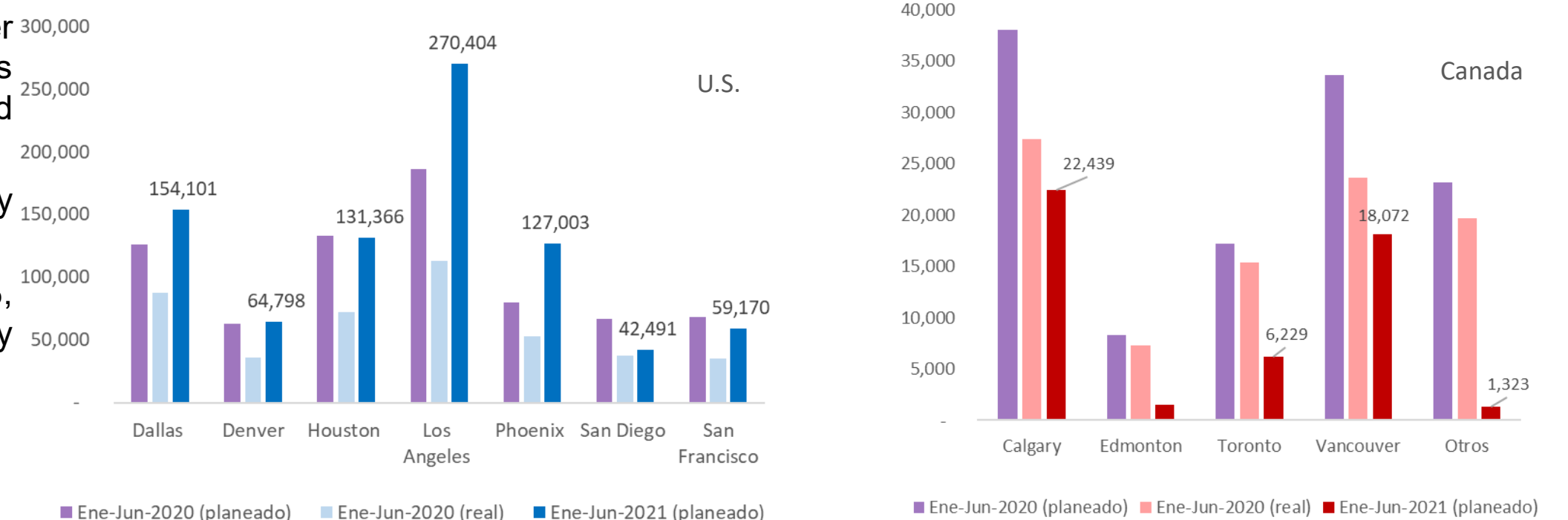
Seat offer report for the month in question and the 6 following months, as the case may be

- For the U.S., there are 1.29 million seats scheduled for the next 6 months, which is **23.5% more** compared to the same period last year (scheduling prior to the pandemic, Dec-2019).
- However, when comparing the seats scheduled for the next 6 months against this year's actual schedule, the volume of programmed seats is **101.8% higher**. This is due to the 82% decrease that occurred during the Apr-May-2020 period as a result of the pandemic. There are 35.9% more available seats expected for Jan-2021 than those scheduled for Jan-2020 (Dec-2019 scheduling).
- PHX (+59.5%), LAX (+45.4%), SEA (+54.6%),** and **DFW (+22.5%)** had the most significant increase. However, when compared to the scheduling before the pandemic (Dec-2019), decreases are present in San Diego (-36.3%), Houston (-1.1%), and San Francisco (-13.1%).
- Los Angeles is the main issuing market in the U.S. (21% of the market), followed by DFW (12%), Houston, and Phoenix (10% each).
- American, Alaska, Delta and United Airlines are the most relevant (83% as a whole).
- For Canada, there are 49.6 thousand seats scheduled for the next 6 months, which is **96.2% less** compared to the same period last year (scheduling prior to the pandemic, Dec-2019).
- When comparing the seats scheduled for the next 6 months against this year's actual schedule, the volume of programmed seats is **46.9% lower**. There are 89.3% fewer available seats expected for Jan-2021 than those scheduled for Jan-2020. All destinations have shown decreases: Calgary by 41%, Edmonton by 81.8%, Toronto by 63.7%, and Vancouver by 46.2%.
- During this period, Swoop will reduce the number of seats by 100%. Air Canada will do so by 83%, Sunwing by 55.8%, and WestJet by 45% compared to the Dec-2019 scheduling.
- The international airlines' occupancy factors for Oct-2020 were: American 78%, Alaska 66%, Delta 70%, United 73%, and Southwest 59%. No Canadian airline has reported occupancy during this period.

Seat scheduling for flying to San Jose del Cabo, international total (U.S., Canada, and United Kingdom, from Jan-2021 to Jun-2021)



Seats scheduled by origin (from Jan-2021 to Jun-2021)





LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope

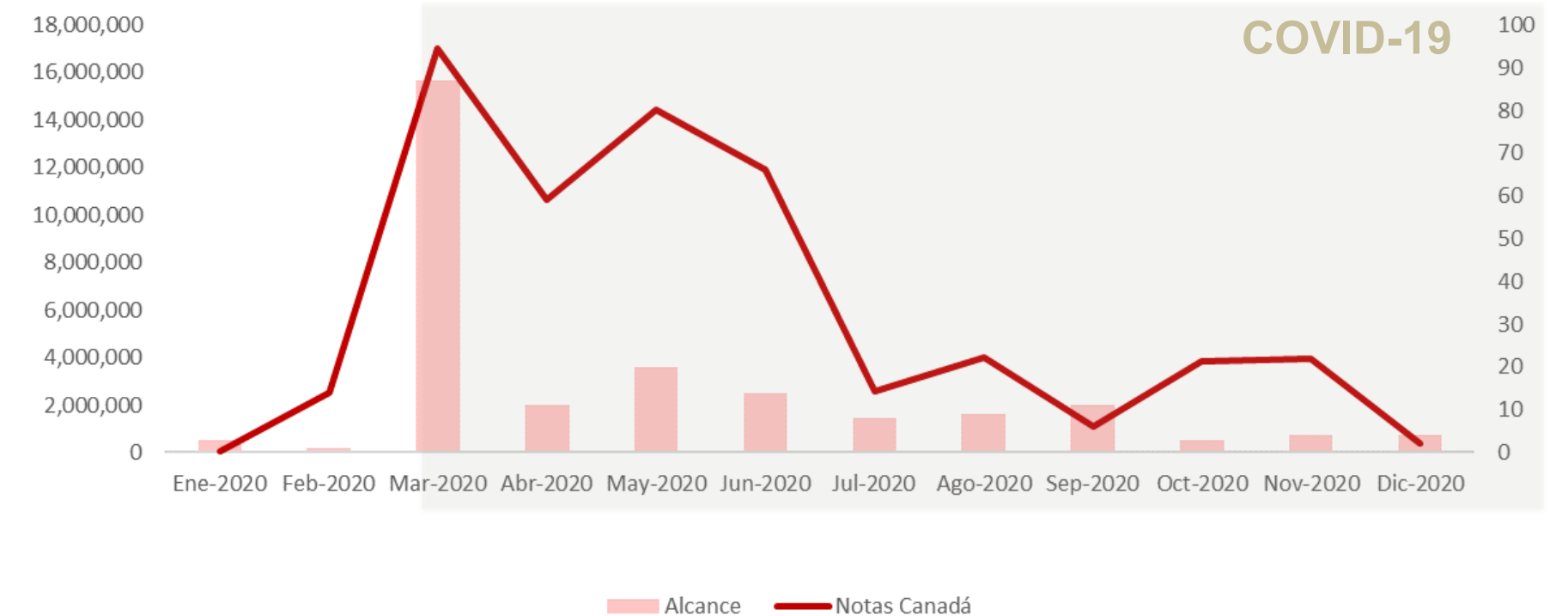
- **In the domestic market:**

- During Dec-2020, 42 press insertions were introduced, thus achieving 2.8 million impacts. An average of 50 inserts has been published monthly since the pandemic started in April 2020, with **a reach of 4.2 million**.

- **In the international market:**

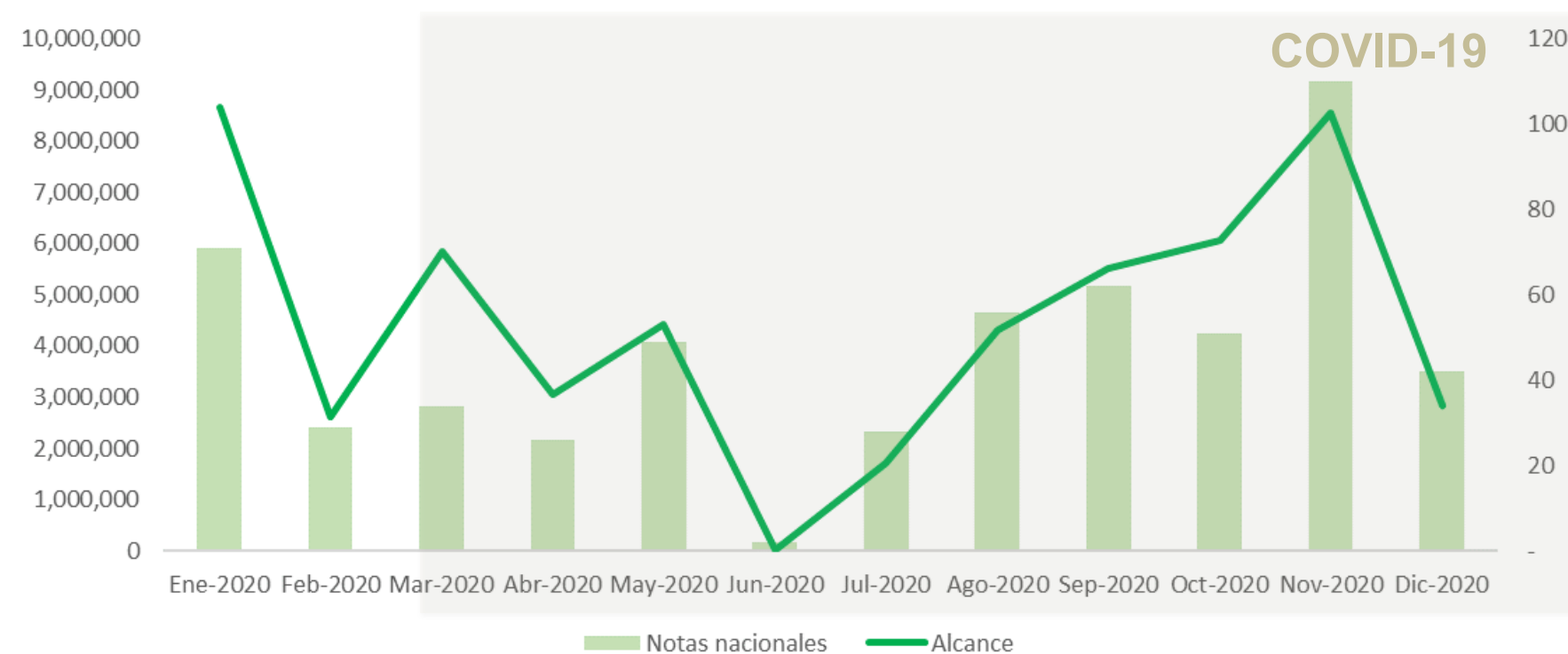
- In Dec-2020, 45 placements and 8,500 million impacts were achieved in the United States. An average of 35 inserts has been published monthly since the pandemic started, with **a reach of 1,400 million**.
- For Canada, 4 press insertions were delivered throughout Dec-2020, representing a reach of 410 thousand. An average of 9 inserts has been published monthly since April, with **a reach of 5.3 million**.

CANADIAN MARKET NOTES: TOTAL & SCOPE



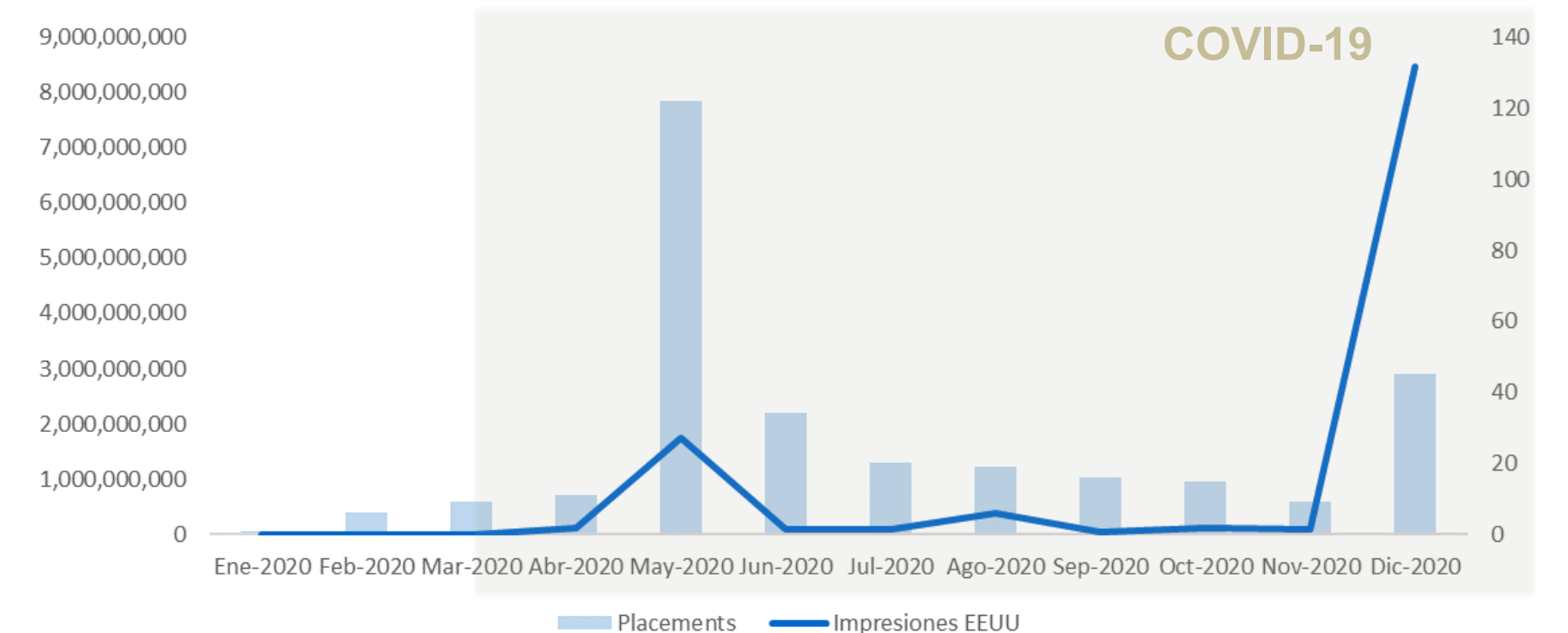
SOURCE: JESSON+CO

NATIONAL NOTES: TOTAL & SCOPE



SOURCE: GAUDELLI (Feb-2018 to Jan-2019), LLORENTE & CUENCA (Feb-2019 to Nov-2020)

U.S. MARKET NOTES: TOTAL & SCOPE



SOURCE: NJF (Feb-2018 to Jan-2019), OGILVY (Feb-2019 to Nov-2020)



LOS CABOS TOURISM OBSERVATORY

METHODOLOGICAL NOTES & REFERENCES

DEFINITIONS

- **Congress.** Non-business-oriented meetings in which people gather in large groups, generally to discuss and exchange points of view on a topic of interest (including professional, cultural, sports, theological, social, governmental, academic, and more). These meetings often last several days and have simultaneous sessions, as well as a predefined multiannual or annual periodicity.
- **Convention.** Trade or business meetings usually sponsored by a corporation, where participants represent the company, corporate group, or customer-supplier relationships. Their participation could be mandatory, so travel expenses are borne by the corporation. This category includes general and formal legislative, social or economic meetings, to provide information, deliberate, establish consensus or deal with participants' policies, as well as address a market's, product's or brand's commercial issues. It may include a secondary presentation element.
- **Available rooms.** The number of rooms in service. It doesn't account for out of service rooms due to repair or some other cause.
- **Tourist destination.** The main target of a tourist's trip. The visiting place is fundamental for the decision-making process to plan a trip. The main reason for the trip.
- **Seasonality.** It means that tourist flows tend to be distinct across different seasons (around certain times of the year), repeating this process annually.
- **Length of stay.** It results from dividing the total number of room nights by the number of bookings per month. The obtained result expresses the number of days a tourist stays.
- **Events or incentive trips.** Incentive travel is a new strategy that recognizes people who have reached or exceeded goals generally related to sales or productivity. It is addressed to participants who have better job performance, gifting them with a remarkable travel experience.
- **Room nights.** Obtained from the daily number of rooms occupied by tourists, times their length of stay (number of nights that they spend in the establishment). Classified according to the place of origin, and residency or non-residency status.
- **Inflation.** General and continuous rise in the prices of goods and services marketed in an economy. It is the average growth rate of the goods and services' prices between one period and the next.
- **Underlying inflation.** The prices' increase in a subset of the INPC (National Consumer Price Index), which includes generics with less volatile prices. It measures the inflation trend in the medium term. The 283 generic concepts that make up the goods and services basket of the INPC are classified into subsets that respond to particular needs of analysis. Among the most well-known classification, there is the object of expenditure, which refers to the origin of goods and services' sector; and the durability of goods and the underlying inflation.
- **Passenger arrivals.** Passengers carried on scheduled services by airlines.
- **Tourist arrivals.** Corresponds to the number of tourists that visited the establishment throughout the month.

DEFINITIONS

- **Visitor's nationality.** Granted by the country that issues the passport or other identity documents, even when residing in another country.
- **Non-resident.** The person whose habitual environment is outside the Mexican territory and visits the latter for less than 12 months for any reason (including business, vacation, and more), excluding those who get paid for working in activities at the visiting place.
- **Hotel occupancy.** The accommodation occupancy rate is a supply-based concept. It is an important indicator that provides information on the use of different accommodation types and, if the data is obtained monthly, it also indicates the seasonal pattern use of tourist accommodations.
- **RevPAR.** RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or a chain (it assesses a property's ability to fill its available rooms at an average rate). RevPAR is short for Revenue Per Available Room (income per available room). It refers to a specific period (weekly, monthly, annual, etc.). One way to calculate RevPAR is through the formula: $\text{RevPAR} = \text{It} / \Sigma \text{Ht}$, where It equals the total room revenue and ΣHt equals the number of rooms available during a period (the multiplication of total establishment's rooms by the room nights in that period, minus the number of rooms that are not available).
- **Resident.** Individual who lives permanently or on a long-term basis in the territory of the United Mexican States.
- **Residence.** The place/country where the traveler has stayed most of the past year (12 months), or has stayed for a shorter period and plans to return within 12 months to live in that country.
- **Average daily rate.** Commonly known as ADR. It is a statistical unit that represents the average rental income per paid occupied room in a given period. Along with the occupation of the property, both are the basis of the property's financial performance. ADR is calculated dividing room revenue by the number of rooms sold. Houseguest rooms (also known as "house use") and free rooms (known as "complementary rooms") should be excluded from the denominator.
- **Tourist.** Any individual who travels outside their usual environment for less than 12 months for any reason, except those who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, or travel employees.
- **Visitor.** Any individual who travels outside their usual environment for less than 12 months for leisure, business, religious, medical, or other reasons. Exceptions include people who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, tourism employees, or people looking for a new residence or job.

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

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