LOS CABOS TOURISM OBSERVATORY

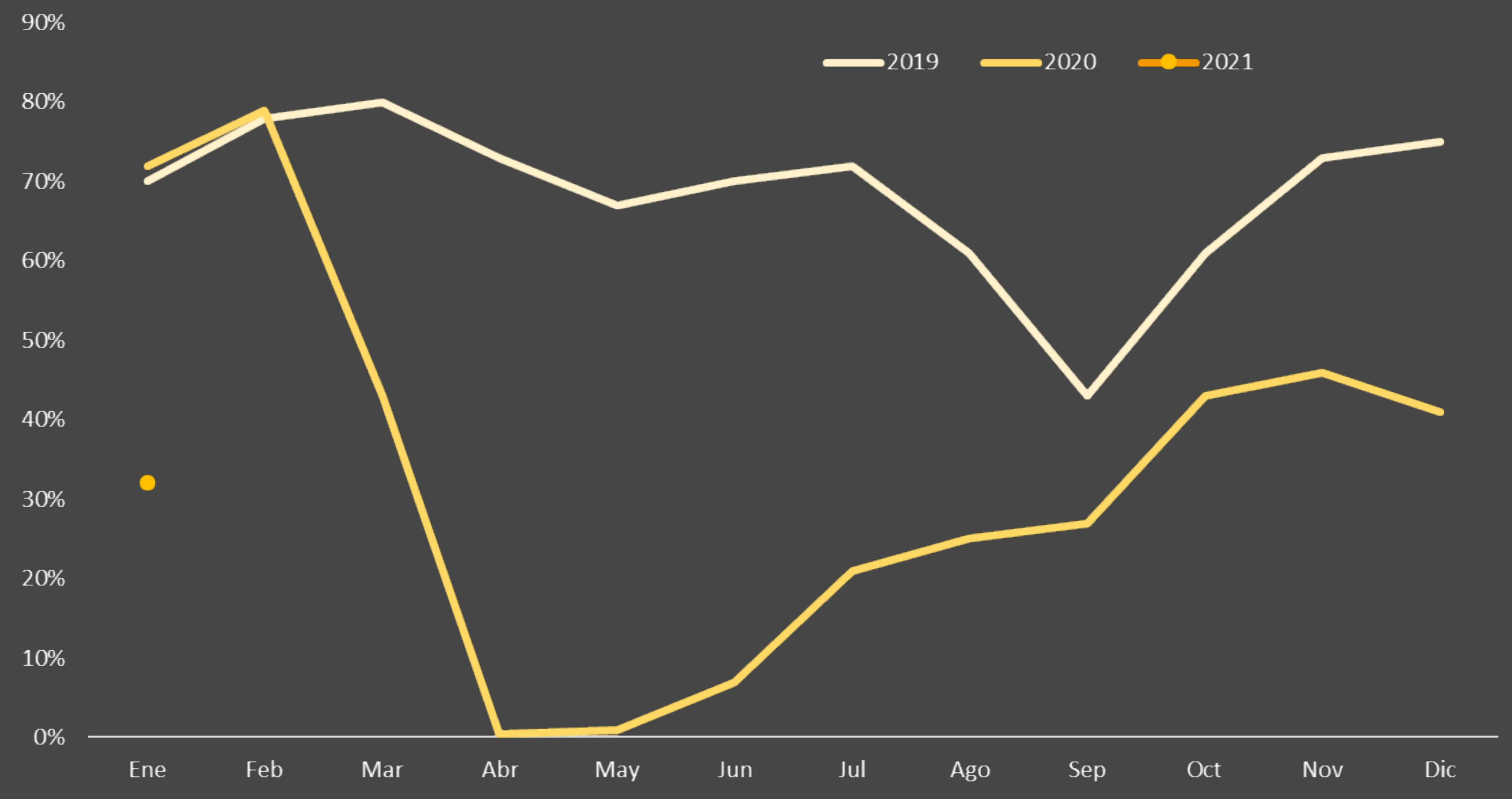
KEY PERFORMANCE INDICATORS

FEBRUARY 2021

Main indicators – Summary

Hotel Activity

Hotel Occupancy:



Hotel Occupancy (Jan-2021):
32%
-40pp
(vs. Jan-2019)

SOURCE: AHLC

Rooms Available (Dec-2020):
22,187
+0.3%
(vs. Dec-2019)

SOURCE: DATATUR

Room nights (Dec-2020):
769,801
-35.8%
(vs. Dec-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers (Jan-2021, expressed in thousands):
146.8
-42.1%
(vs. Jan-2020)

National Passengers (Jan-2021, expressed in thousands):
60.8
-20.1%
(vs. Jan-2020)

International Passengers (Jan-2021, expressed in thousands):
86
-51.5%
(vs. Jan-2020)

SOURCE: GAP

Other indicators

Cruise ships (Dec-2020):
0
-28 vessels
(vs. Dec-2019)

SOURCE: DATATUR

Cruise passengers (Dec-2020):
0
-100%
(vs. Dec-2019)

SOURCE: DATATUR

Group Business Total RFPs (Jan-2021):
17
-17 RFPs
(vs. Jan-2020)

SOURCE: CVENT

Tourist Satisfaction: more than expected (Jan-2021):
46.6%
+9.6pp
(vs. Jan-2020)

SOURCE: TOURIST SURVEYS

Attendees to congresses and conventions (Jan-2021):
0%
-1.3pp
(vs. Jan-2020)

SOURCE: TOURIST SURVEYS

Tourists' Origin (Jan-2021):
74% foreigners
+0.4pp
(vs. Jan-2020)

SOURCE: TOURIST SURVEYS

Main indicators – Summary

PASSENGERS ARRIVAL

- In Jan-2021, Los Cabos International Airport registered a 42.1% (-106.65 thousand) decrease in the total number of passengers arriving at the destination compared to Jan-2020, adding up to a total of 173 thousand (when considering arrivals only).
  - Passengers on domestic flights (60.8 thousand) represent 41.4% of total arrivals. These decreased by 20.1% (-15.25 thousand vs. Jan-2020).
  - Passengers on international flights (86 thousand) represent 58.6% of total arrivals. These decreased by 51.5% (-91.4 thousand vs. Jan-2020).

FLIGHT SCHEDULES

- Compared to the same period last year, the domestic market has 7% more available seats scheduled for the period from Feb-2021 to Jul-2021 (compared to the pre-pandemic seating plan registered in Jan-2020). About 3.8% more seats are expected for Feb-2021.
- Flight seats departing from MTY and TIJ increased by 19.6% and 42.4%, respectively (compared to the pre-pandemic programming, Feb-2020). However, GDL decreased by 6.6%.
- The United States market expects 14.7% more seats scheduled for the next 6 months (compared to the pre-pandemic programming).
- LAX (+17.8%), PHX (+54.7%), DFW (+14.4%), and SEA (+83.3%) had the most significant increase. However, San Diego and San Francisco show a decrease of -45.2% and -14.5%, respectively.
- For Feb-2021, the United States expects 17.3% more available seats than those scheduled for the previous year (seating plan for Feb-2020). However, given the mandatory submission of negative COVID-19 test results announced as of January 26th this year, flights departing from the U.S. to SJD decreased 11% in February. The most affected routes were Los Angeles (-22%), Chicago (-23%), San Diego (-31%), Portland (-54%), and San Jose (-67%). The airlines with the most significant decreases were: United Airlines (-21%), Alaska Airlines (-27%), and Sun Country Airlines (-35%).
- From Canada, 84.1% fewer seats are expected for the next 6 months. In Feb-2021, there were 99.4% less.
- All destinations have shown decreases: Calgary by 74.6%, Vancouver by 75.7%, Toronto by 97%, and Edmonton – and the rest of Canada – by 100%.

HOTEL ACTIVITY

- Occupancy in Jan-2021 was 32%, compared to 72% in Jan-2020 (-40pp).
  - Cabo San Lucas' occupancy drops 44pp when compared to Jan-2020 and now stands at 34%.
  - San Jose del Cabo registers 25% (43pp less than in Jan-2020).
  - Los Cabos Corridor registered 32% (40pp less than in Jan-2020).
- The number of rooms available in Los Cabos remained practically unchanged between Dec-2019 and Dec-2020, registering 22,187 this month (+0.3%).
- Hotels in Los Cabos registered 156 thousand tourist arrivals, which decreased by 34.6% (-83.5 thousand) between Dec-2019 and Dec-2020.
  - Domestic tourism fell 53.3% (-34.6 thousand), and international tourism dropped 27.7% (-48.9 thousand).
  - There were 769.8 thousand occupied room nights in Dec-2020, 35.8% less compared to Dec-2019 (-429 thousand nights).

TOURIST SURVEYS

- In Jan-2021, 46.6% of tourists rated their experience in Los Cabos as better than they expected (9.6pp more than in Jan-2020 and 2.9pp more than in Dec-2020).
- The perception of security improved in Jan-2021, compared to the same month a year ago (8% perceived it as being bad or regular, -5pp than in Jan-2020).
- Satisfaction with the airport improved 5pp compared to last year (6% of tourists perceived their experience as bad or regular).
- Repeat tourists increased by 3.7pp when compared to the previous year, registering 51.2% in Nov-2020.
- The number of tourists who traveled with a package tour kept decreasing and registered 29.3% in Jan-2021 (-15.1pp).

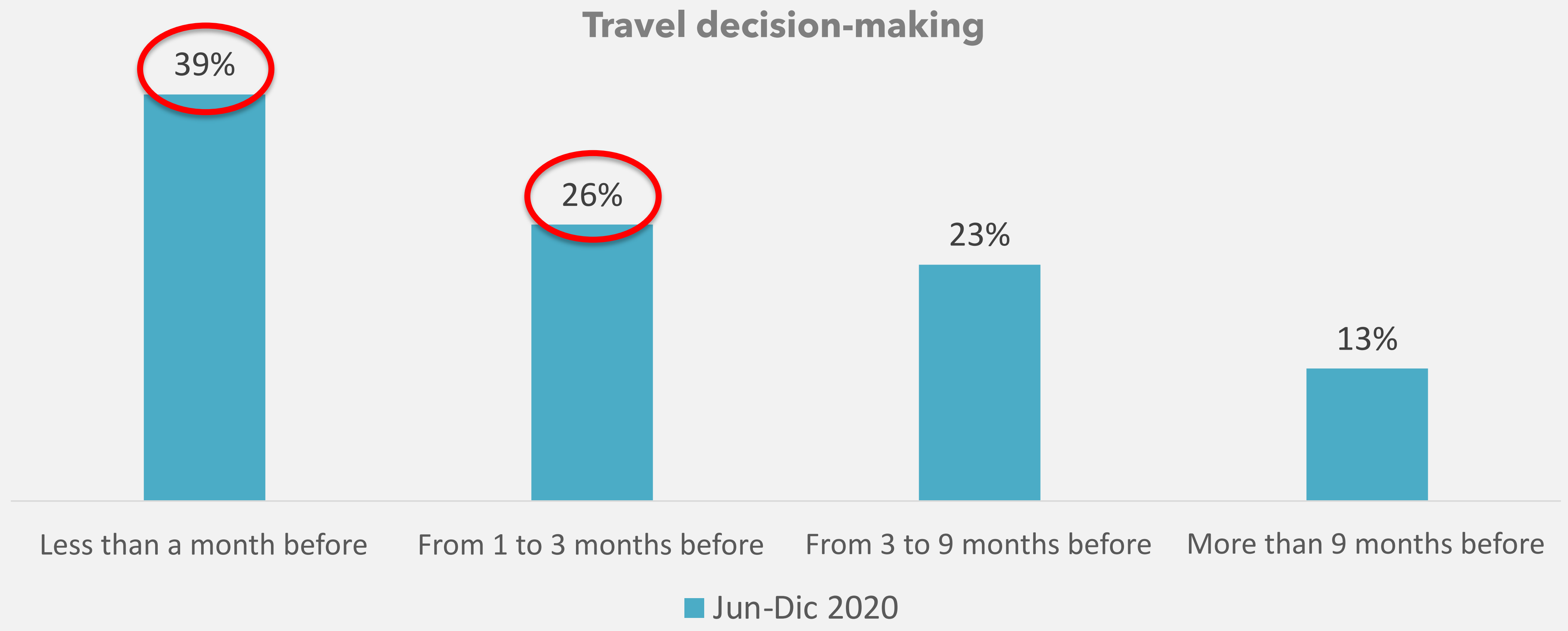
LOS CABOS TOURISM OBSERVATORY

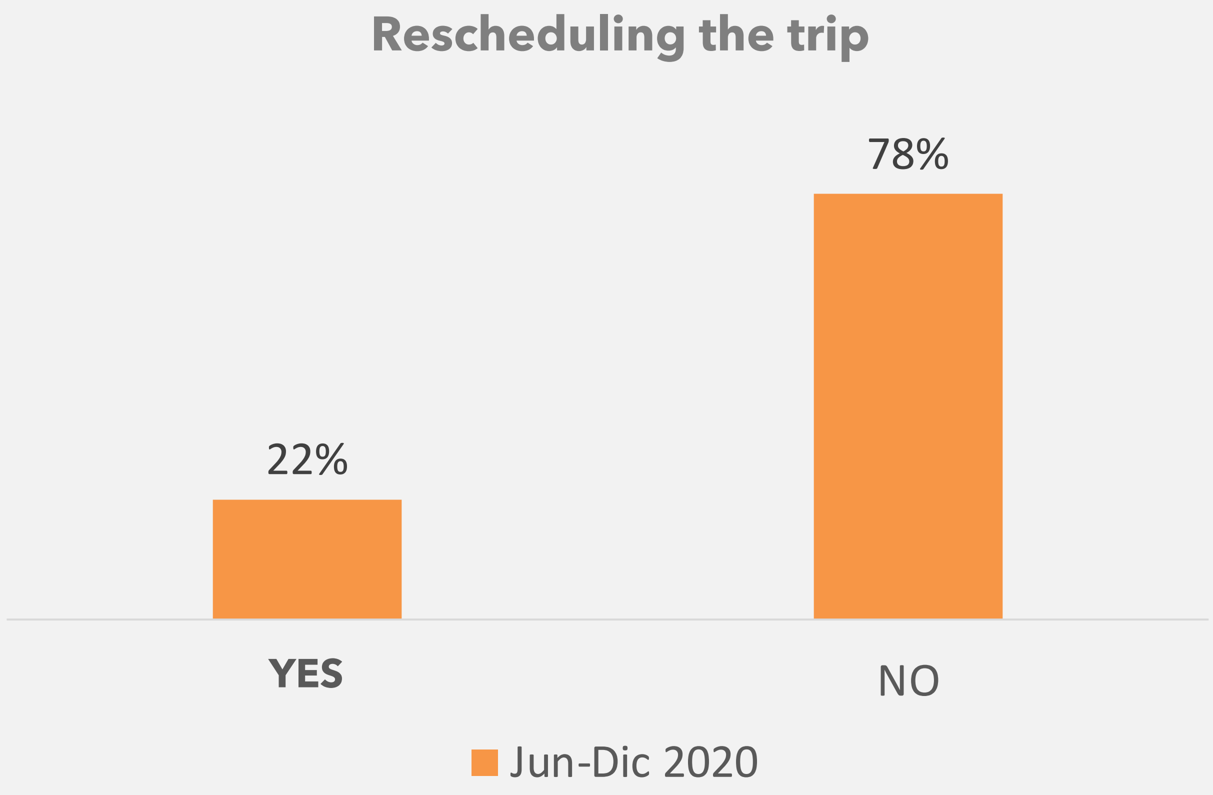
THE IMPACTS OF COVID-19 TRAVEL TRENDS

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

Traveling to Los Cabos under COVID-19 conditions, from Jun-2020 to Dec-2020

- **During Jun-Dec-2020, most tourists (39%) planned their trip to Los Cabos less than a month before, while 26% did so 1 to 3 months in advance.**
- **36.9% of tourists already had their vacation planned. Flight and hotel prices were the second most important factor when making the decision to travel.**





Reasons to make the decision to travel	Jun-Dec
Already had their vacation planned	36.9%
Flight and hotel prices	28.3%
Vacation offers	11.6%
Cancellation/rescheduling flexibility	9.6%
They are timeshare owners	9.7%

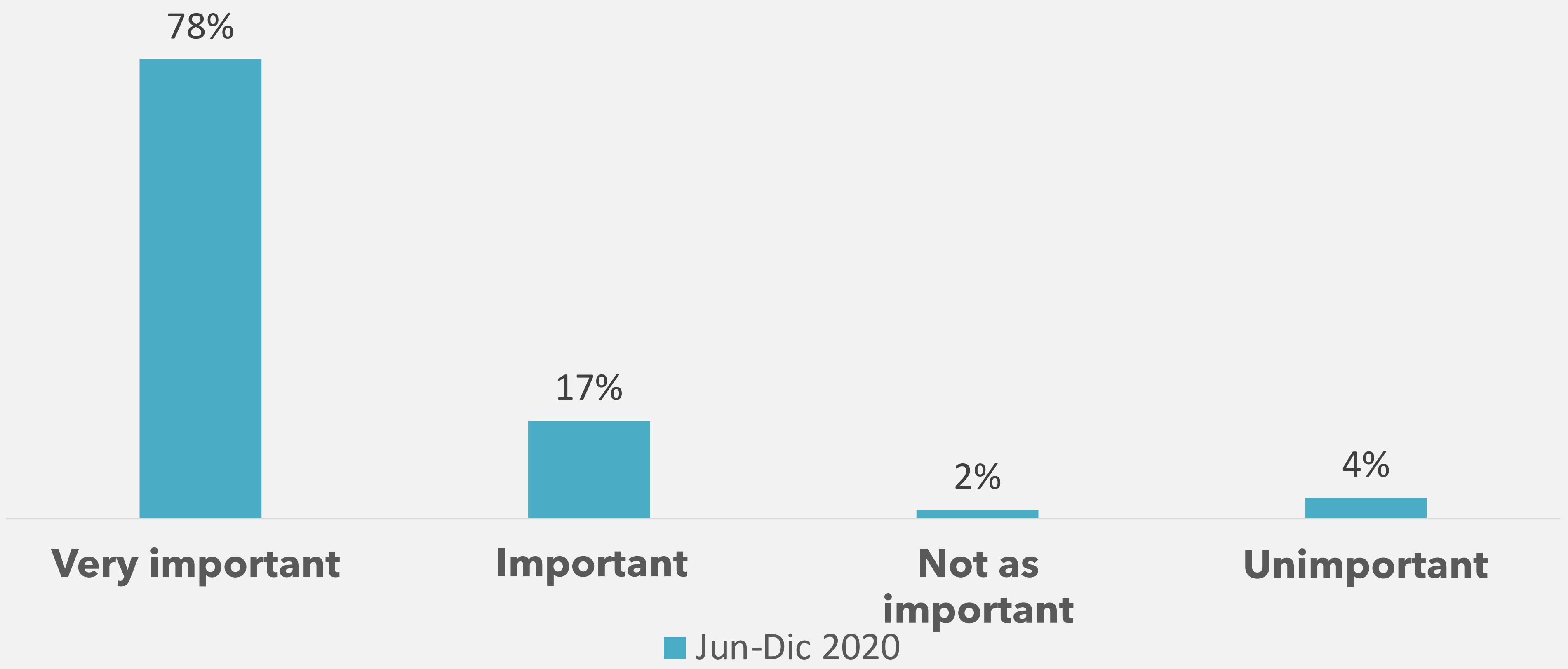
SOURCE: TOURIST SURVEYS

Tourist accommodation preferences (from Jun-2020 to Dec-2020)

(Spontaneous) reasons for choosing accommodation	Jun-Dec
Price	10.8%
Cleanliness	7.4%
Safety	7.4%
Timeshare	5.5%
Location	4.5%
Family / friends	2.8%

- The main reason for choosing accommodation was the price, whereas cleanliness and safety became the second most important to be considered.
- As for the evaluation of the hygiene and safety measures observed by tourists, the top-rated elements were: hotel employees wearing masks, disinfectant gel available in the rooms and at the front desk, and body temperature control on employees and guests.

Importance of getting the Cleanliness and Safety Certification



Hygiene and safety measures observed	Jun-Dec
Hotel employees are wearing masks.	79.3%
Disinfectant gel available in the rooms and at the front desk.	74.7%
Body temperature control on employees and guests.	70.8%
Cleaning and disinfection system upon entering the hotel.	62.0%
Guide of the measures that have been taken by the hotel (on both the website and on the premises).	55.9%
The staff is trained to recognize symptoms of COVID-19.	55.0%

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.

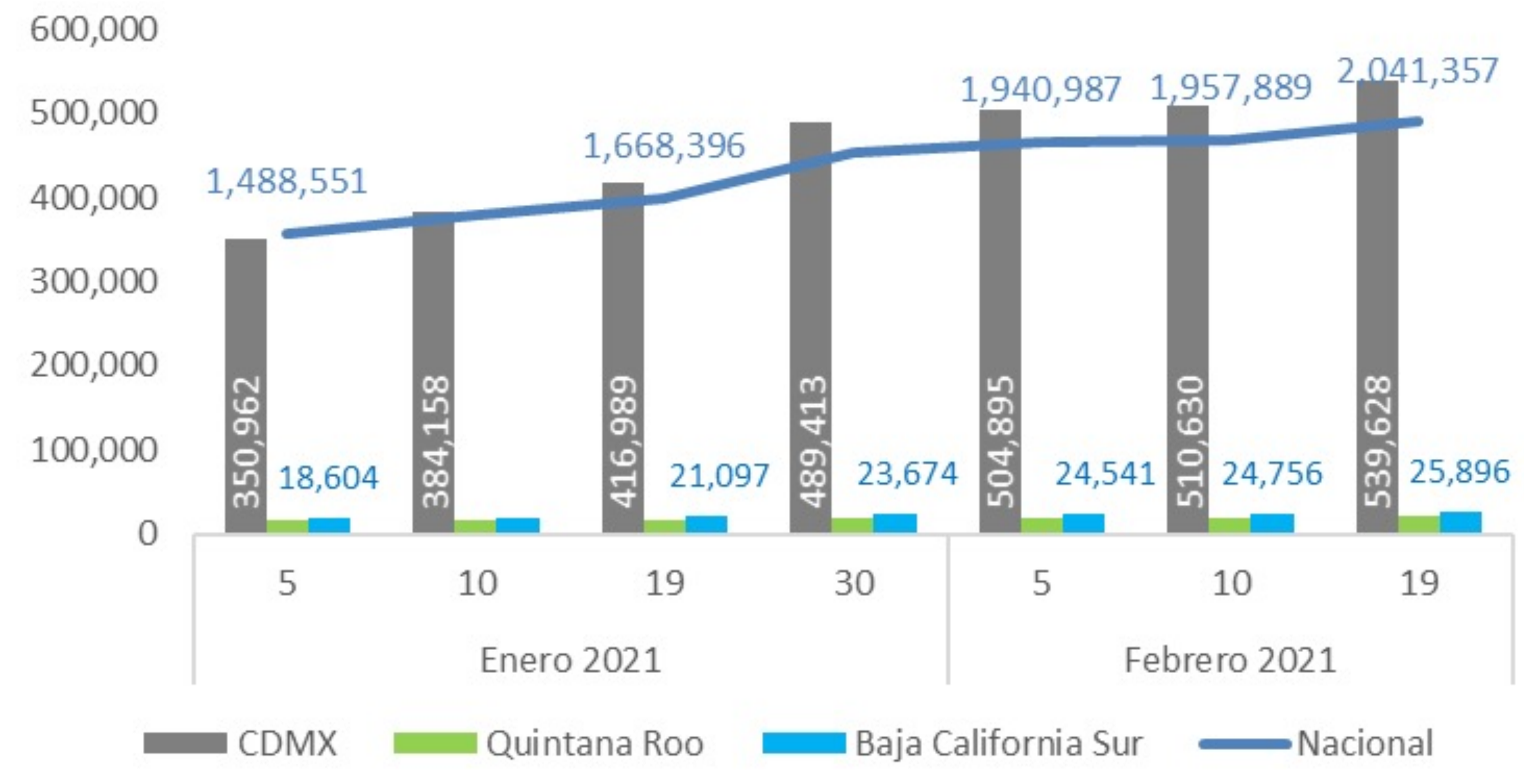
All work activities are allowed. Outdoor public spaces can open on a regular basis, and indoor public spaces can open with reduced capacity.

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 FEBRUARY 22nd, 2021.

Confirmed COVID-19 cases overview

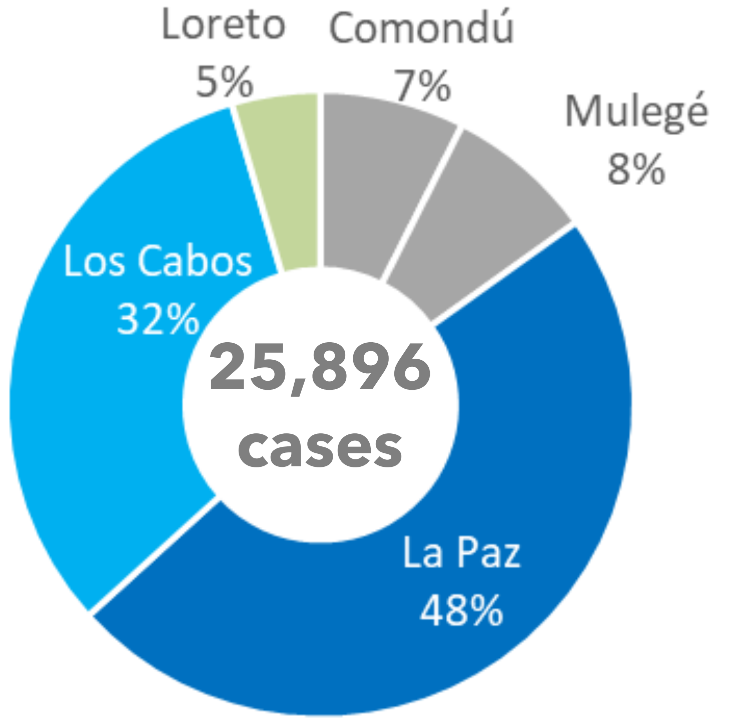
Confirmed cases (cumulative)



As of February 19th, 2021, there are 2.04 million confirmed cases in Mexico, 372 thousand more than those registered as of January 19th.

- Baja California Sur has 4,799 more cases than those registered as of January 19th, which results in a total cumulative of 25,896 confirmed cases in the state. Quintana Roo accumulates 19,900 cases, 2,607 more than those registered as of January 19th.

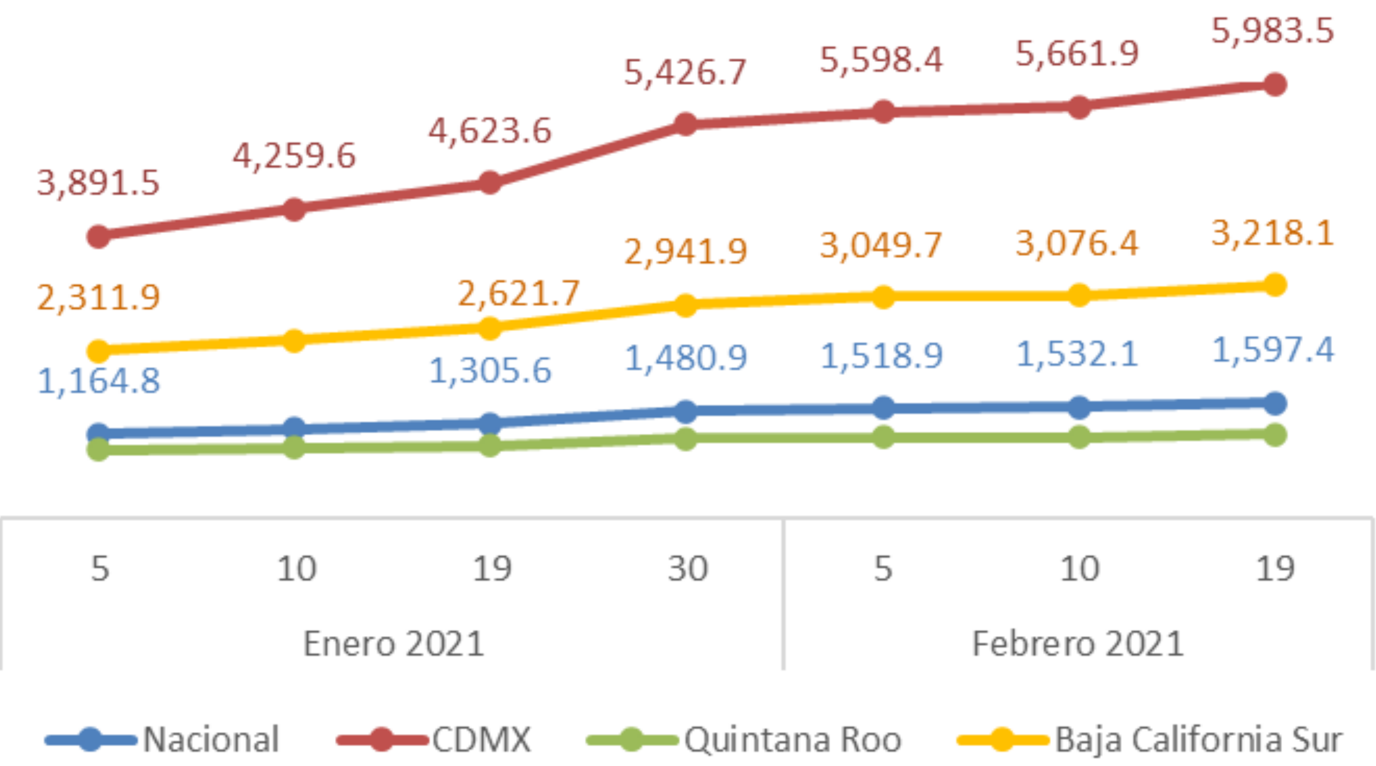
Confirmed cases by municipalities in B.C.S.



80% of the state's cumulative confirmed cases are concentrated between La Paz and Los Cabos.

- La Paz has 2,008 more cases than those registered as of January 19th, accumulating a total of 12,464 confirmed cases.
- Los Cabos has 1,494 more cases, adding up to a total of 8,329.
- Loreto accumulates 1,183 cases (137 more).

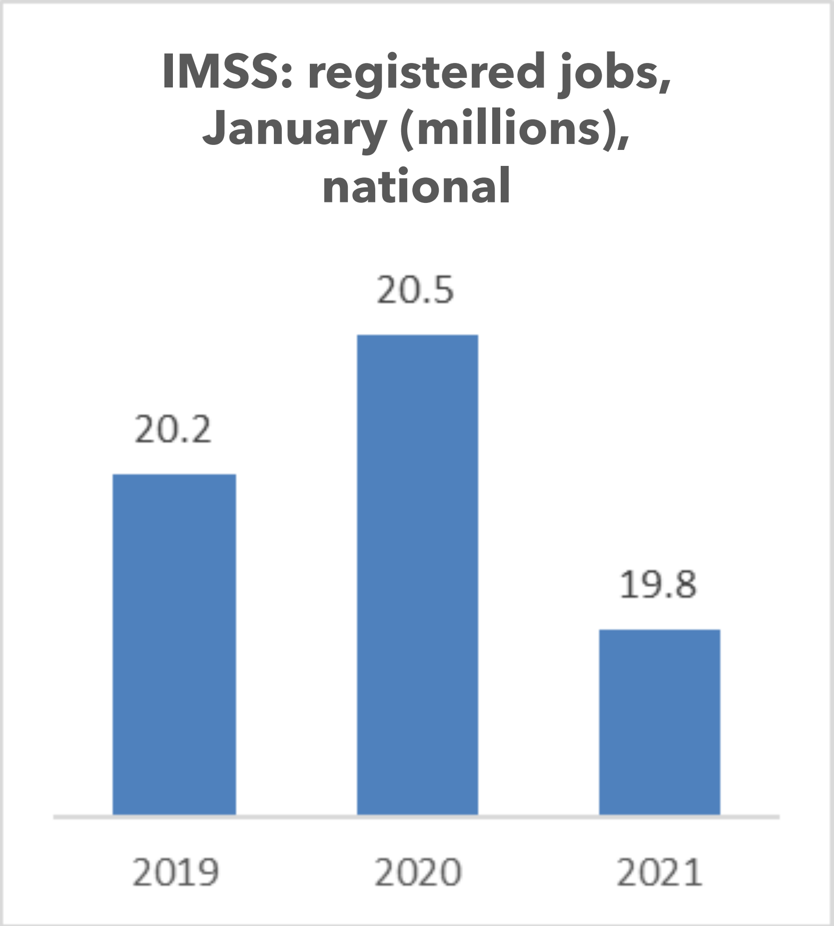
Incidence of infection

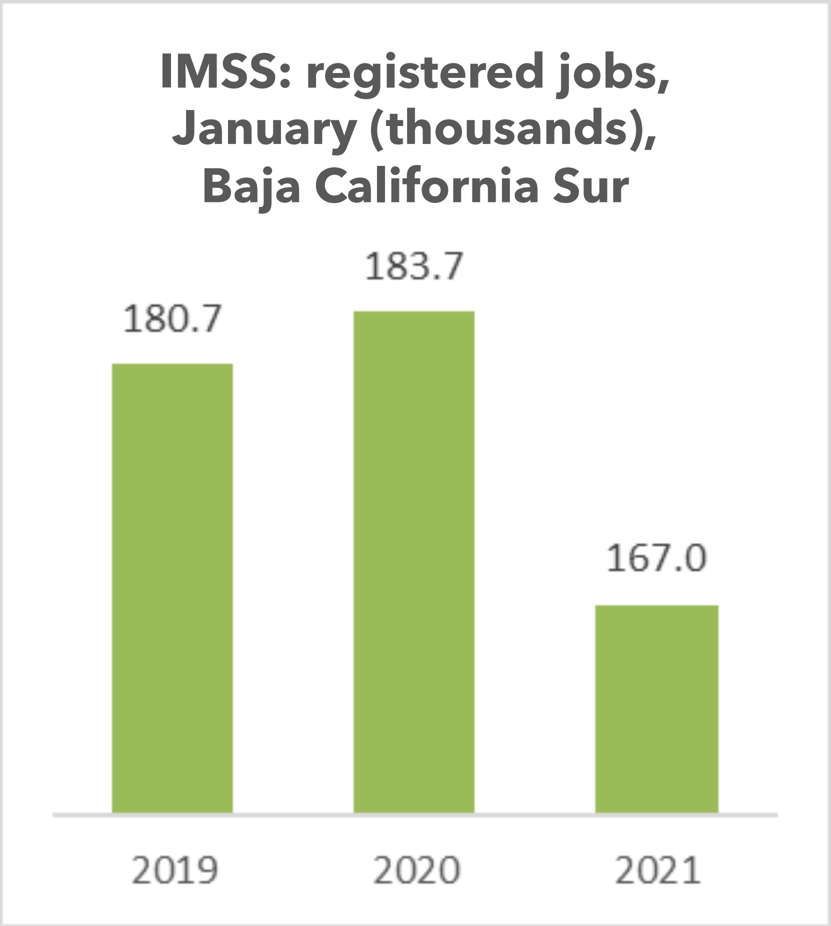


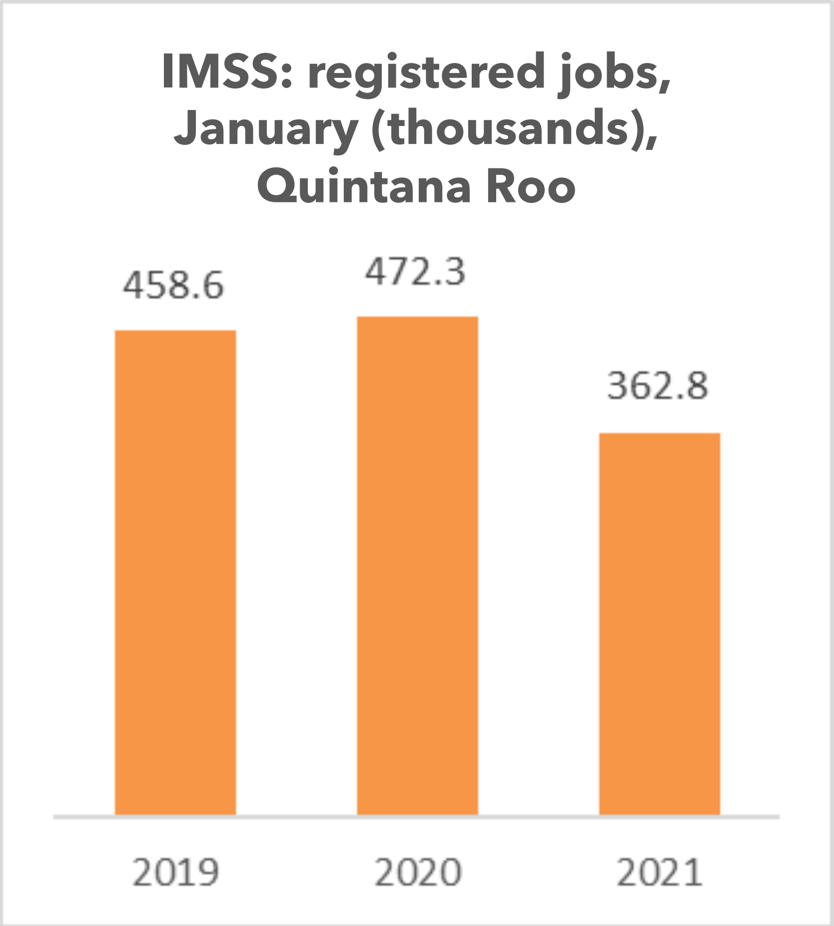
- The national average rate of infection is 1,597.4 cases per 100 thousand inhabitants.
- Mexico City still has the highest rate of new COVID-19 cases, which is above the national average: 5,983.5.
- Quintana Roo: 1,154.8.
- Baja California Sur is the second state with the highest rate: 3,218.1.
  - Los Cabos has 2,521.6 cases per 100 thousand inhabitants.

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx).
FIGURES UPDATED AS OF FEBRUARY 21st, 2021.

Effects on employment in Mexico







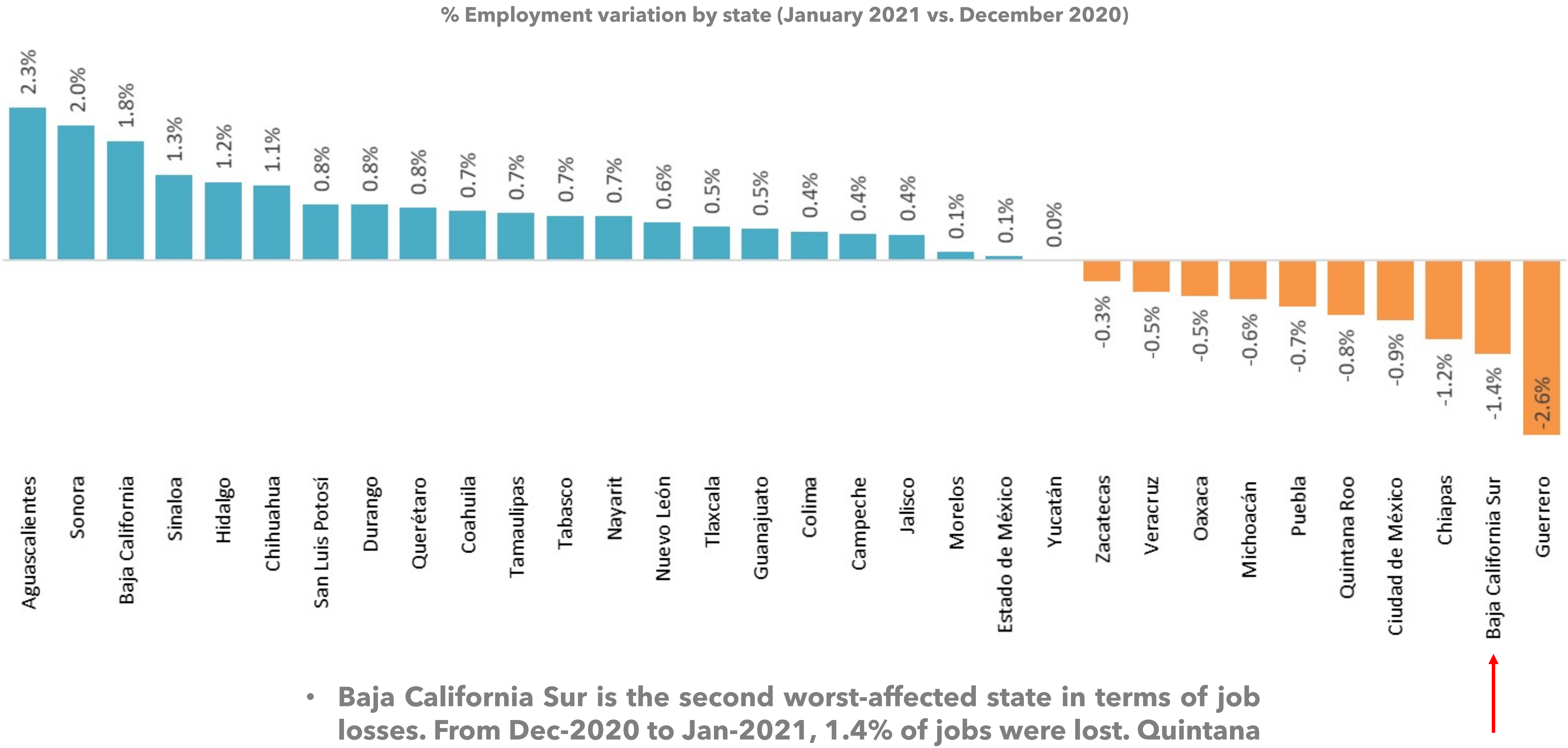
- As of January 31st, 2021, the country had 19,821,651 jobs registered in IMSS, 3% less than those reported in Jan-2020 and 2% under those registered in Jan-2019.
- There were 47,919 more jobs registered compared to the closing of Dec-2020.

- Baja California Sur closes Jan-2021 with 167,022 jobs, which is 9% less vs. Jan-2020 and 8% less vs. Jan-2019.
- From Dec-2020 to Jan-2021, 2,349 job positions were terminated.

- Quintana Roo closes Jan-2021 with 362,807 jobs, which is 23% less vs. Jan-2020 and 21% less vs. Jan-2019.
- There were 2,976 jobs lost from Dec-2020 to Jan-2021.

SOURCE: IMSS

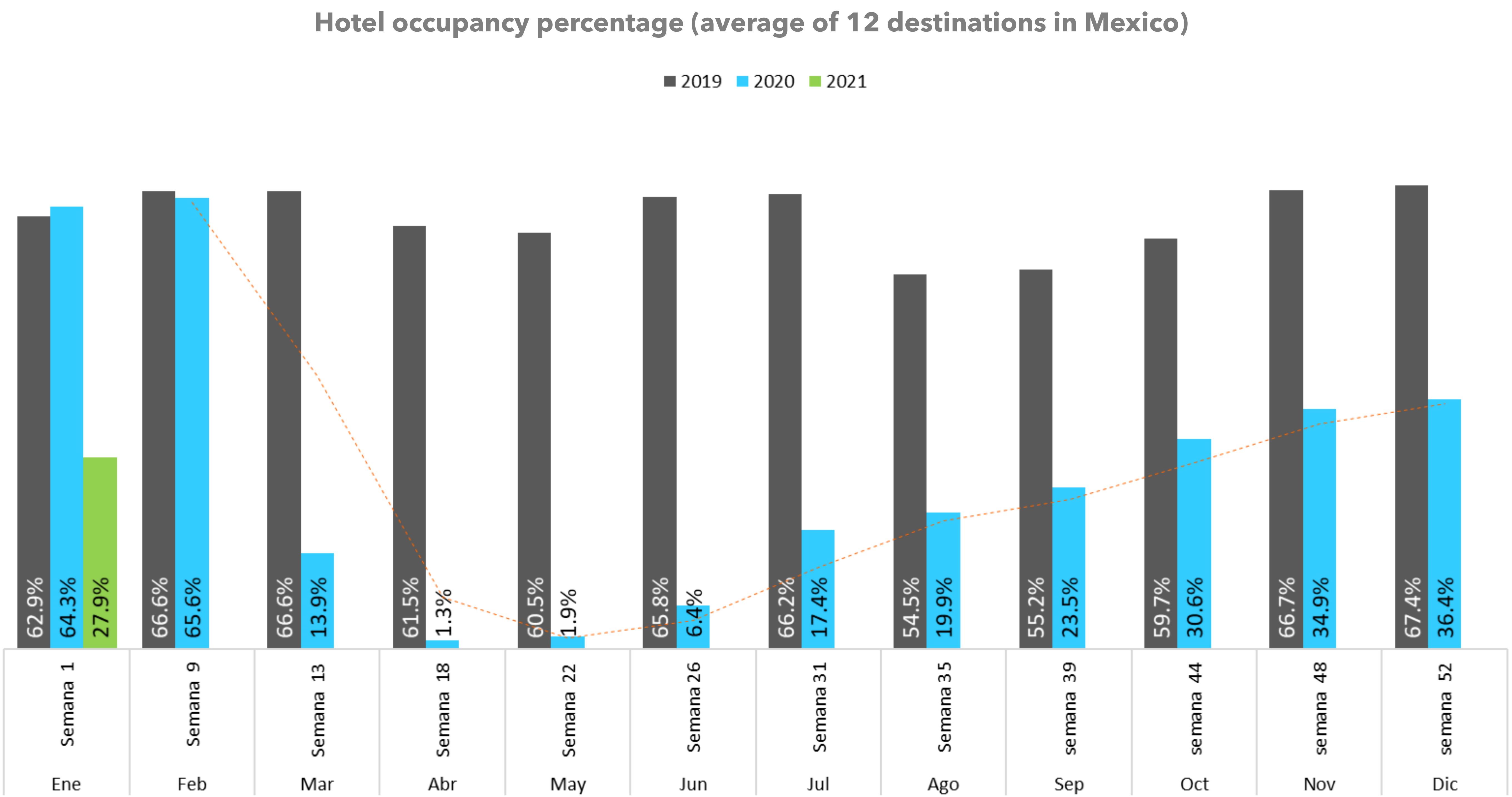
Effects on employment in Mexico



- **Baja California Sur is the second worst-affected state in terms of job losses. From Dec-2020 to Jan-2021, 1.4% of jobs were lost. Quintana Roo had a 0.8% decrease in the same period.**

SOURCE: IMSS

Hotel indicators in Mexico



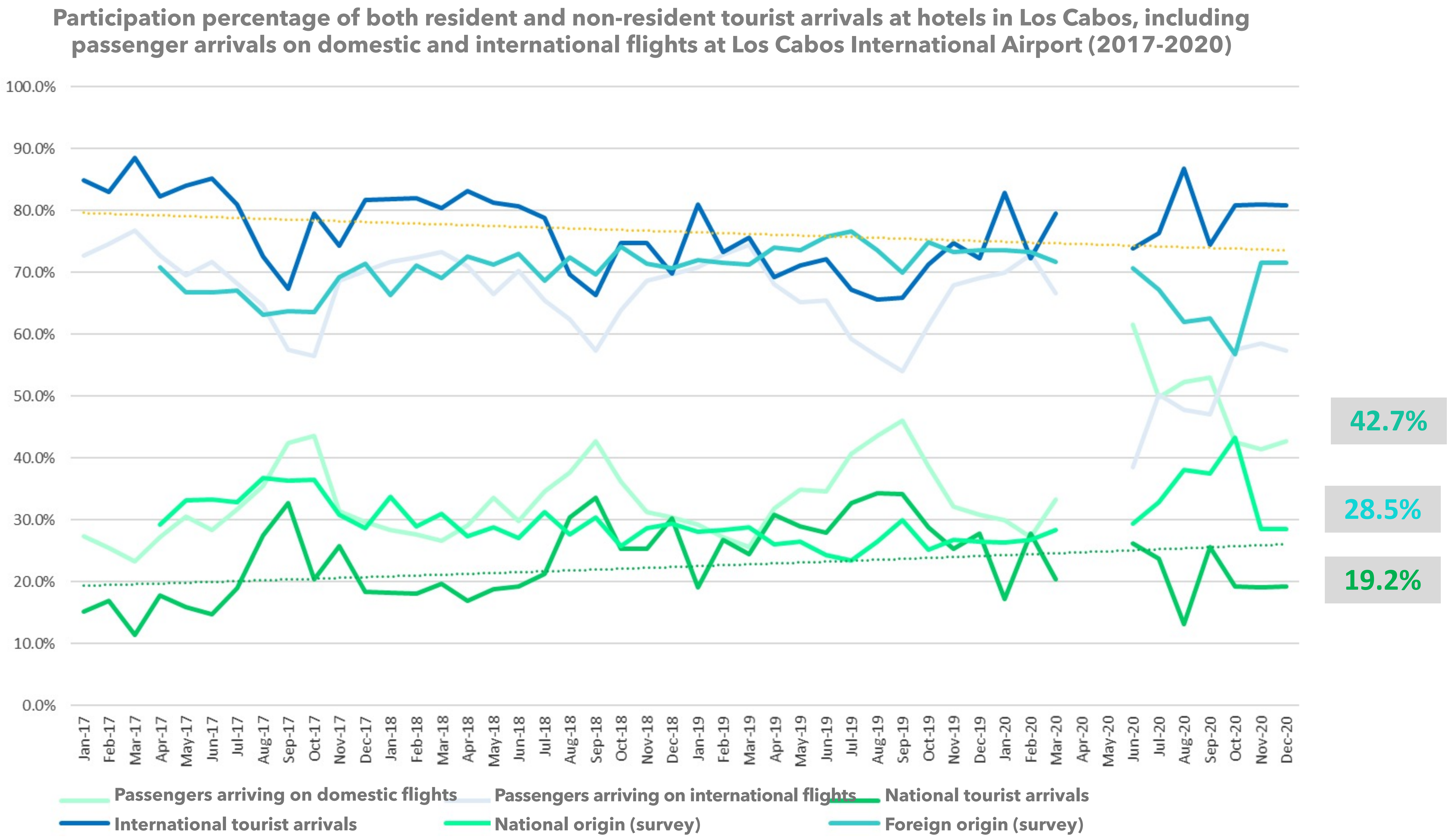
- **By the last week of 2020, Mexico recorded a 36.4% hotel occupancy rate (31.0pp less than that observed in the same week of 2019).**
- **Occupancy equaled 27.9% in the first week of 2021 (36.4pp less than that observed in the same week of 2020, and 35pp lower than the number reported in 2019).**

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



- According to DataTur, the number of national residents arriving at hotels in Los Cabos reached **19.2%** in Oct-2020 (8.5pp less than the previous year).
- Moreover, the participation of national passengers in the total registered by Los Cabos International Airport was **42.7%** in Oct-2020. This represents an increase of 11.8pp vs. Dec-2019.
- In Dec-2020, Tourist Surveys indicated **28.5%** domestic tourism participation in the total received by Los Cabos (2pp more than the previous year).

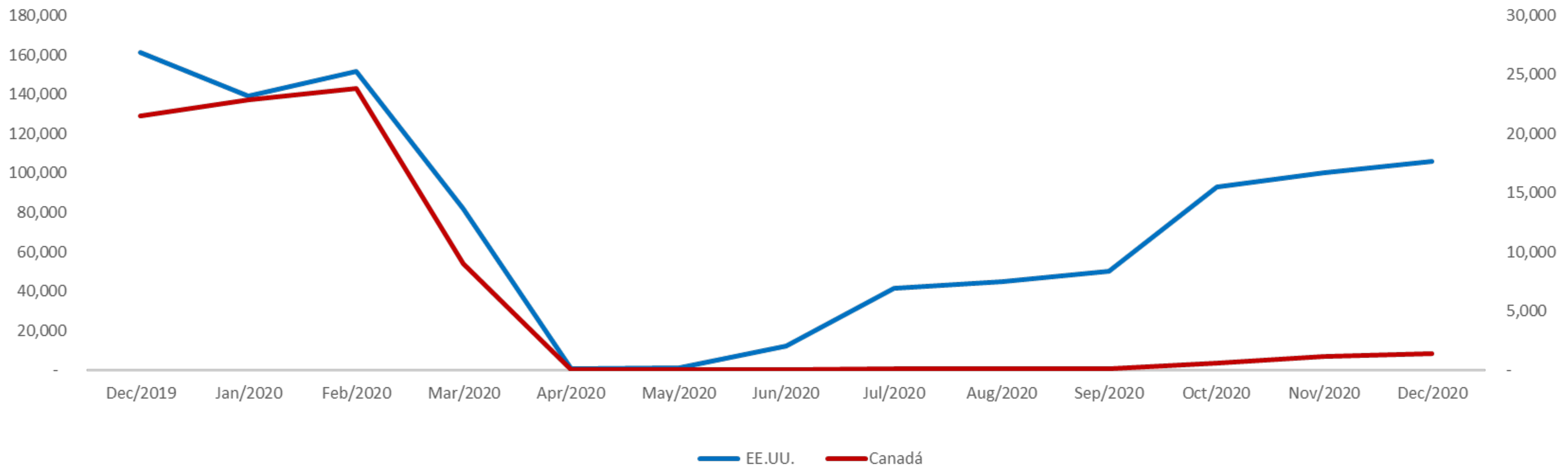
SOURCE: DATATUR, GAP, TOURIST SURVEYS

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

SOURCE: INM-SIOM

Regiones	Dec/2019	Jan/2020	Feb/2020	Mar/2020	Apr/2020	May/2020	Jun/2020	Jul/2020	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Δ Dic-20 / Dic-19	Δ Ene-Dic-20 / Ene-Dic-19
EE.UU.	161,174	139,238	151,410	82,042	508	1,084	12,433	41,696	45,112	50,077	93,069	100,320	105,991	-34.2%	-48.3%
Canadá	21,542	22,830	23,837	9,003	13	15	52	74	106	128	563	1,126	1,429	-93.4%	-62.6%
Europa	1,210	1,434	1,235	557	10	12	20	43	52	40	48	70	64	-94.7%	-66.5%
Caribe, Centro y Sudamérica	148	210	175	83	3	-	12	34	19	33	37	48	43	-70.9%	-69.2%
Resto del Mundo	898	940	622	242	-	7	34	52	64	71	106	127	67	-92.5%	-77.5%
Gran total	184,972	164,652	177,279	91,927	534	1,118	12,551	41,899	45,353	50,349	93,823	101,691	107,594	-41.8%	-49.8%

Mercados clave	Dec/2019	Jan/2020	Feb/2020	Mar/2020	Apr/2020	May/2020	Jun/2020	Jul/2020	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Δ Dic-20 / Dic-19	Δ Ene-Dic-20 / Ene-Dic-19
Reino Unido	773	942	692	357	2	5	9	8	19	10	9	21	18	-97.7%	-41.2%
Australia	305	415	181	114	-	5	10	13	9	18	18	42	19	-93.8%	-77.4%
Corea del Sur	126	98	93	23	-	-	1	2	3	6	5	8	3	-97.6%	-82.5%
Total mercados clave	1,204	1,455	966	494	2	10	20	23	31	34	32	71	40	-96.7%	-63.4%



International tourist arrivals by air, by origin (residence)

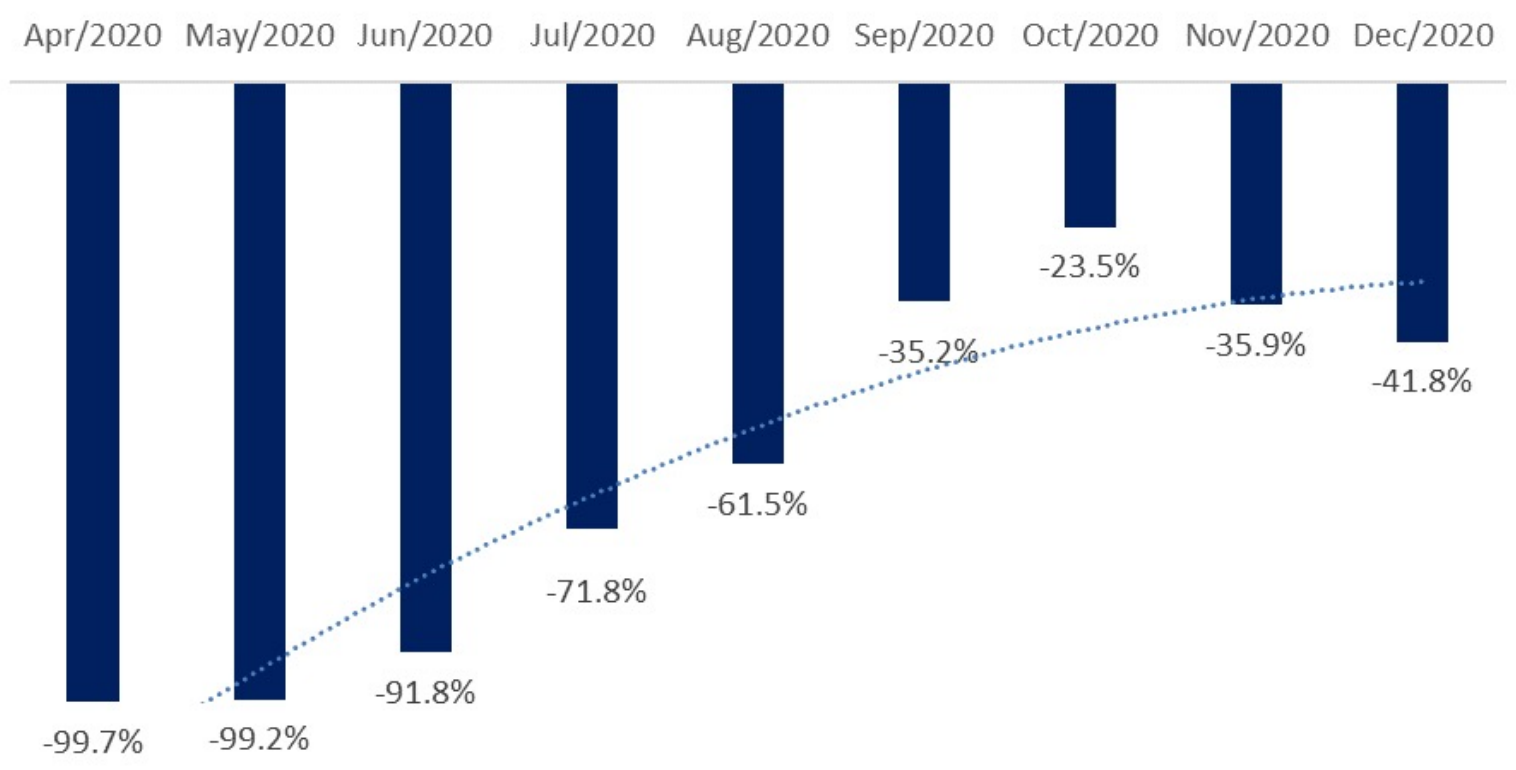
-41.8%

Dec-2020 vs. Dec-2019

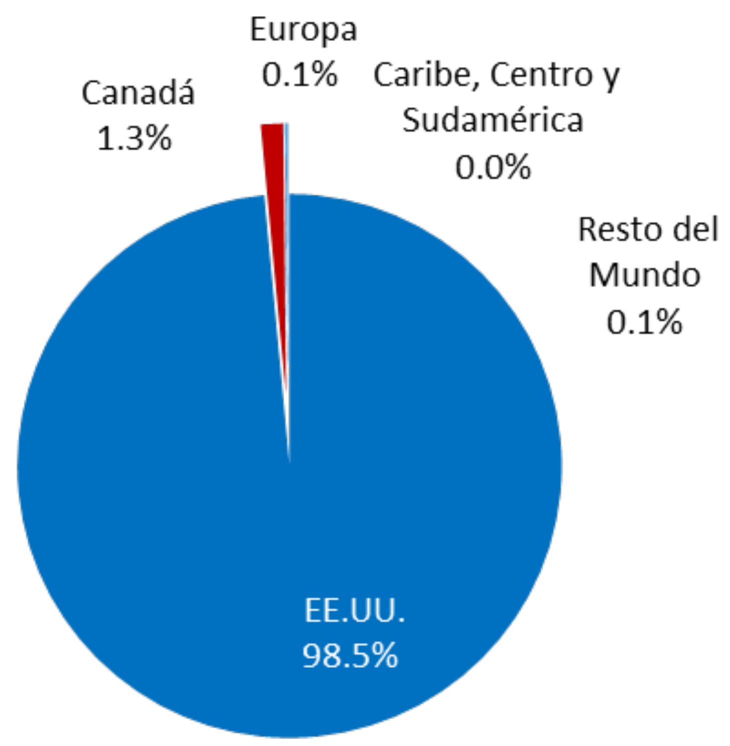
The entry of 107,594 international tourists that arrived by air at the Los Cabos International Airport was registered in Dec-2020. This signified a decrease of 41.8% compared to Dec-2019.

Americans represent 98.5% of the total.

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



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

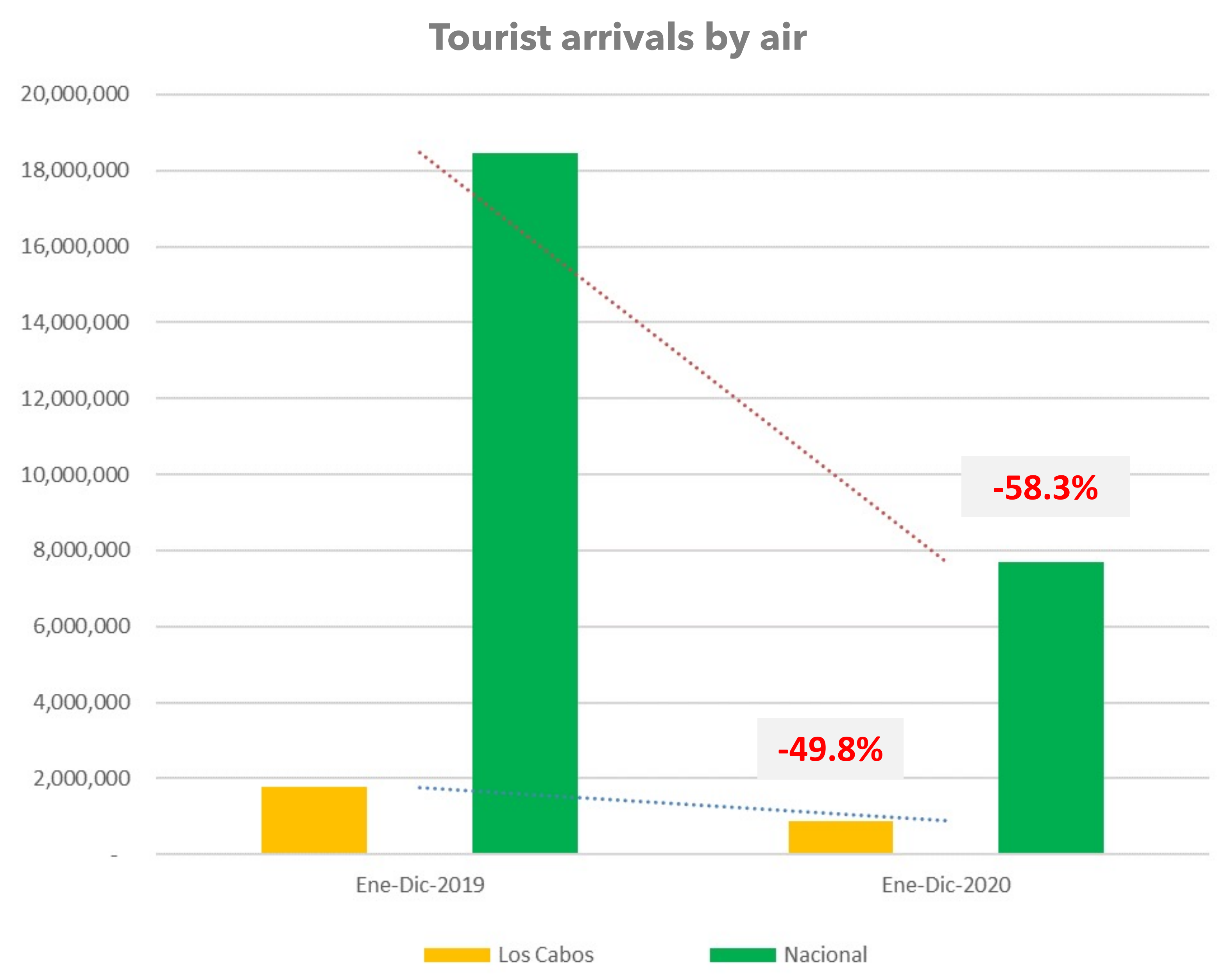


SOURCE: INM-SIOM

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

Regiones	Nacional			Los Cabos		
	Ene-Dic-2019	Ene-Dic-2020	Δ 2020/2019	Ene-Dic-2019	Ene-Dic-2020	Δ 2020/2019
Estados Unidos	10,789,135	5,293,190	-50.9%	1,590,532	822,980	-48.3%
Canadá	2,296,061	948,319	-58.7%	158,138	59,176	-62.6%
Europa	1,963,049	520,408	-73.5%	10,624	3,585	-66.5%
Caribe, Centro y Sudamérica	2,685,601	739,413	-72.5%	2,276	697	-69.2%
Resto del mundo	730,963	206,570	-71.7%	10,423	2,332	-77.5%
Gran Total	**18,464,809**	**7,707,900**	**-58.3%**	**1,771,993**	**888,770**	**-49.8%**

Mercados Clave	Nacional			Los Cabos		
	Ene-Dic-2019	Ene-Dic-2020	Δ 2020/2019	Ene-Dic-2019	Ene-Dic-2020	Δ 2020/2019
Reino Unido	559,037	91,495	-83.6%	3,537	2,074	-41.2%
Australia	64,809	14,688	-77.3%	3,748	825	-77.4%
Corea del Sur	86,398	24,569	-71.6%	1,385	239	-82.5%
Total mercados clave	**710,244**	**130,752**	**-81.6%**	**8,670**	**3,138**	**-63.4%**

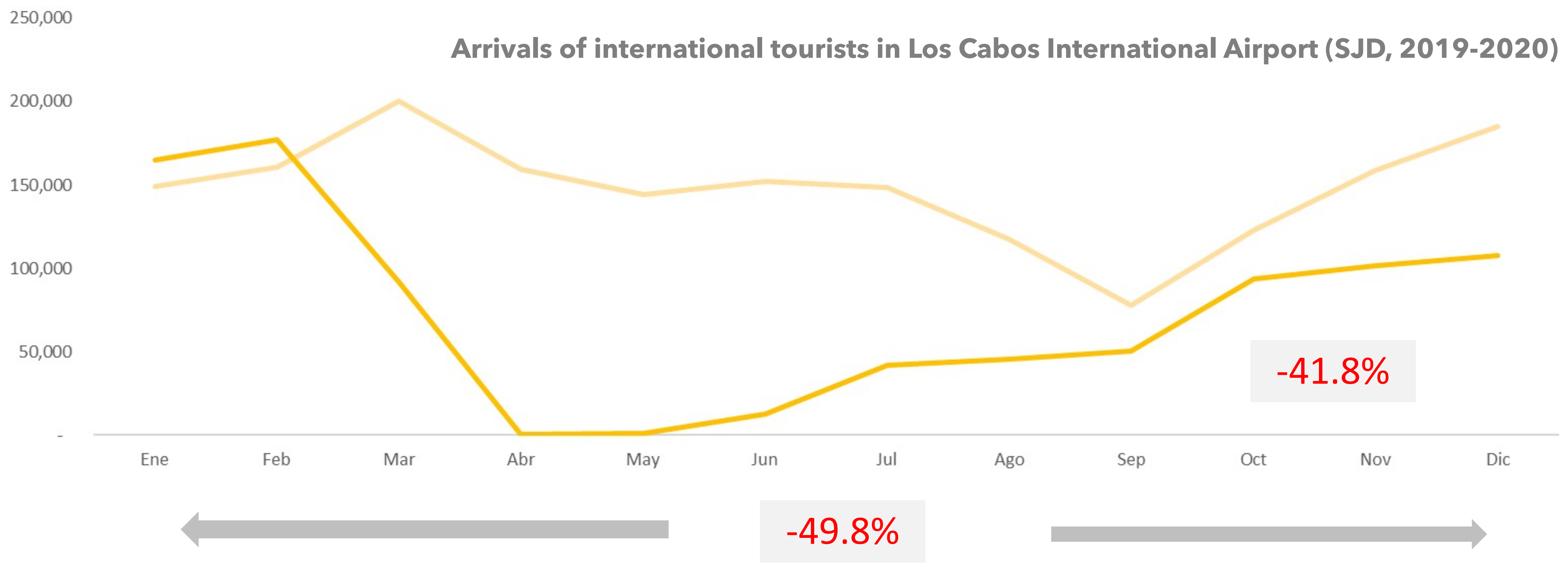


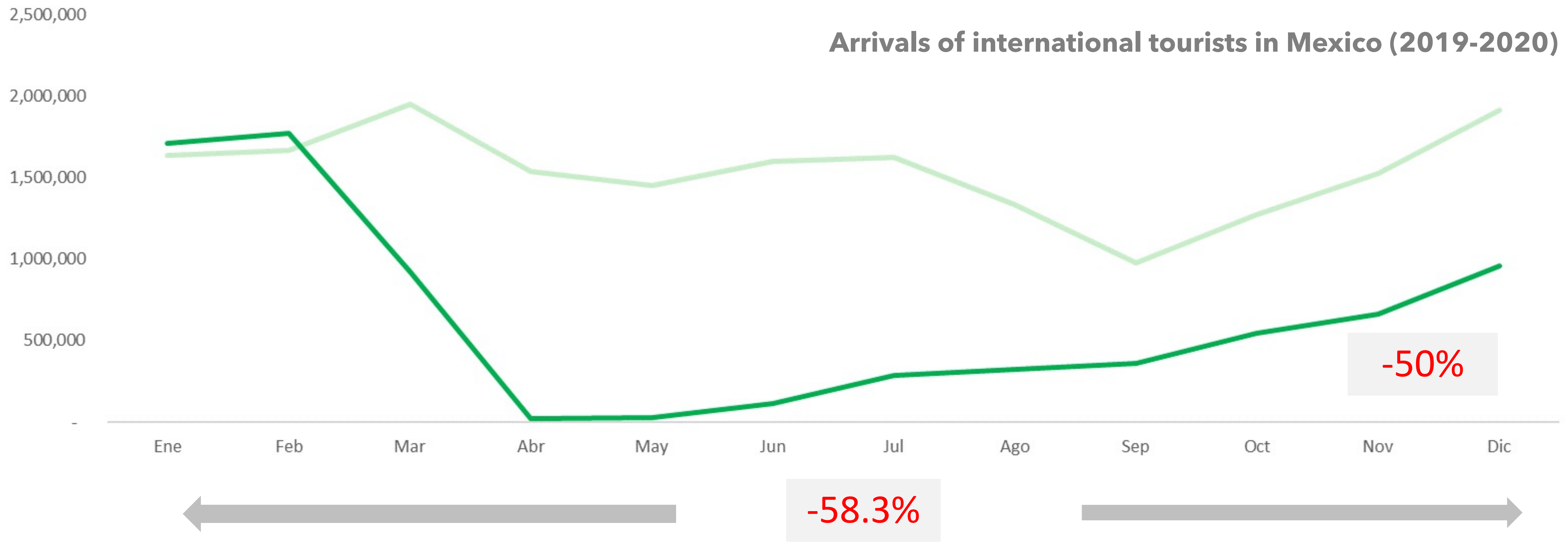
SOURCE: INM-SIOM

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 Dec-2020 vs. Dec-2019, tourist arrivals decreased by 50% nationwide, and by 41.8% in Los Cabos.**
    - **The American market decreased by 30.6% on a national level, whereas the Canadian market did so by 87.7%.**
    - **At the Los Cabos International Airport, the U.S. market decreased by 34.2%, and the Canadian market did so by 93.4% when comparing Dec-2020 to the previous year.**
- **The Jan-Dec cumulative registers a decrease of 58.3% nationwide, and of 49.8% in Los Cabos.**
    - **In 2020, the U.S. market's cumulative registered a decline of 50.9% nationwide, and of 48.33% in Los Cabos.**
    - **In the year's cumulative, the Canadian market declines 58.7% nationwide and 62.6% in Los Cabos.**

SOURCE: INM-SIOM



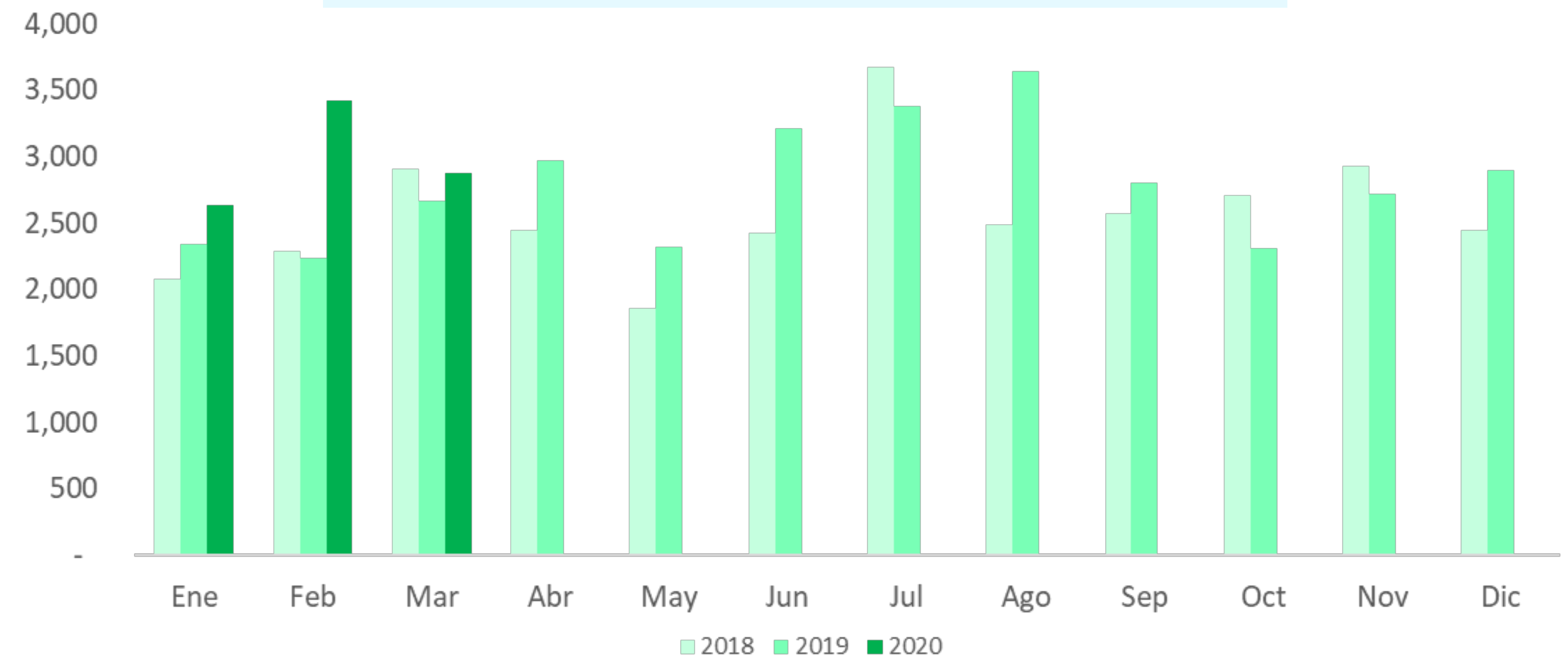


Cruise activity

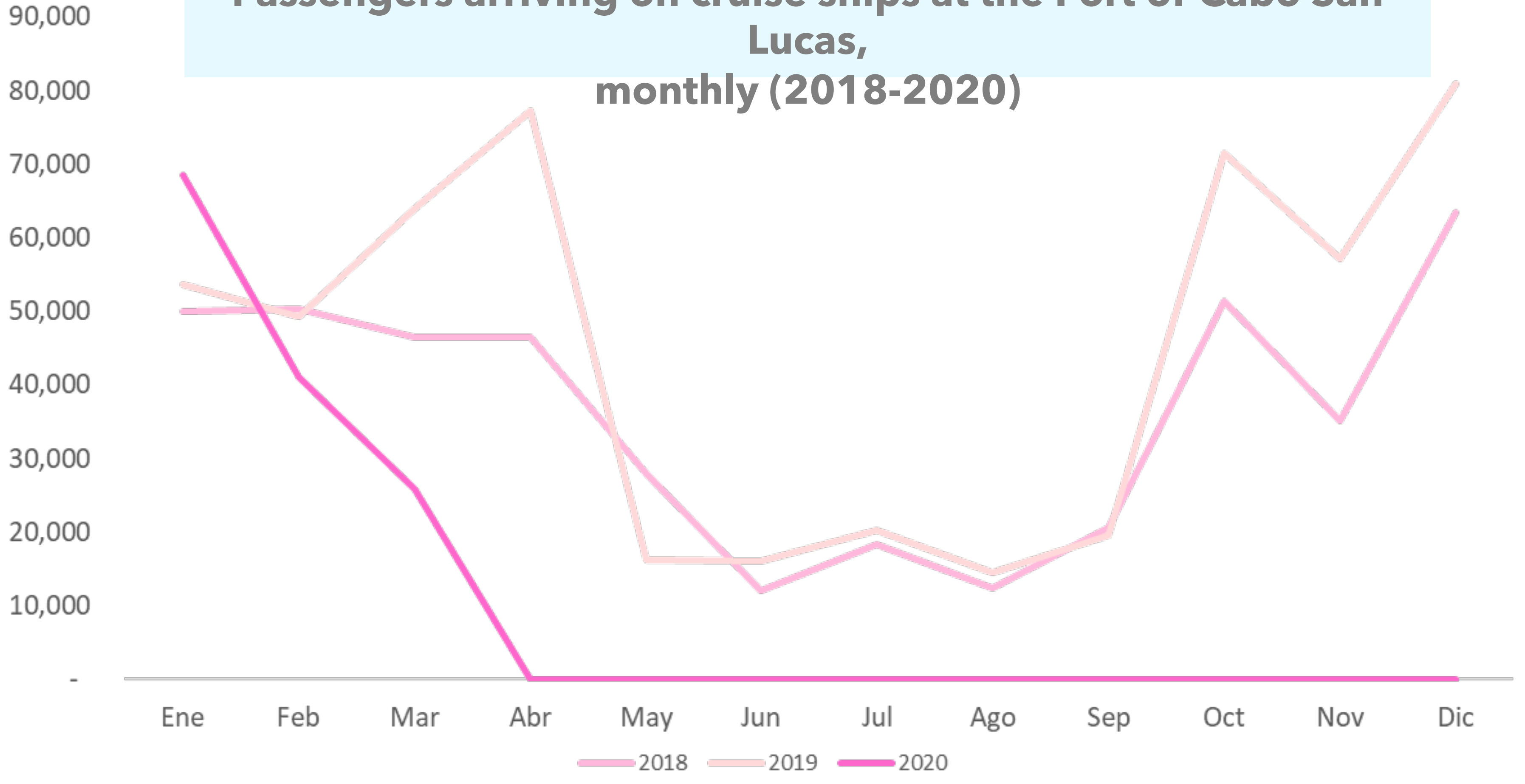
There were no registered vessel or cruise ship arrivals at the Port of Cabo San Lucas in Dec-2020.

SOURCE: DATATUR - SCT

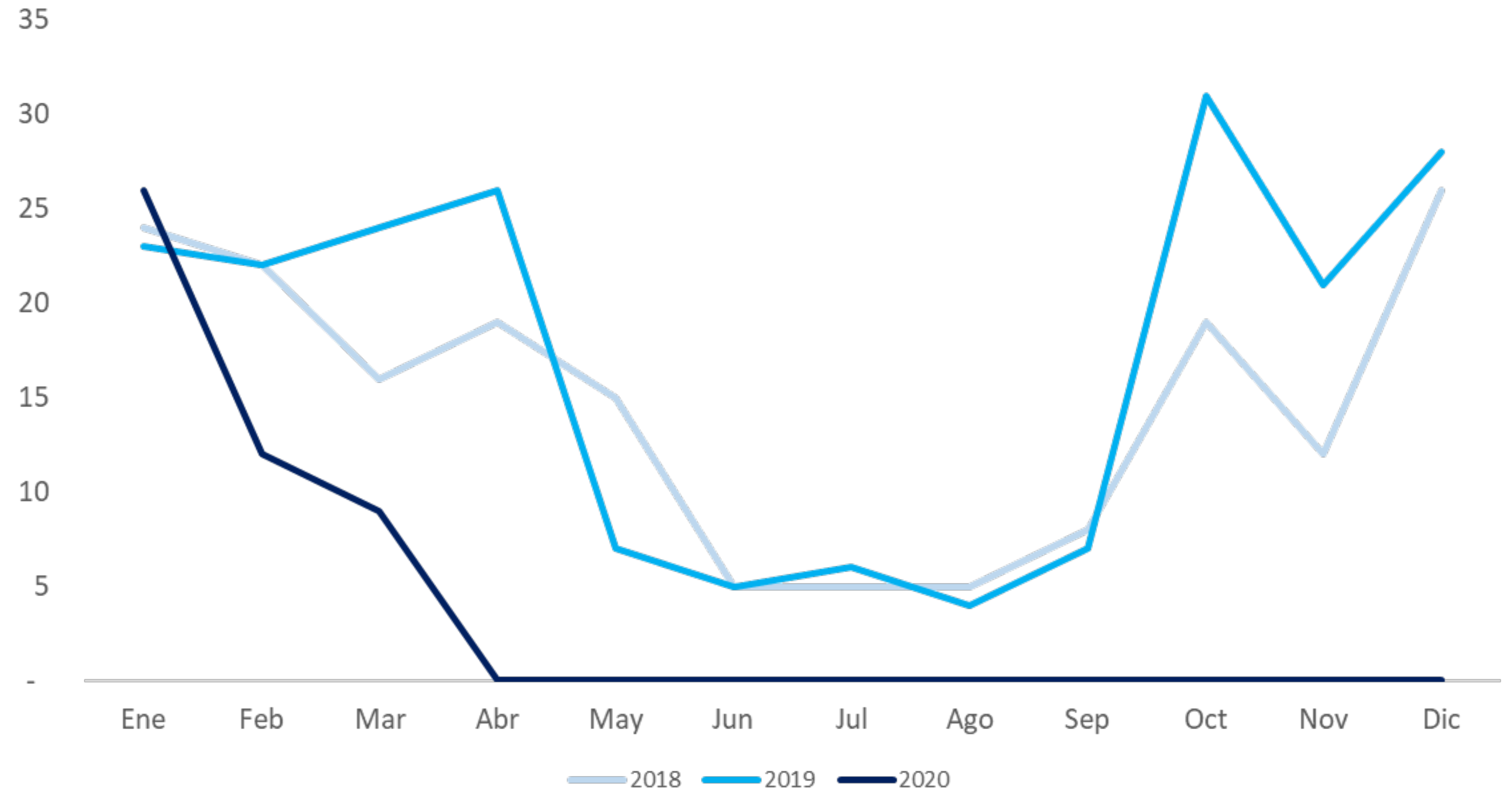
Passengers per vessel, monthly (2018-2020)



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)

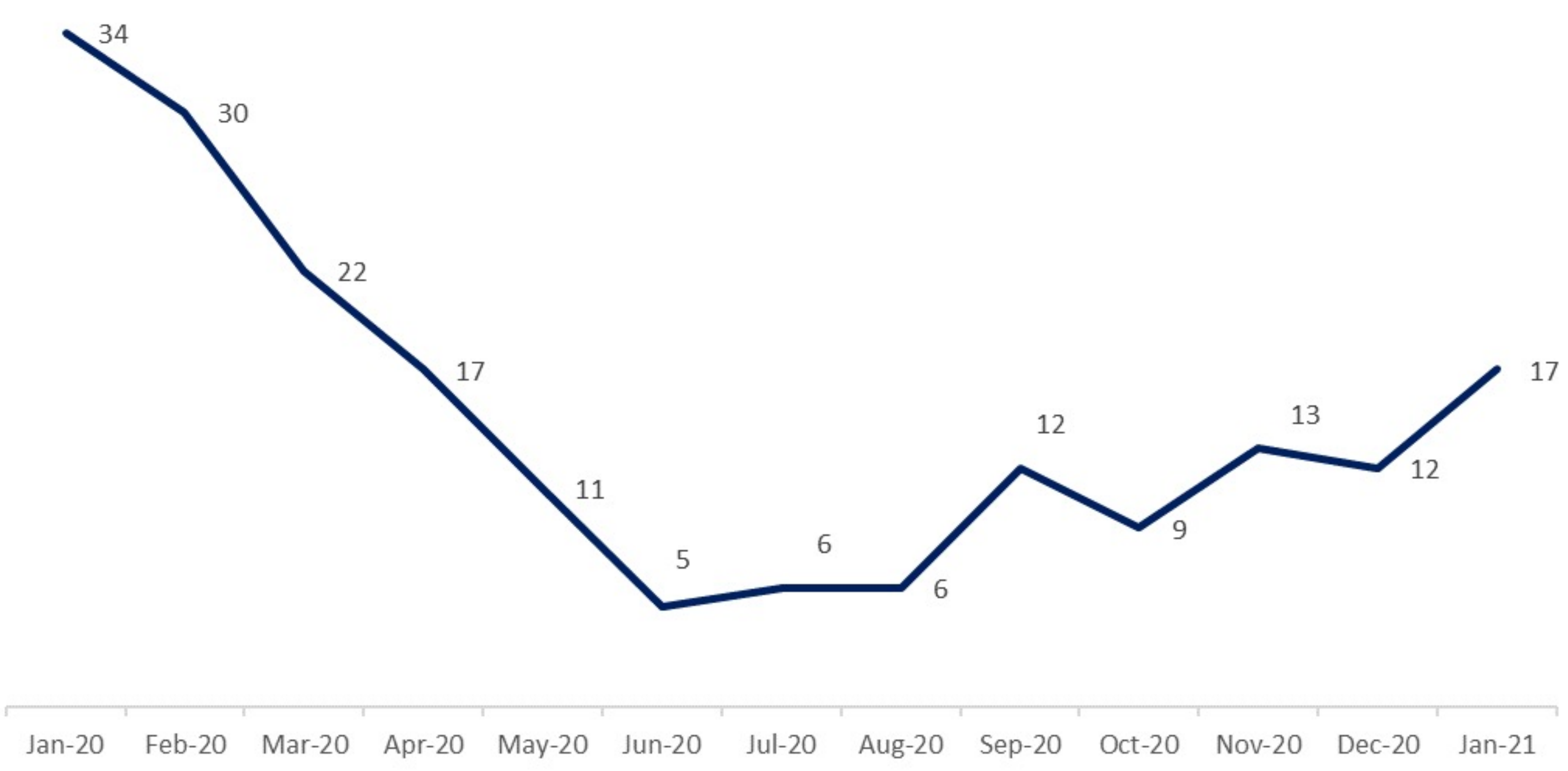


LOS CABOS TOURISM OBSERVATORY

TOURIST SURVEYS & GROUP BUSINESS

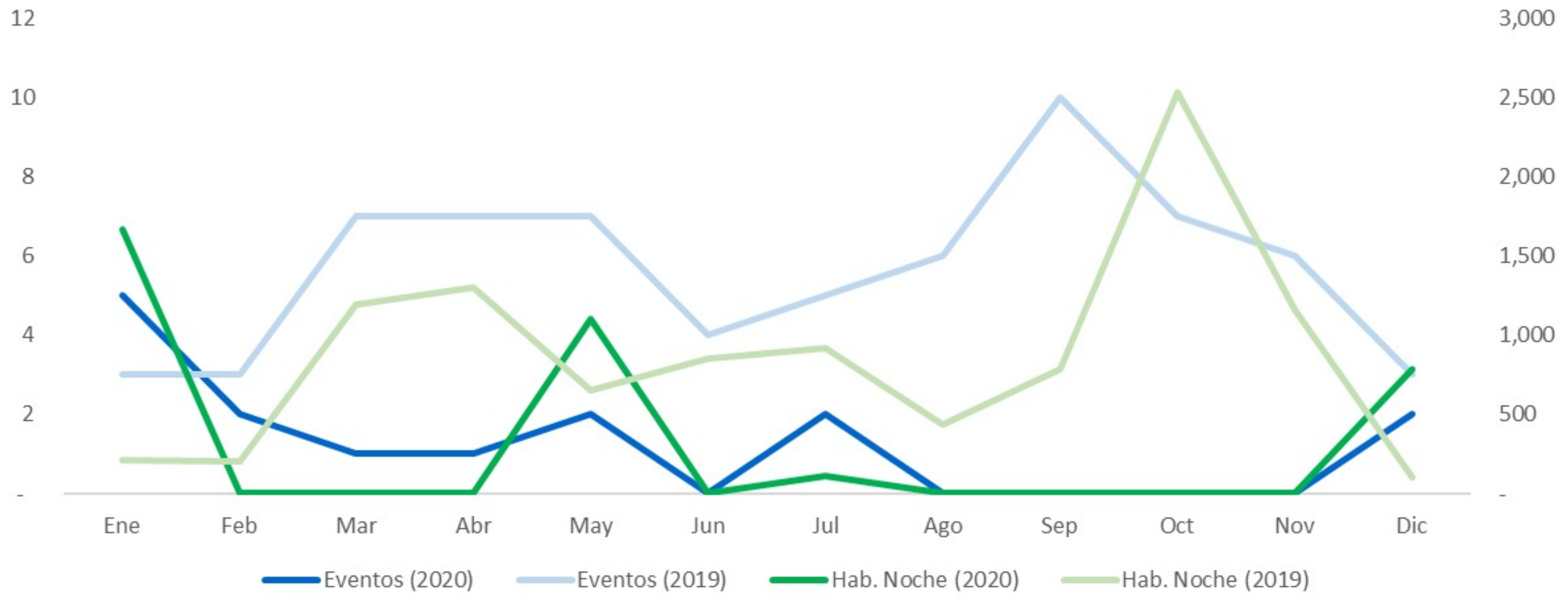
Demand indicators: Group Business

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



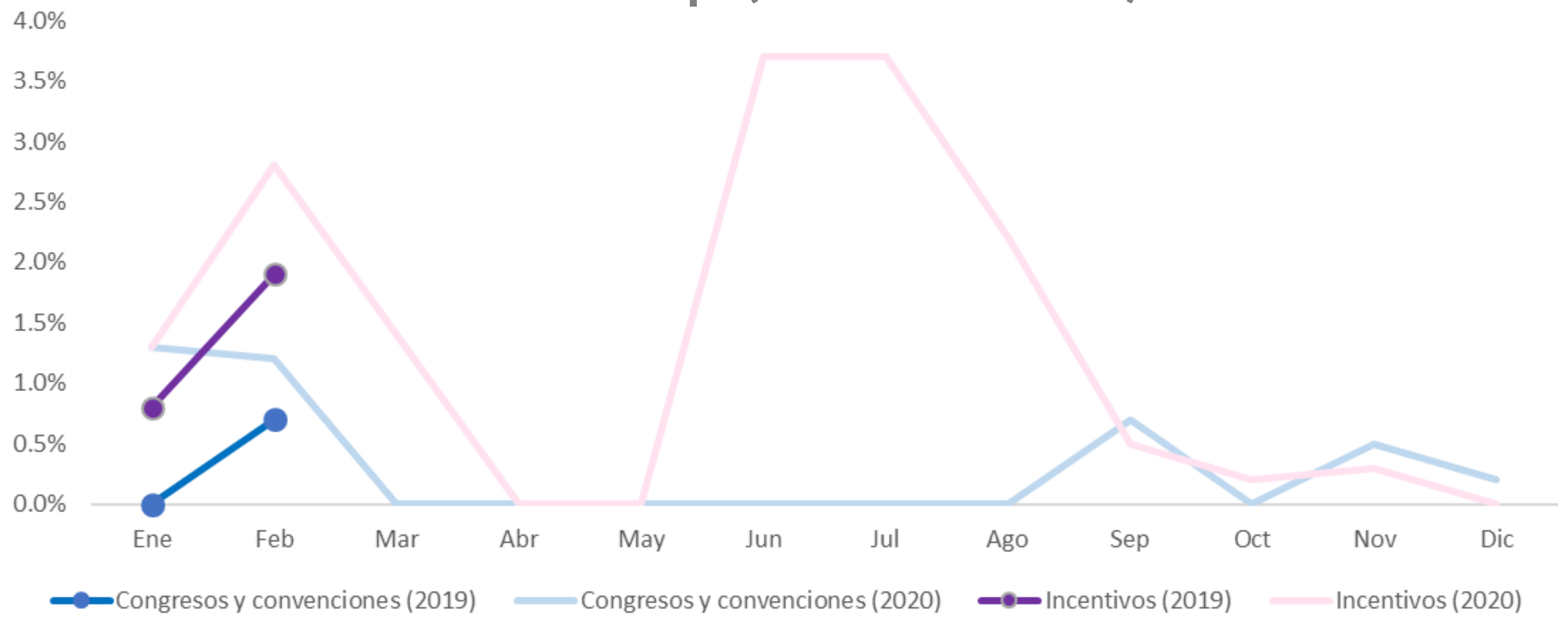
SOURCE: CVENT

Confirmed room nights and events, for meetings and groups



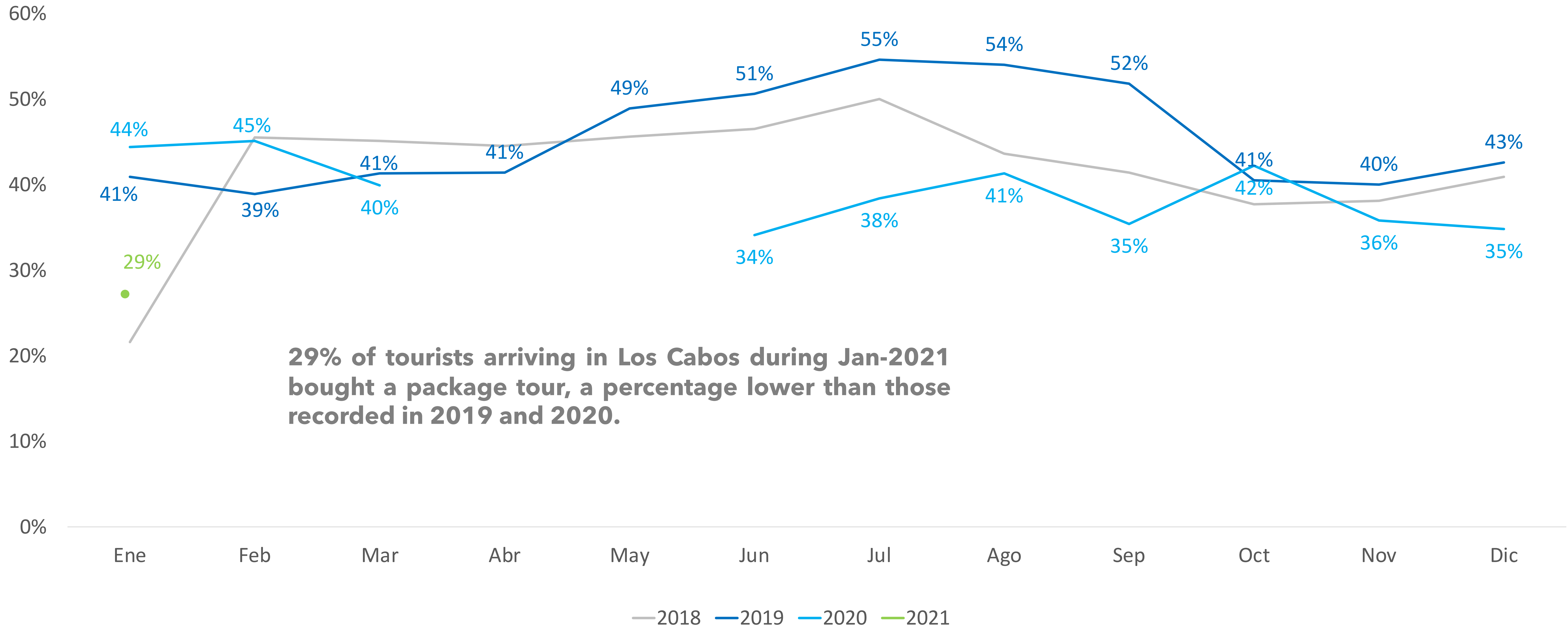
SOURCE: HELMS BRISCOE

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



SOURCE: TOURIST SURVEYS

Package tour purchases

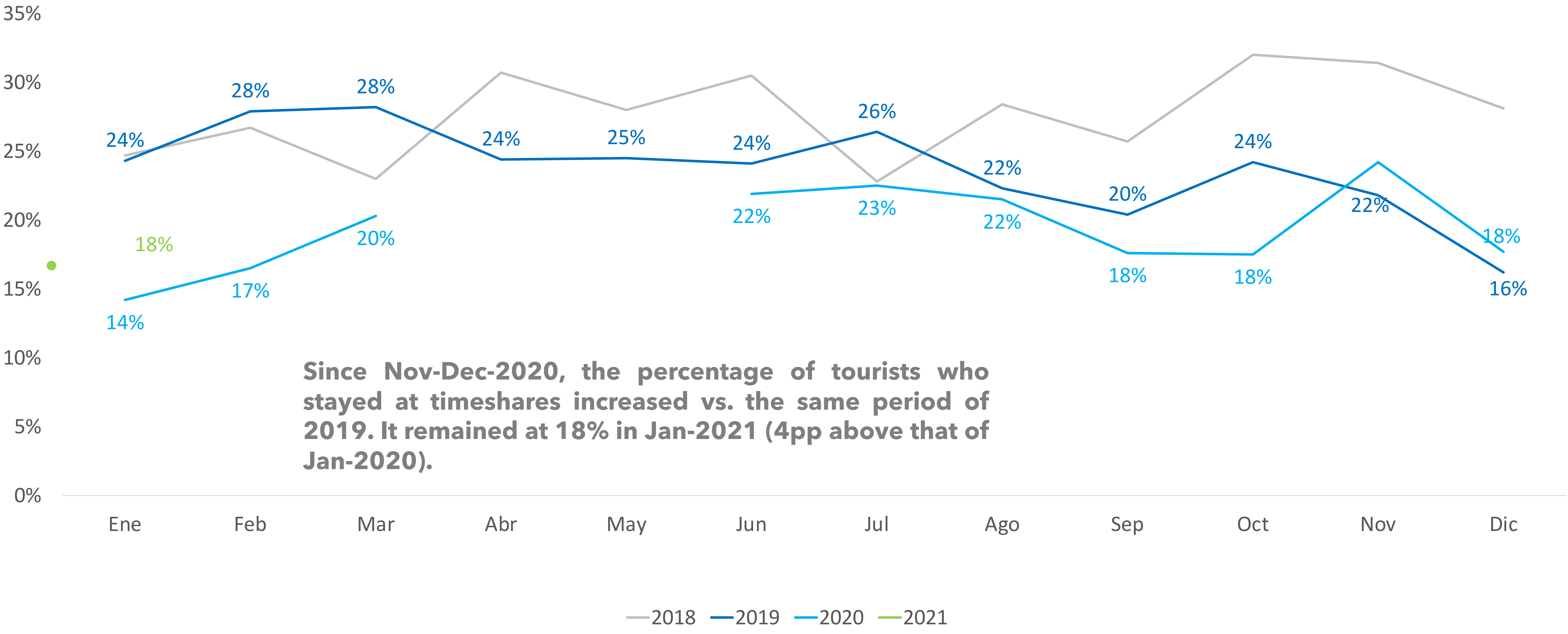


29% of tourists arriving in Los Cabos during Jan-2021 bought a package tour, a percentage lower than those recorded in 2019 and 2020.

SOURCE: TOURIST SURVEYS

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

Timeshares



Since Nov-Dec-2020, the percentage of tourists who stayed at timeshares increased vs. the same period of 2019. It remained at 18% in Jan-2021 (4pp above that of Jan-2020).

SOURCE: TOURIST SURVEYS

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

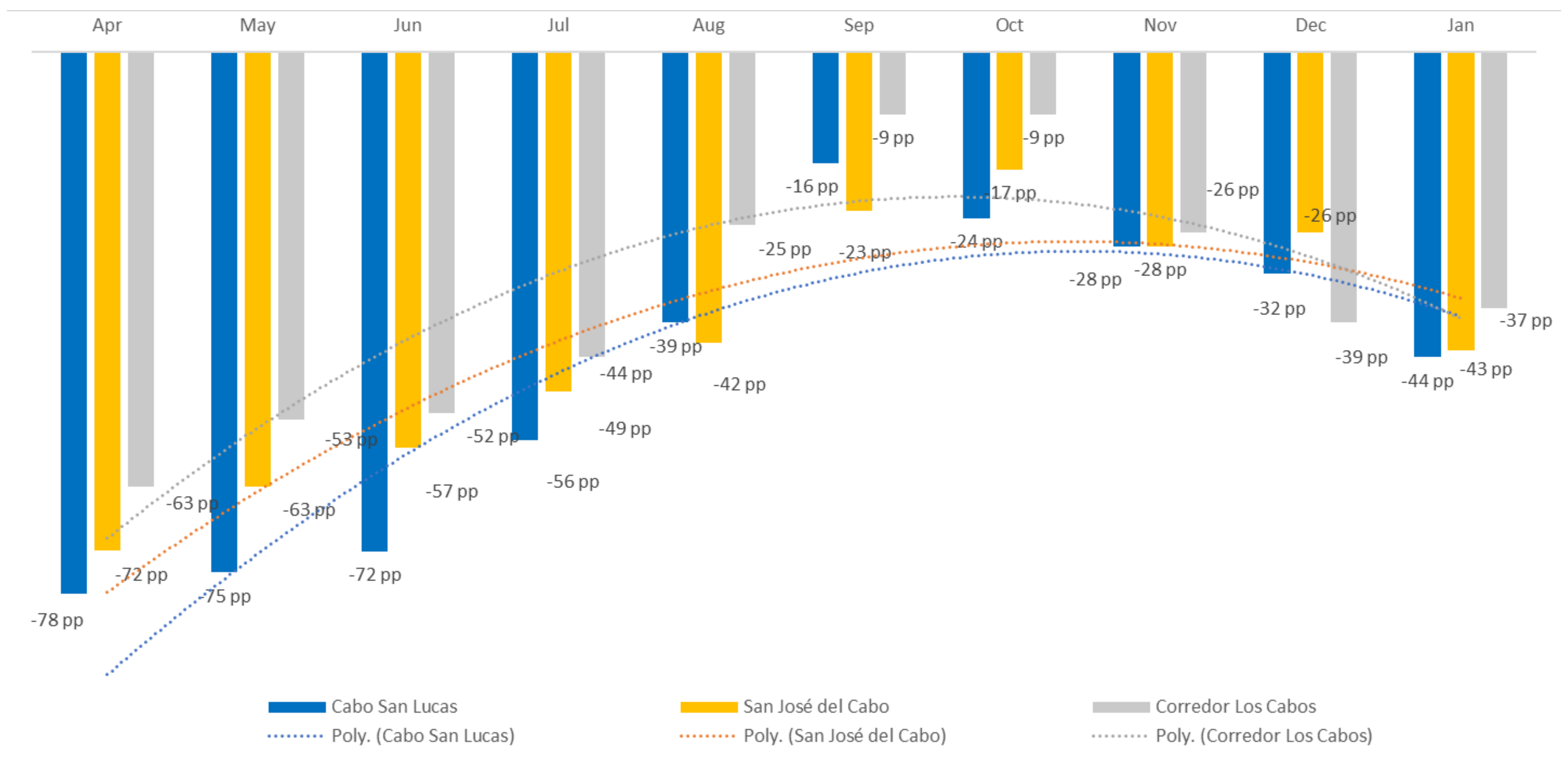
LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS

HOTEL OFFER

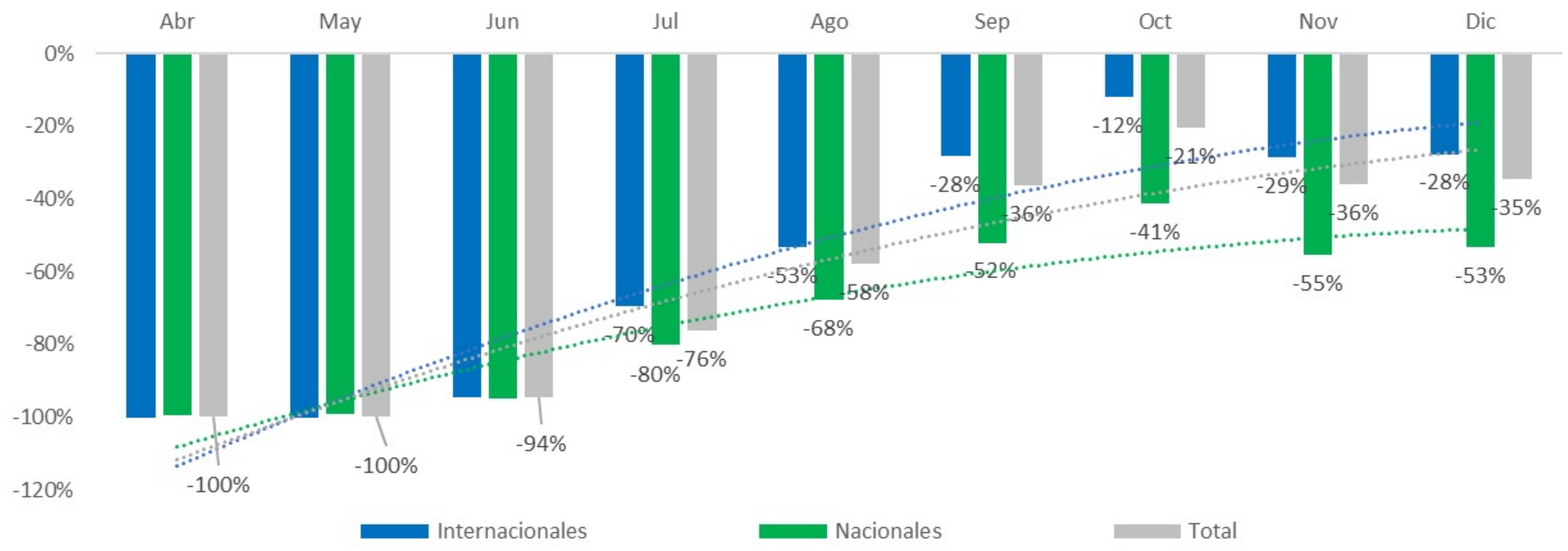
Evolution of the hotel offer in Los Cabos and sub-destinations

Annual variation in hotel occupancy, by destination
(from Apr-2019 to Jan-2021 vs. the previous year)



SOURCE: AHLC

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

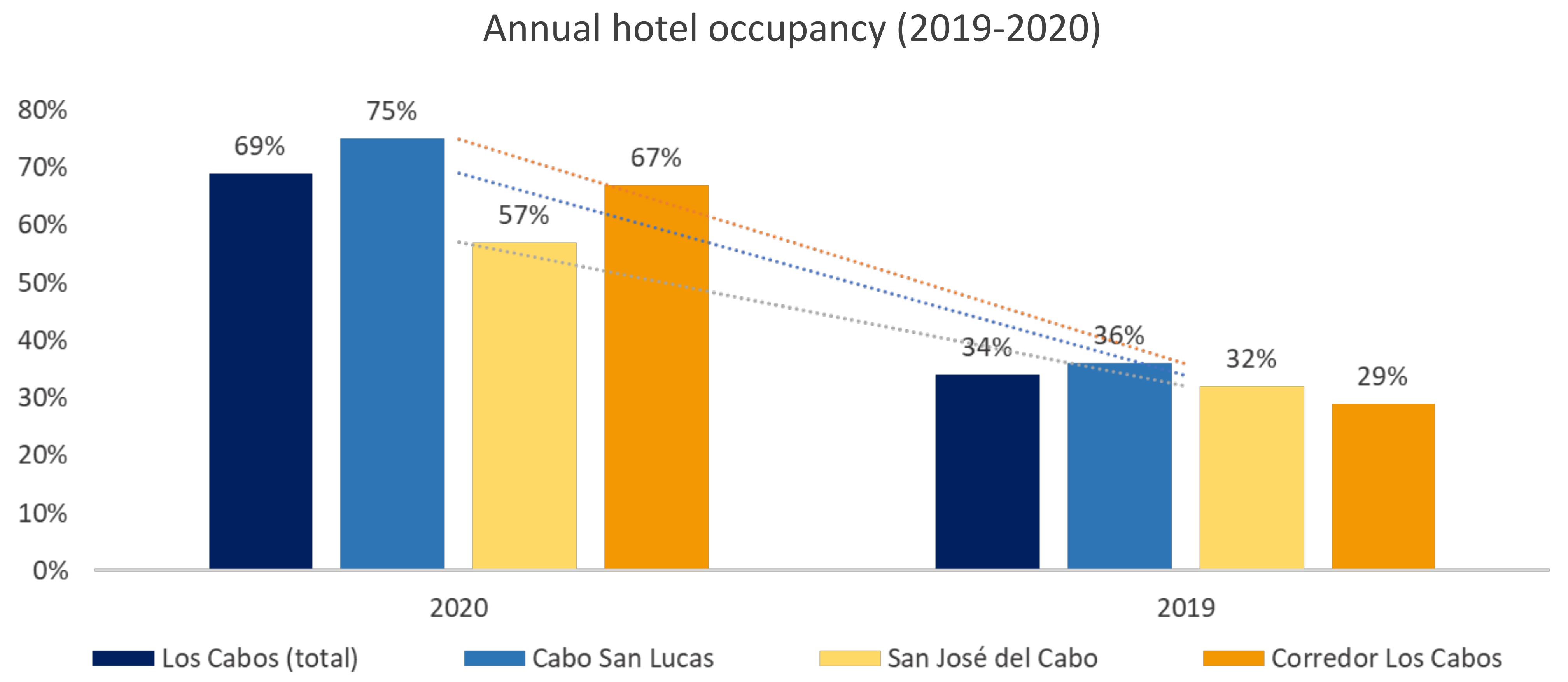


SOURCE: DATATUR

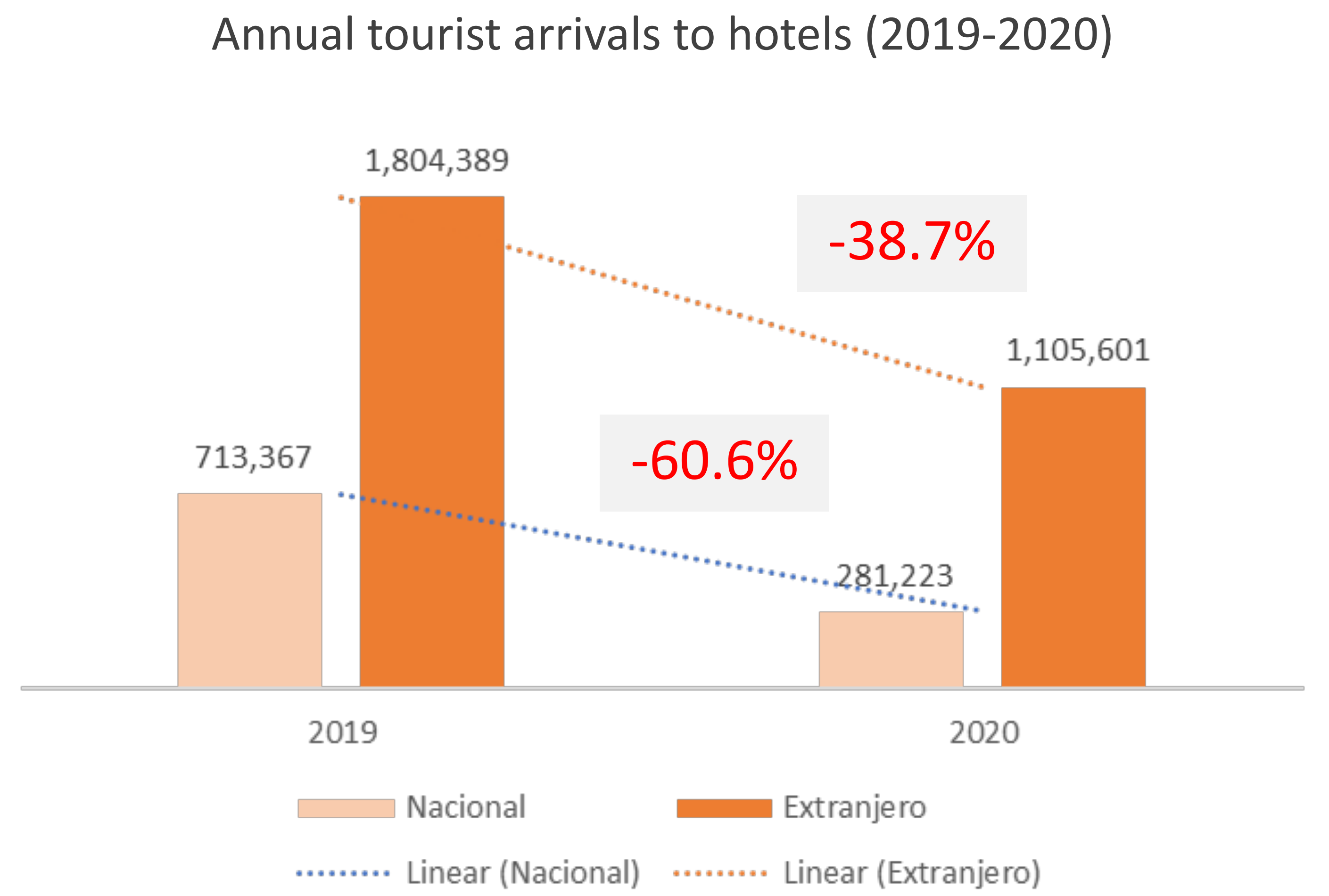
- **The drop in hotel occupancy has been decreasing as the destination's recovery has progressed. In Cabo San Lucas, the decrease went from 78pp in Apr-2020 to 24pp in Oct-2020. However, it has widened again as of Nov-2020, and a 44pp decrease was registered in Jan-2021.**

HOTEL OFFER

Evolution of the hotel offer in Los Cabos and sub-destinations (annual summary)



SOURCE: AHLC



SOURCE: DATATUR

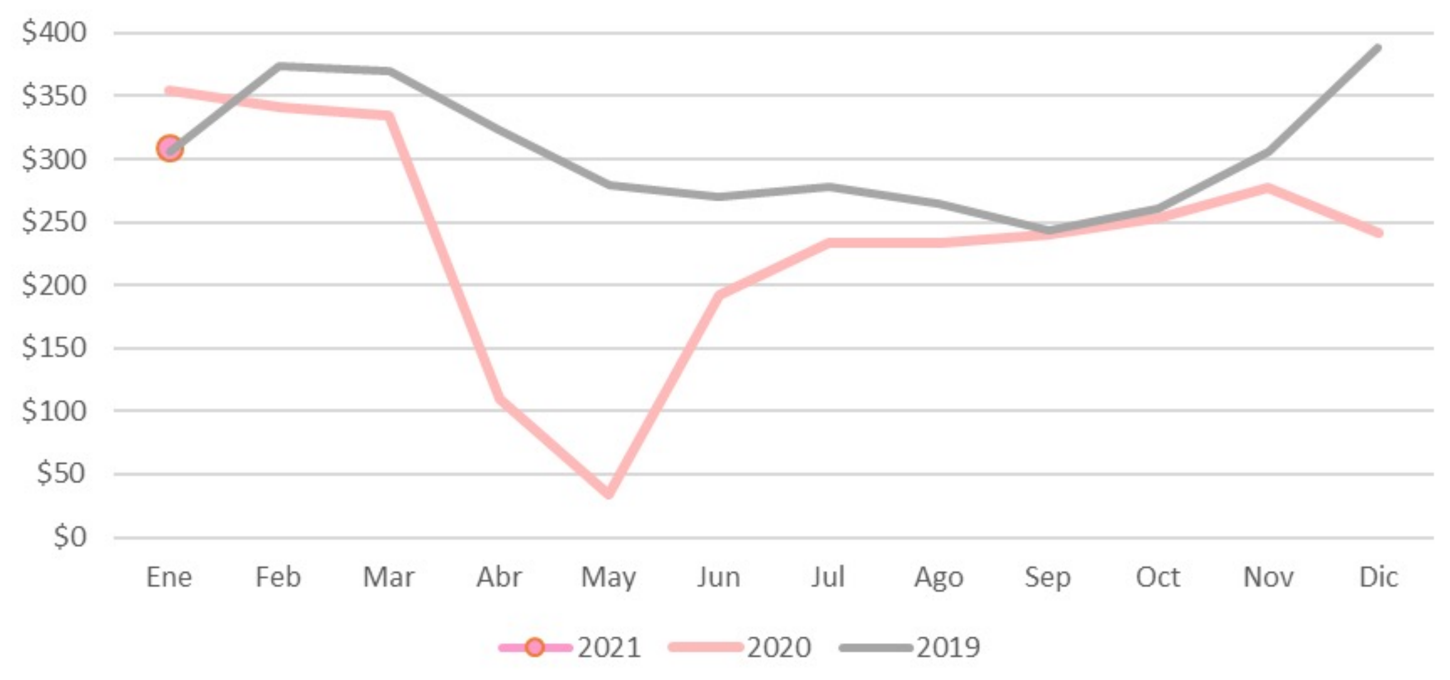
- **According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos fell 35pp when comparing 2020 with 2019 (annual), registering 34% at the 2020 year-end. On a sub-destination level, Cabo San Lucas was the destination with the most significant decrease (39pp), while San Jose del Cabo dropped 25pp, and Los Cabos Corridor decreased by 38pp.**
- **Los Cabos registered 1.39 million tourists arriving at hotels in 2020, which is 45% less than in 2019 (according to DataTur).**
  - **International tourist arrivals at hotels fell 38.7% in this period, while national tourism did so by 60.6%.**
  - **In 2020, national tourism represented 20% of the total. The previous year, a participation of 28.3% was registered.**

HOTEL OFFER

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

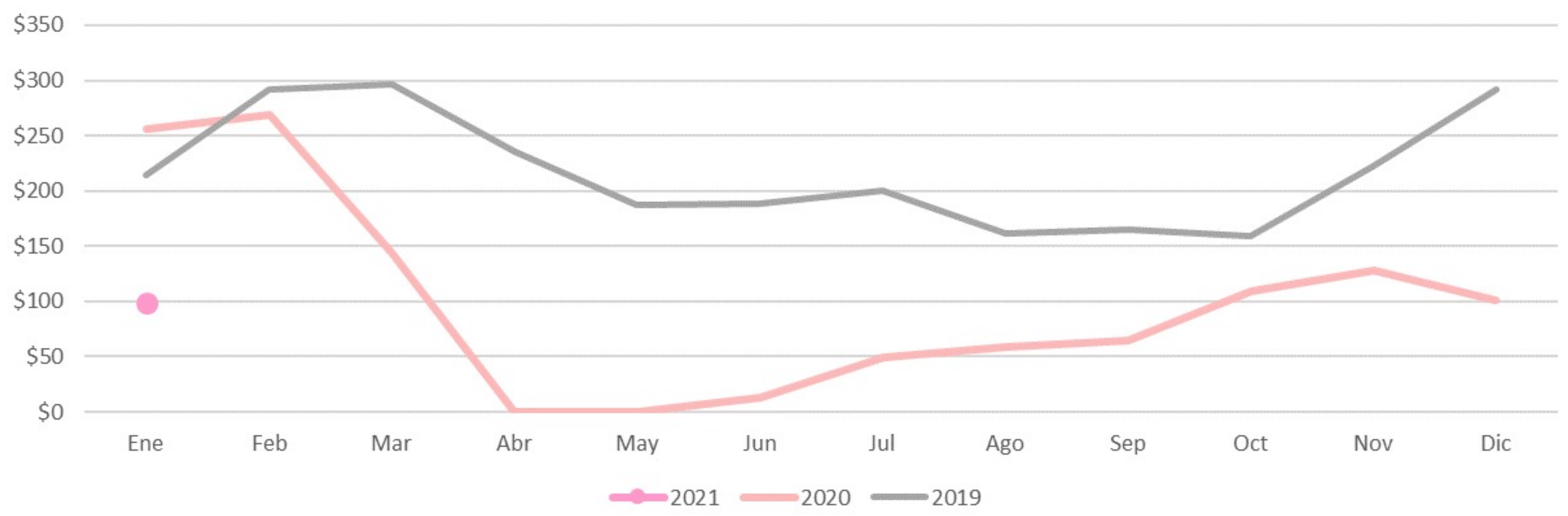
- **The average hotel rate in Los Cabos for Jan-2021 was $309 USD; $76 above the average of the past 12 months, and $46 less than that in Jan-2020.**
  - **Los Cabos Corridor reduced its average rate compared to the previous year: -$24 USD (-4.6%), registering $502.**
  - **Cabo San Lucas showed a greater decrease: -$97 USD (-41.6%), registering $136.**
  - **San Jose del Cabo, on the contrary, increased its rate by $90 USD (61.45%) and settled at $289.**
- **The RevPAR for Jan-2021 was $99 USD.**
  - **$157 USD (61.3%) below the one registered in Jan-2020.**

Average Hotel Rate, Los Cabos (USD, 2019-2021)

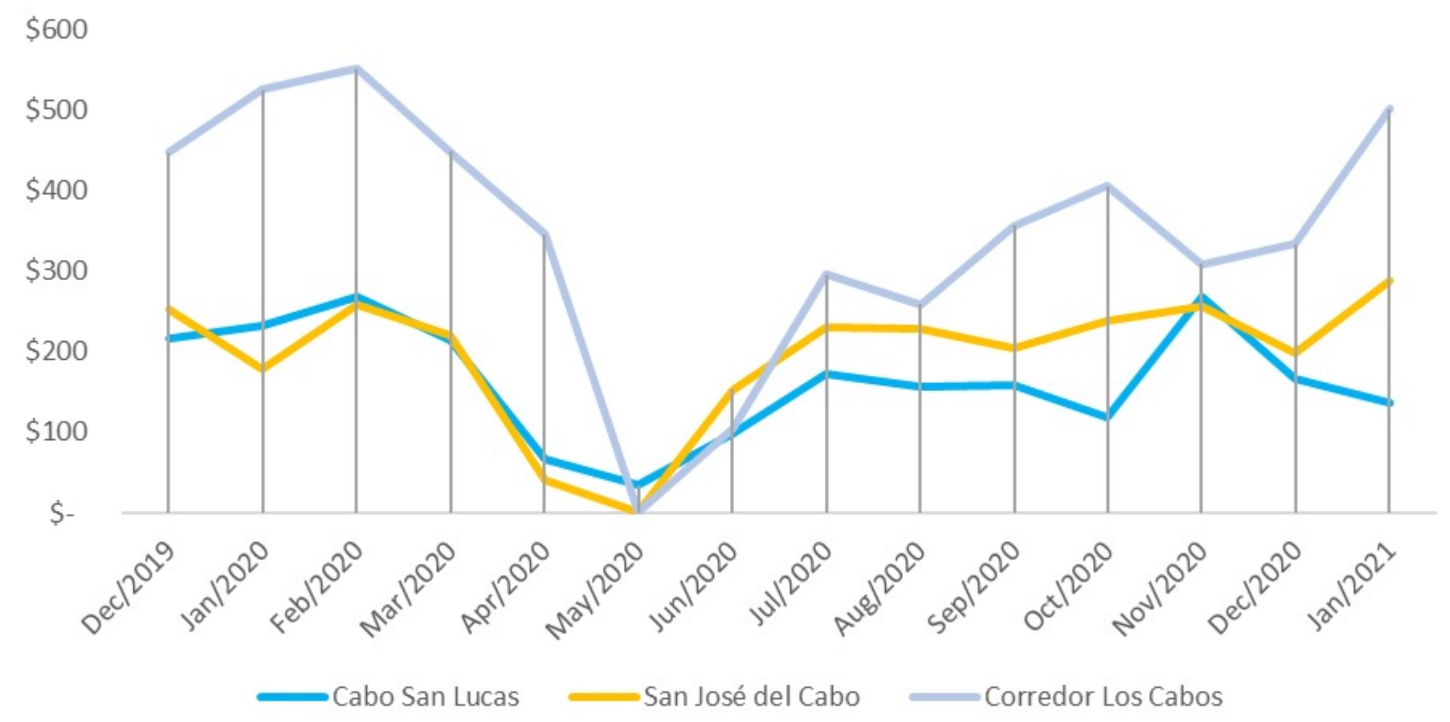


RevPAR Los Cabos (USD, 2019-2021)

SOURCE: AHLC



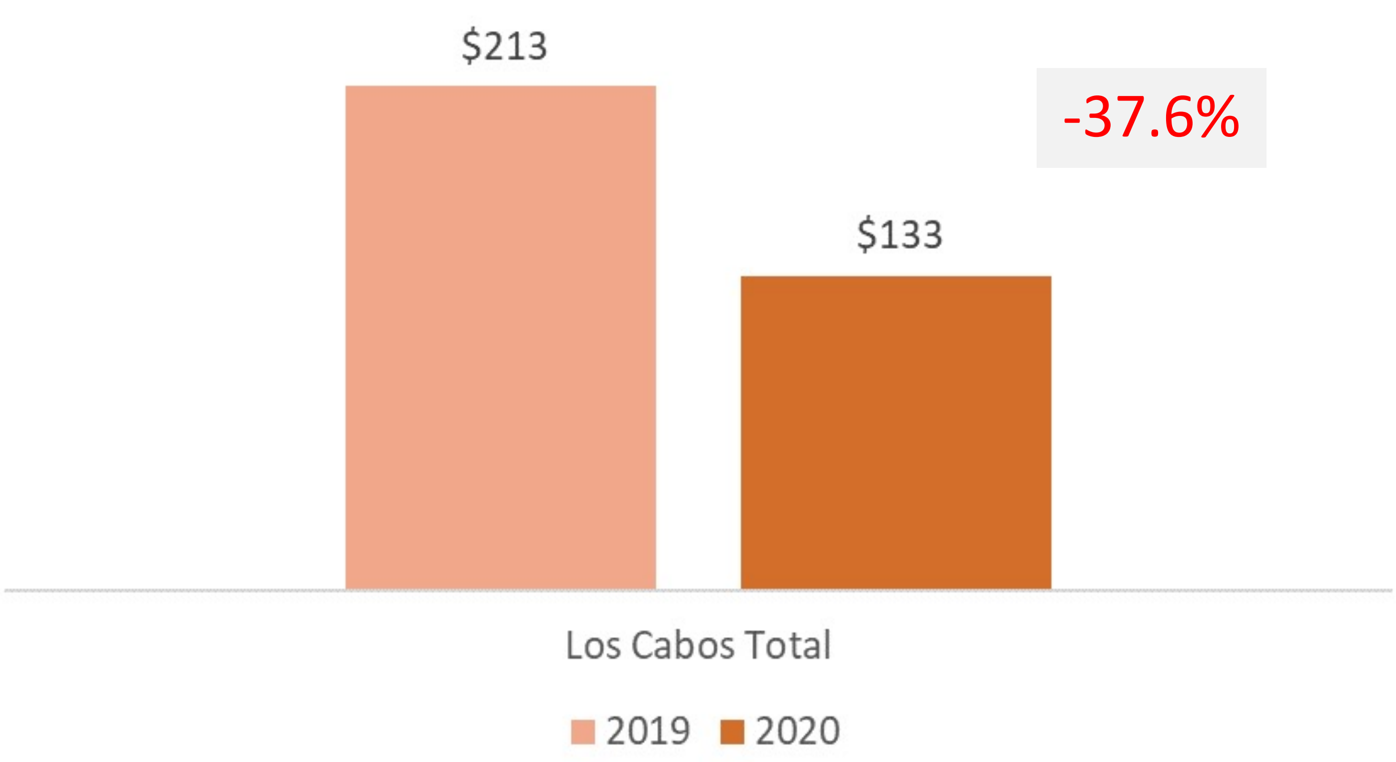
Average Hotel Rate, Sub-destinations (USD, monthly, last 12 months)



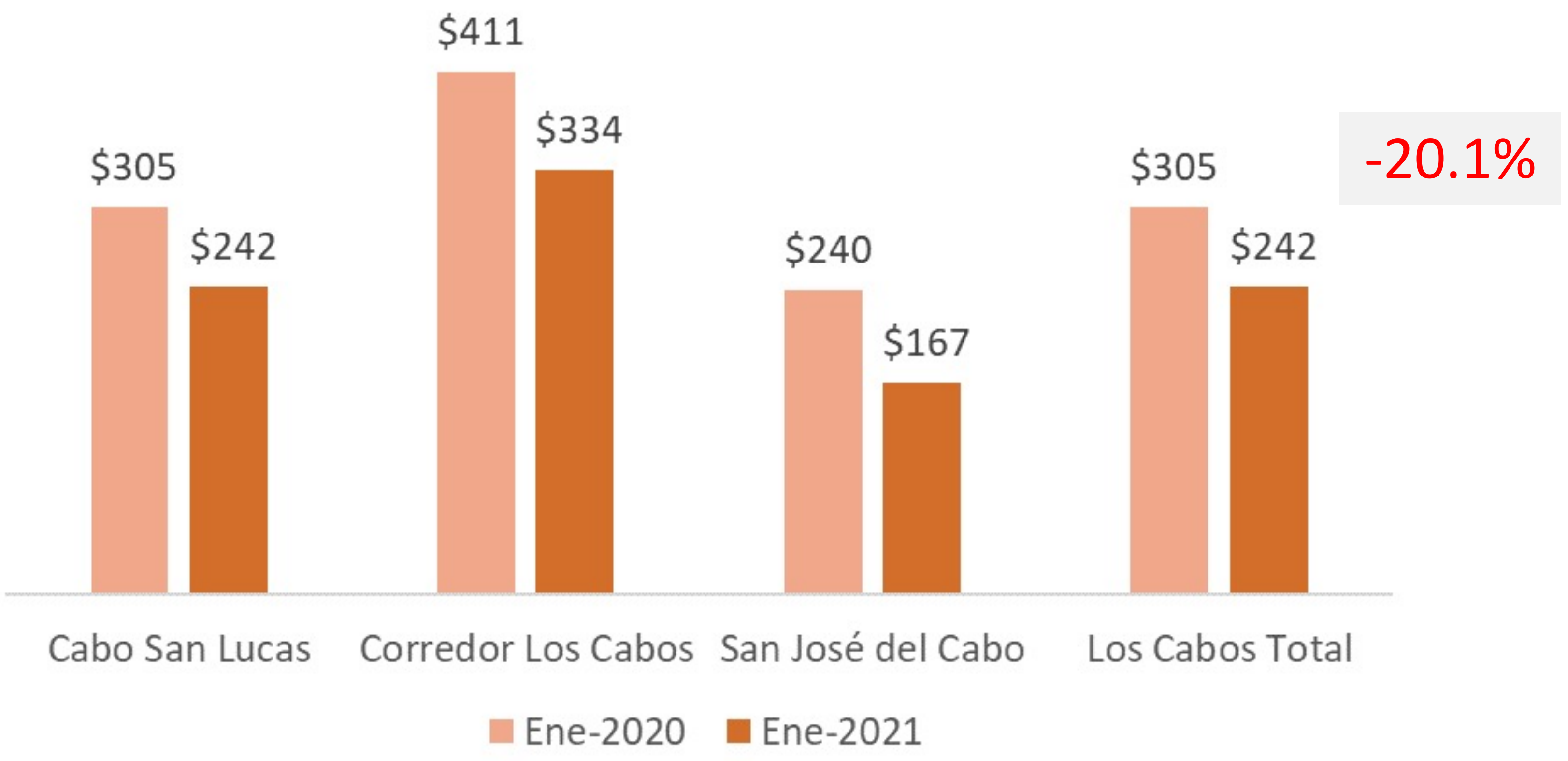
HOTEL OFFER

Evolution of the RevPAR and the average hotel rate in Los Cabos & sub-destinations (annual summary)

RevPAR Los Cabos (USD, 2019-2020)



Average Hotel Rate, Los Cabos (USD, 2019-2020)



- **The RevPAR for 2020 was $133 USD.**
  - **$80 USD (37.6%) below the one registered in 2019.**
- **The average hotel rate in Los Cabos for 2020 was $242 USD, $63 (20.1%) below the 2019 average ($305).**
  - **San Jose del Cabo reduced its rate by $73 USD (30%), reaching $167 in 2020.**
  - **While Cabo San Lucas reduced it by $63 USD (20.7%), registering $242.**
  - **Los Cabos Corridor lowered its average rate by $77 (18.3%) and settled at $334.**

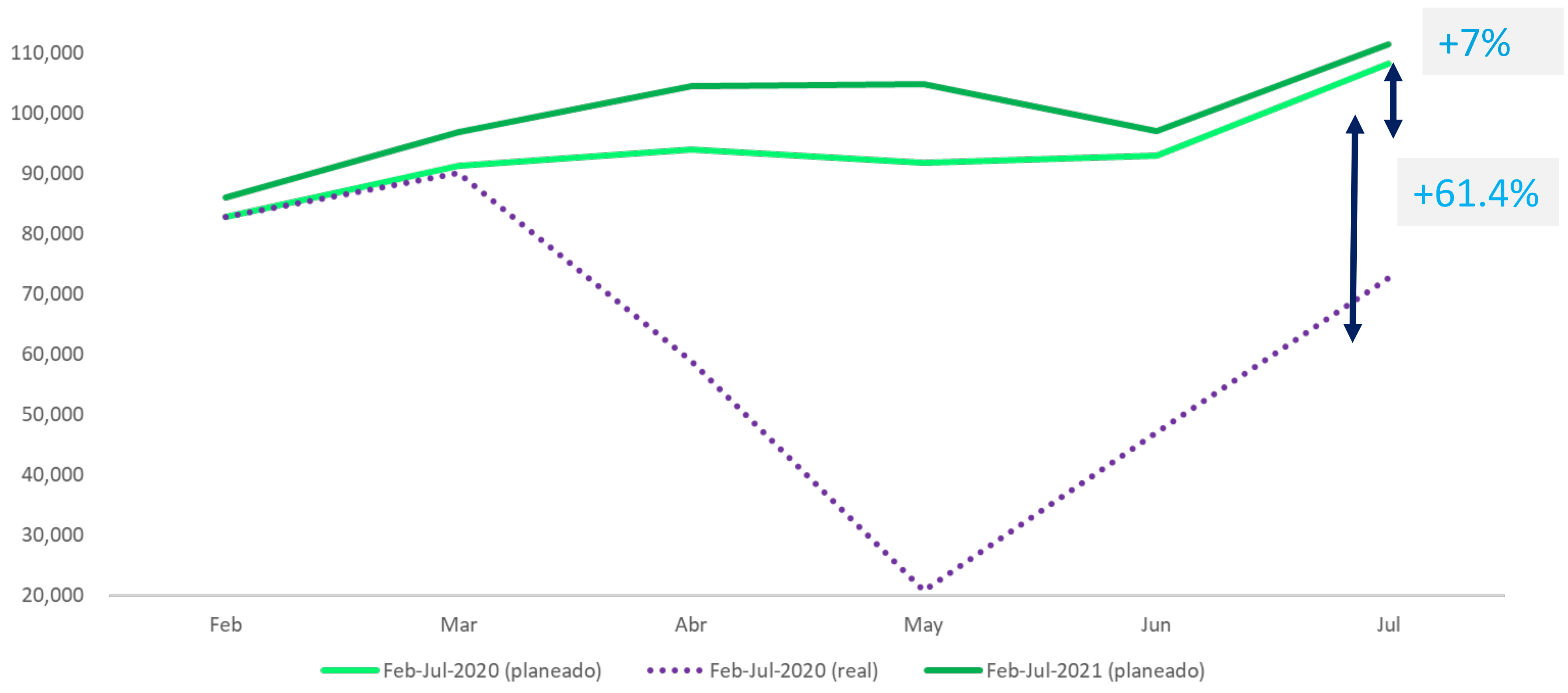
SOURCE: AHLC

SEATS SCHEDULED FROM FEB-2021 TO JUL-2021

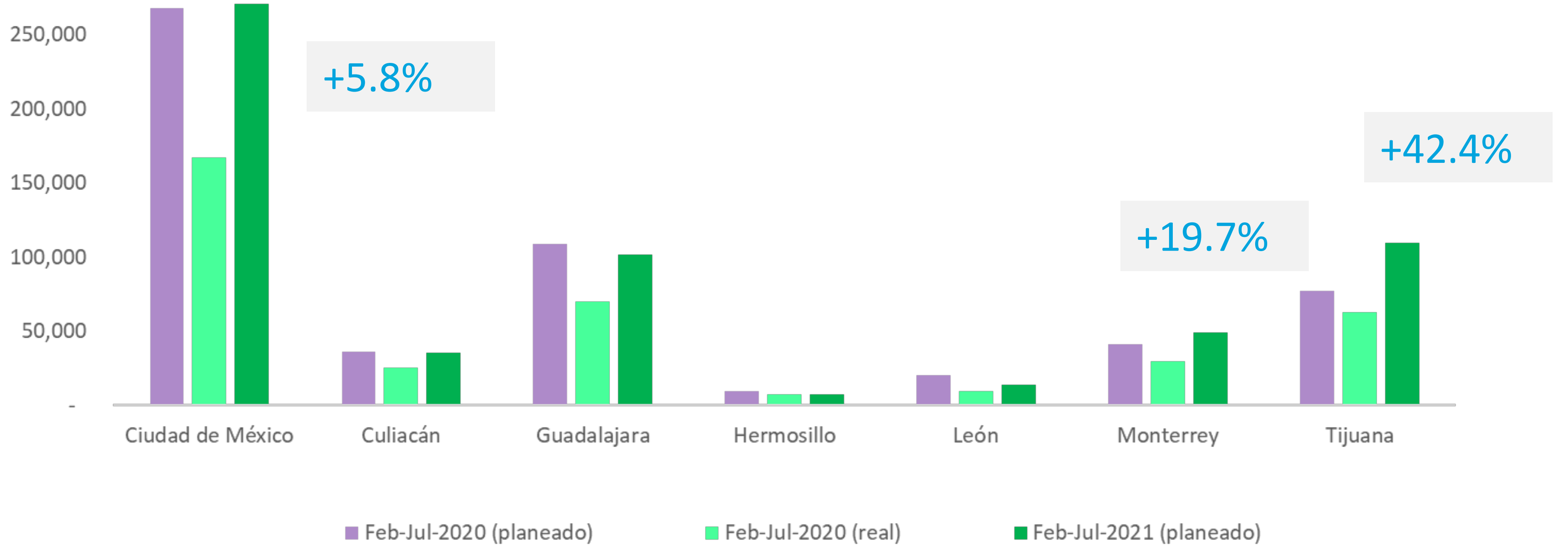
Seat offer report for the month in question and the 6 following months, as the case may be

- **For the next 6 months (from Feb-2021 to Jul-2021), there are 600 thousand seats scheduled, 7% more than the same period last year (pre-pandemic seating plan, Jan-2020).**
    - **However, when comparing the seats scheduled for the next 6 months against this year's actual schedule, the volume of programmed seats is 61.4% higher. This is due to the 52.3% decrease that occurred from Apr-2020 to Jul-2020 as a result of the pandemic. There are 3.76% more available seats expected for Feb-2021 than those scheduled for Feb-2020 (Jan-2020 scheduling).**
- **Mexico City and Tijuana are the most relevant issuing markets, having 47% and 18% of the total available seats (from Feb-2021 to Jul-2021), both followed by GDL (17%), Monterrey (8%), Culiacan (6%), Leon (2%), and Hermosillo (1%).**
    - **Seats from CDMX, MTY, and TIJ increased by 5.8%, 19.7%, and 42.4%, respectively (compared to the pre-pandemic seating plan for Feb-2020). However, GDL decreased by 6.6%. Consequently, TIJ's market participation grew 3pp during these 6 months, and GDL dropped 2pp.**
- **Between Feb-2021 and Jul-2021, 49% of the available seats will be provided by Volaris, followed by Viva Aerobus with 32% and Aeromexico with 19%. Interjet has dropped to practically 0%.**
- **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 Nov-2020 were: Aeromexico (54%), Viva Aerobus (49%), Interjet (69%), and Volaris (70%).**

Seat scheduling for flying to San Jose del Cabo (from Feb-2021 to Jul-2021)



Seats scheduled by origin
(from Feb-2021 to Jul-2021)

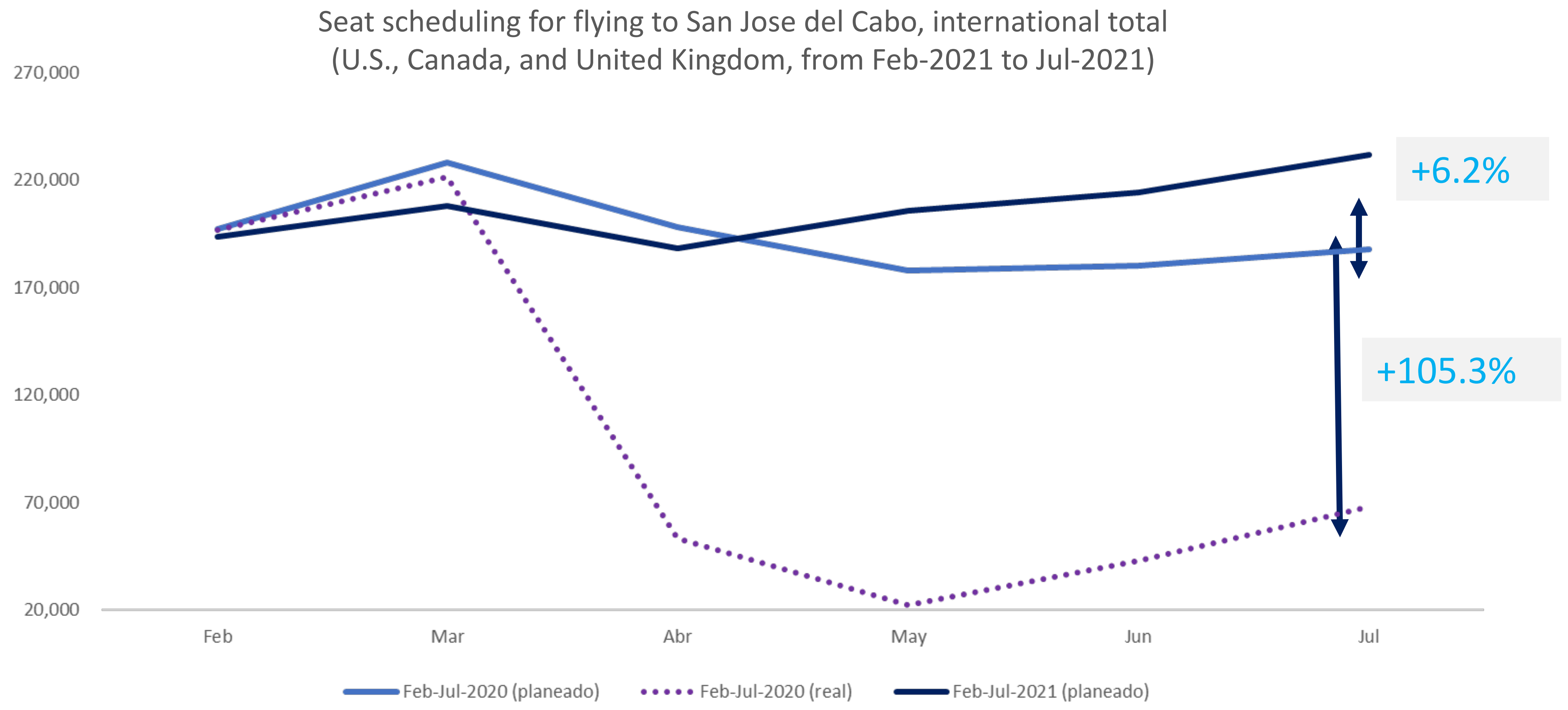


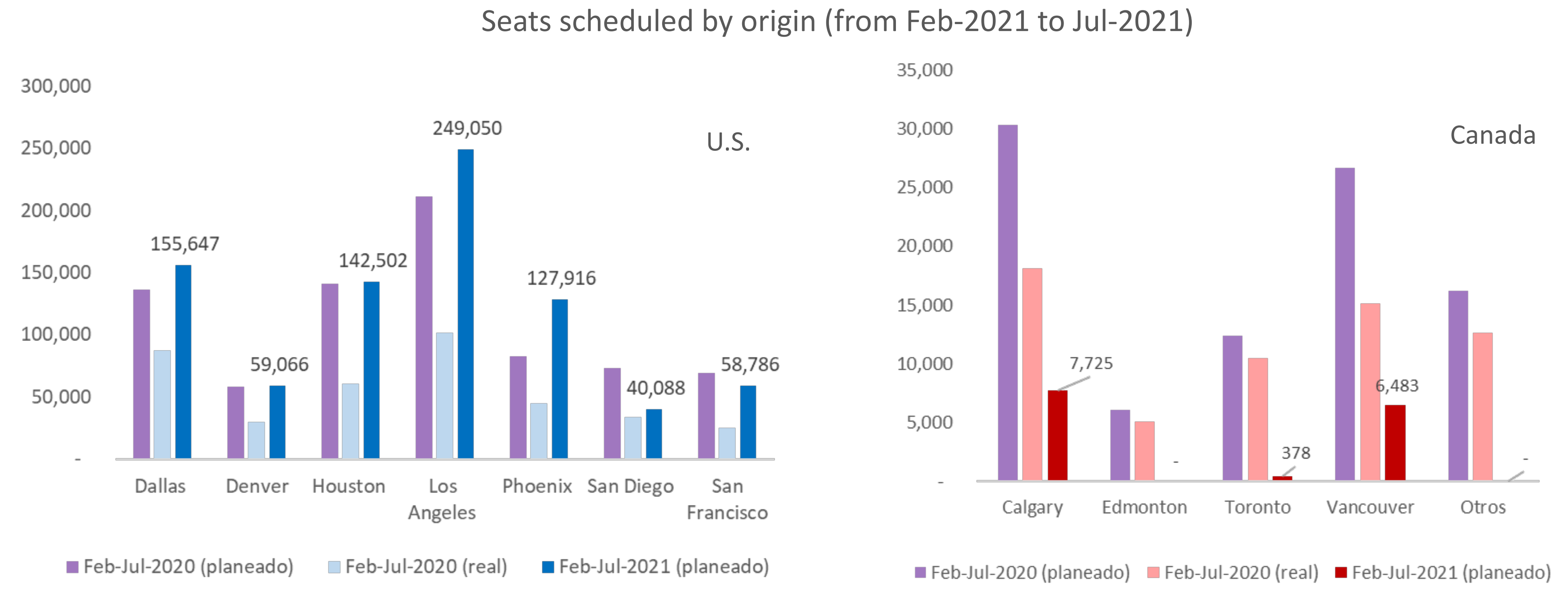
INTERNATIONAL AIR CONNECTIVITY

SOURCE: OAG

SEATS SCHEDULED FROM FEB-2021 TO JUL-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 1.23 million seats scheduled for the next 6 months, which is 14.7% more compared to the same period last year (pre-pandemic seating plan, Jan-2020).**
  - **However, when comparing the seats scheduled for the next 6 months against this year's actual schedule, the volume of programmed seats is 127% higher. This is due to the 75% decrease that occurred from Apr-2020 to Jul-2020 as a result of the pandemic. LAX (+17.8%), PHX (+54.7%), DFW (+14.4%), and SEA (+83.3%) had the most significant increase. However, when compared to the pre-pandemic seating plan (Jan-2020), decreases are present in San Diego (-45.1%) and San Francisco (-14.4%).**
  - **Los Angeles is the main issuing market in the U.S. (20% of the market), followed by DFW (13%), Houston (12%), and Phoenix (10%).**
  - **American, Alaska, Delta and United Airlines are the most relevant (80% as a whole).**
  - **For Feb-2021, the United States expects 17.3% more available seats than those scheduled for the previous year (seating plan for Feb-2020). However, given the mandatory submission of negative COVID-19 test results announced as of January 26th this year, flights departing from the U.S. to SJD decreased 11% in February. The most affected routes were Los Angeles (-22%), Chicago (-23%), San Diego (-31%), Portland (-54%), and San Jose (-67%). The airlines with the most significant decreases were: United Airlines (-21%), Alaska Airlines (-27%), and Sun Country Airlines (-35%).**
- **For Canada, there are 14.6 thousand seats scheduled for the next 6 months, which is 84.1% less compared to the same period last year (pre-pandemic seating plan, Feb-2020).**
  - **When comparing the seats scheduled for the next 6 months against this year's actual schedule, the volume of programmed seats is 76.2% lower. There are 99.4% fewer available seats expected for Feb-2021 than those scheduled for Feb-2020. All airports show a decrease in service, with Calgary (-74.5%) and Vancouver (-75.6%) being the least affected. Toronto dropped 97%, and Edmonton – and the rest of Canada – did so by 100%.**
  - **During this period, Swoop and Air Canada will reduce the number of seats by 100%. Sunwing and WestJet will do so by 92% and 74%, respectively, compared to the Jan-2020 scheduling.**
- **The international airlines' occupancy factors for Nov-2020 were: American 53%, Alaska 52%, Delta 45%, United 54%, and Southwest 51%.**





LOS CABOS TOURISM OBSERVATORY

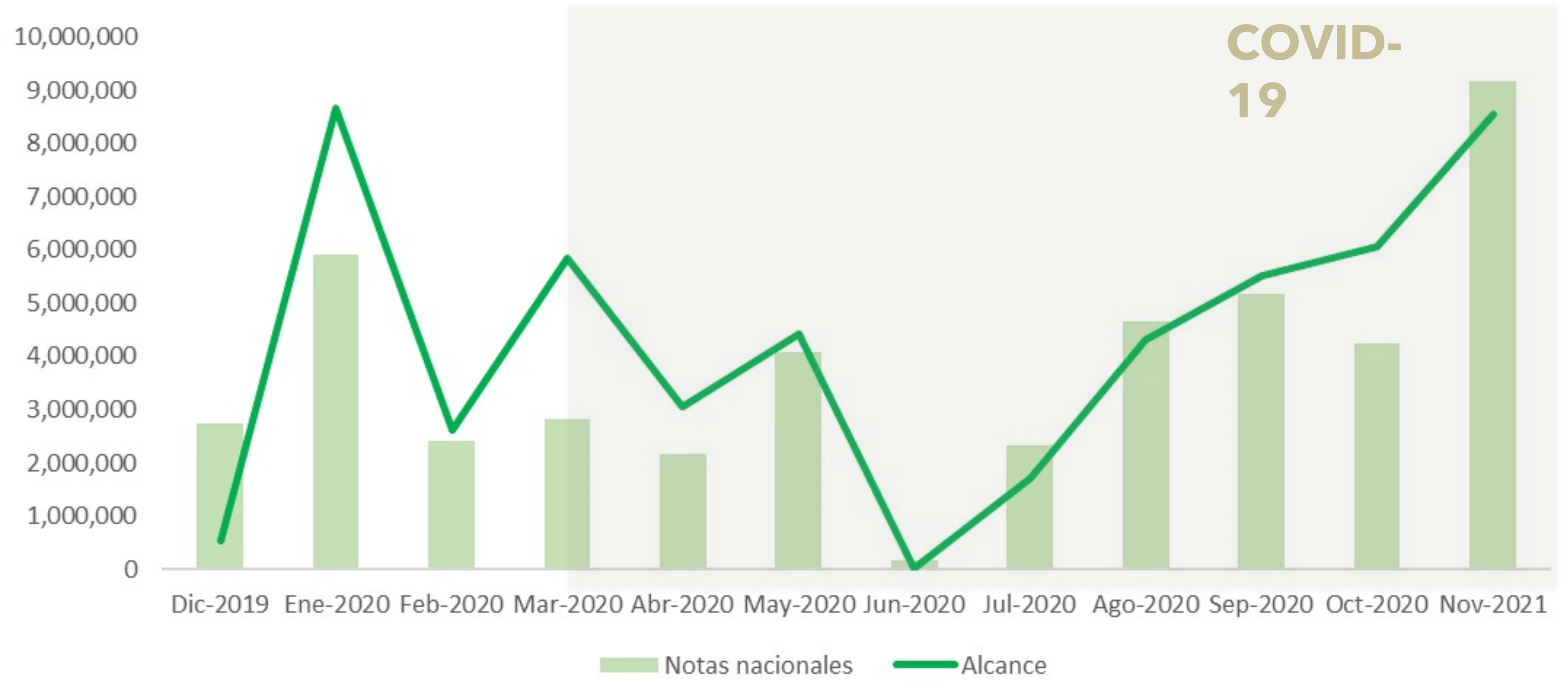
PUBLIC RELATIONS

Public relations: notes and scope

- **In the domestic market:**
  - **During Nov-2020, 110 press insertions were introduced, thus achieving 8.5 million impacts. An average of 48 inserts has been published monthly since the pandemic started in April 2020, with a reach of 4.2 million.**

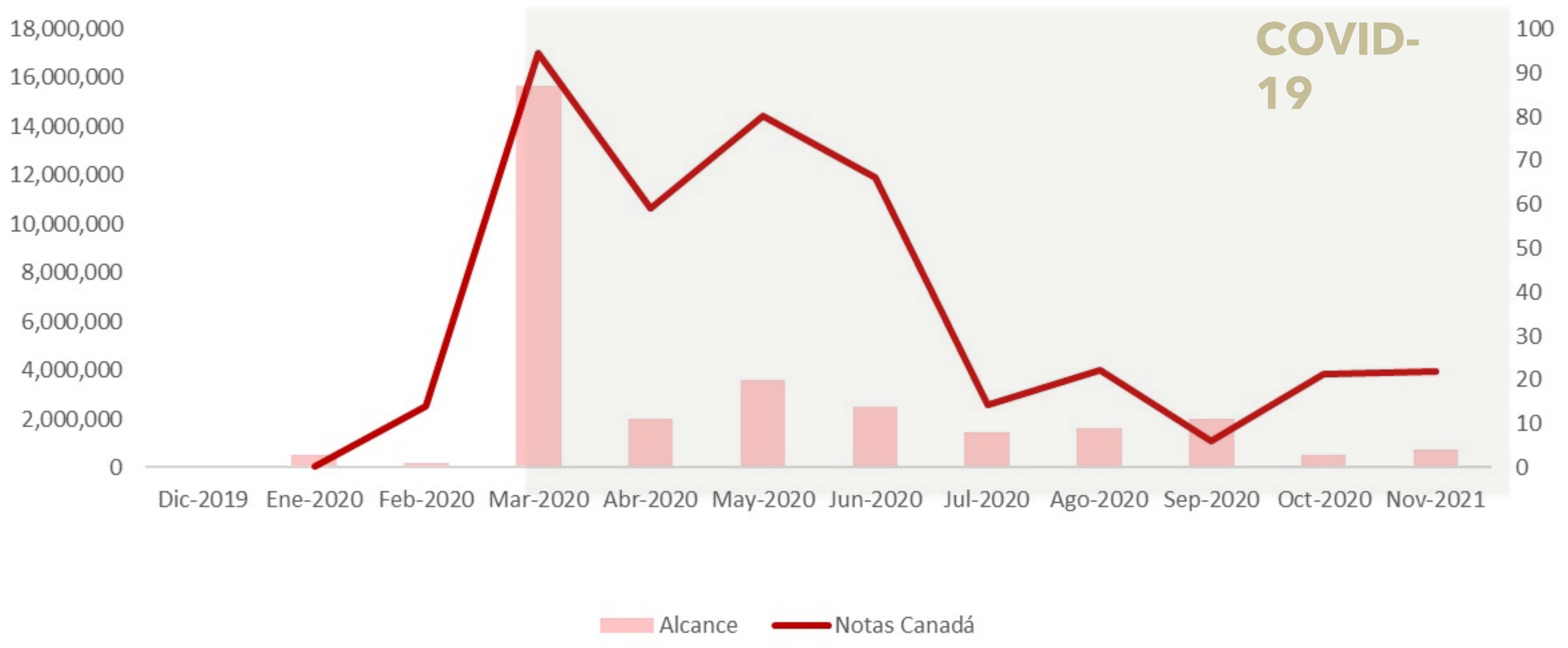
- **In the international market:**
  - **In Nov-2020, 9 placements and 92.1 million impacts were achieved in the United States. An average of 31 inserts has been published monthly since the pandemic started, with a reach of 334.8 million.**
  - **For Canada, 4 press insertions were delivered throughout Nov-2020, representing a reach of 3.9 million. An average of 10 inserts has been published monthly since April, with a reach of 6.5 million.**

NATIONAL NOTES: TOTAL & SCOPE



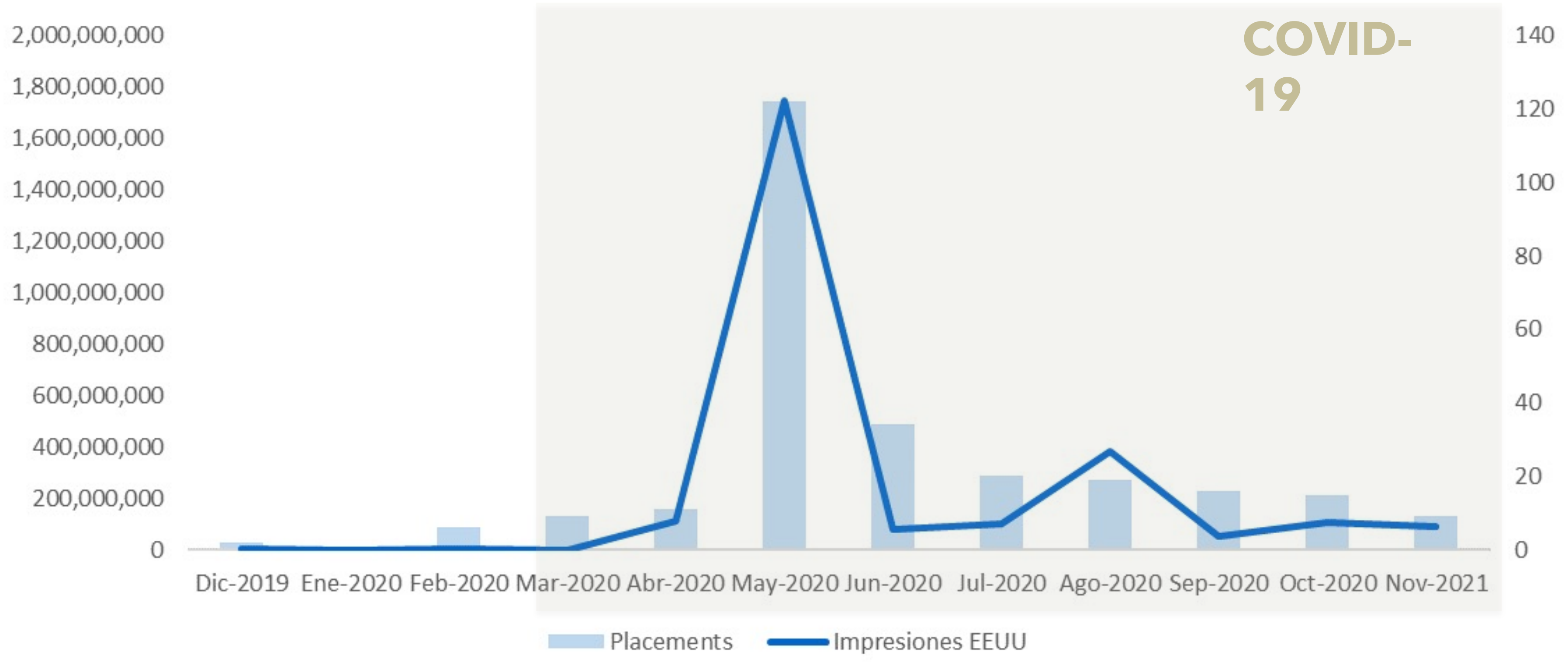
SOURCE: GAUDELLI (Feb-2018 to Jan-2019), LLORENTE & CUENCA (Feb-2019 to Nov-2020)

CANADIAN MARKET NOTES: TOTAL & SCOPE



SOURCE: JESSON+CO

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: RevPAR = It/ΣHt, 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 TOURISM OBSERVATORY

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