LOS CABOS

LOS CABOS TOURISM OBSERVATORY

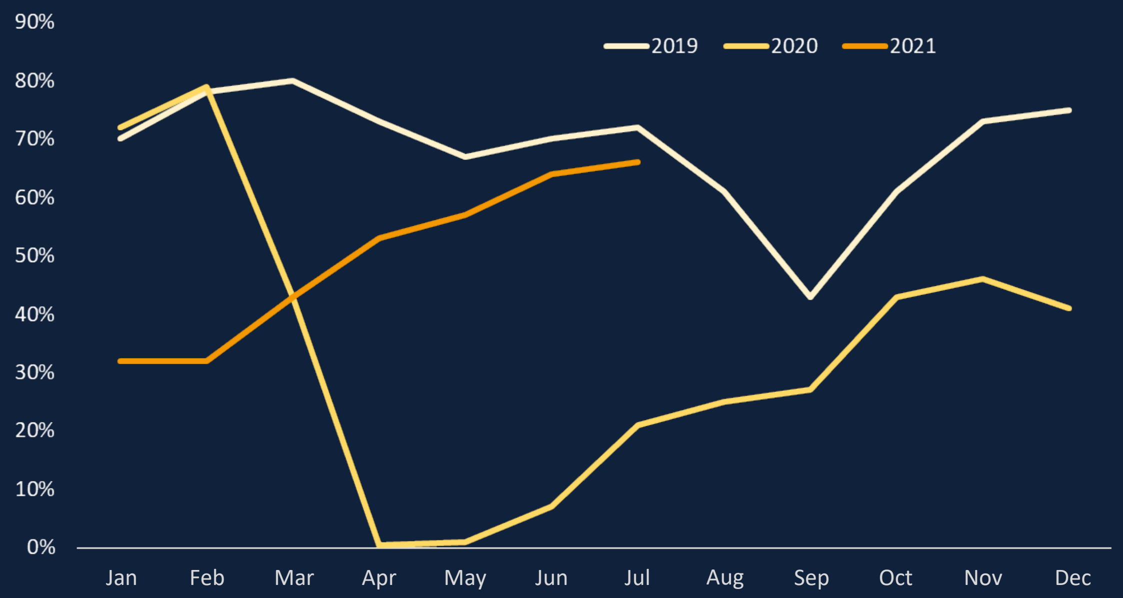
KEY PERFORMANCE INDICATORS

AUGUST 2021

Leading indicators – Summary

Hotel Performance

Hotel Occupancy:



Hotel Occupancy (Jul-2021):
66%
-6pp
(vs. Jul-2019)

SOURCE: AHLC

Rooms Available (Jun-2021):
22,451
+6.2%
(vs. Jun-2019)

SOURCE: DATATUR

Room Nights (Jun-2021):
1,140,375
+0%
(vs. Jun-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers (Jul-2021, expressed in thousands):
296.2
+11%
(vs. Jul-2019)

National Passengers (Jul-2021, expressed in thousands):
97.6
-10.2%
(vs. Jul-2019)

International Passengers (Jul-2021, expressed in thousands):
198.6
+25.6%
(vs. Jul-2019)

SOURCE: GAP

Other indicators

Cruise Ships (Jun-2021):
0
-5 vessels
(vs. Jun-2019)

SOURCE: DATATUR

Cruise Passengers (Jun-2021):
0
-100%
(vs. Jun-2019)

SOURCE: DATATUR

Group Business Total RFPs (Jul-2021):
32
-3 RFPs
(vs. Jul-2019)

SOURCE: CVENT

Tourist Satisfaction: more than expected (Jul-2021):
74.1%
+34.1pp
(vs. Jul-2019)

SOURCE: TOURIST SURVEYS

Attendees to Congresses and Conventions (Jul-2021):
0.4%
-1.6pp
(vs. Jul-2019)

SOURCE: TOURIST SURVEYS

Tourists' Origin (Jul-2021):
68% foreigners
-9pp
(vs. Jul-2019)

SOURCE: TOURIST SURVEYS

LOS CABOS

Leading indicators – Summary

PASSENGER ARRIVALS

- In Jul-2021, Los Cabos International Airport recorded an 11% (+29.5 thousand) increase in the total number of passengers arriving at the destination compared to Jul-2019, adding up to a total of 296.2 thousand (when considering arrivals only).
  - Passengers on domestic flights (97.6 thousand) represent 33% of total arrivals. These decreased by 10.2% (-11.1 thousand vs. Jul-2019).
  - Passengers on international flights (198.6 thousand) represent 67% of total arrivals. These increased by 25.6% (+40.5 thousand vs. Jul-2019).

FLIGHT SCHEDULES

- The domestic market has 39.6% more available seats scheduled for the period from Aug-2021 to Jan-2022 (compared to the same period in 2019). 9.9% more seats are expected in Aug-2021.
- Flight seats departing from CDMX, MTY, and TIJ increased by 32%, 15.5%, and 142.3%, respectively (compared to 2019). However, BJX decreased by 21.7%.
- There are 1.25 million seats scheduled for the U.S. in the next 6 months, which is 52.5% more compared to the same period in 2019.
- CHI (+28.7%), LAX (+82.7%), PHX (+40.3%), HOU (+41.9%), DFW (+33.5%), DEN (+153.5%), and SEA (+125.5%) had the most significant increase vs. 2019. However, San Diego shows a decrease of 37.2%.
- For Aug-2021, the United States expects 61.9% more available seats than those scheduled for 2019.
- From Canada, 24.3% fewer seats are expected in the next 6 months. There was a 100% drop in Aug-2021.
- Decreases are expected in all Canadian airports within the next 6 months: Calgary (-6.4%), Vancouver (-24.6%), Toronto (-46.5%), and Edmonton (-49%).

HOTEL PERFORMANCE

- Occupancy in Jul-2021 was 66%, down 6pp from 72% in Jul-2019.
  - Occupancy in Cabo San Lucas dropped 12pp compared with Jul-2019 and is now at 68%.
  - San Jose del Cabo recorded an occupancy rate of 60% (8pp lower than in Jul-2019).
  - Los Cabos Corridor recorded an occupancy rate of 69% (a 10pp increase compared to Jul-2019).
- The number of rooms available in Los Cabos increased 6.2% between Jun-2021 and Jun-2019, reaching 22,451 this month.
- Hotels in Los Cabos recorded 235.6 thousand tourist arrivals, equivalent to zero growth between Jun-2021 and Jun-2019.
- Domestic tourism dropped by 28.8% (-18.1 thousand), while international tourism increased by 10.7% (+18.4 thousand).
- There were 1.14 million occupied room nights in Jun-2021, 0% more compared to Jun-2019.

TOURIST SURVEYS

- In Jul-2021, 74.1% of tourists rated their experience in Los Cabos as better than they expected (34.1pp more than in Jul-2019, and 13.1pp more than in Jun-2021).
- During Jul-2021, security was perceived as bad or regular by 1.2% of tourists, 10.8pp better than in Jul-2019.
- Satisfaction with the airport also improved 7.6pp compared to 2019 (2.4% of tourists perceived their experience as bad or regular).
- The number of repeat tourists decreased by 13pp compared to 2019, reaching 28% in Jul-2021.
- The number of tourists who traveled with a package tour remained low and reached 28% in Jul-2021 (-13pp).
- The number of tourists who visited restaurants increased 12.4pp this month, recording 80.4%.

LOS CABOS

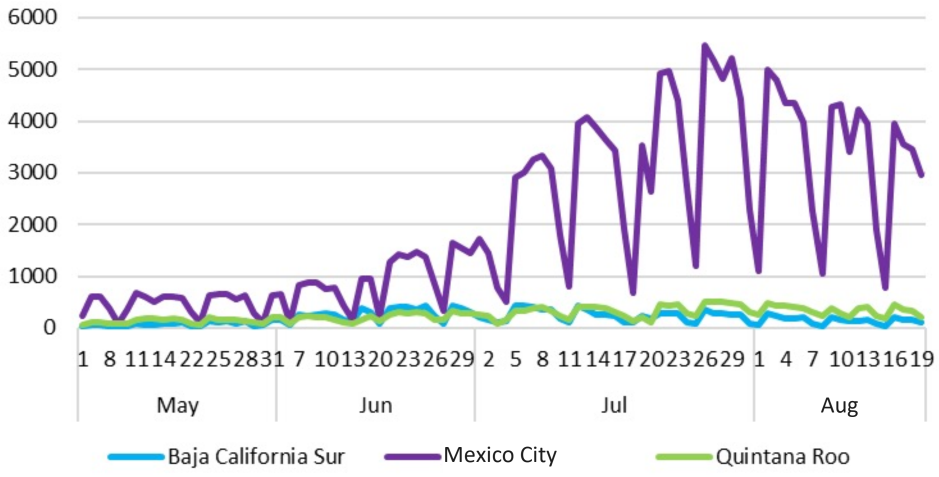
LOS CABOS TOURISM OBSERVATORY

THE IMPACTS OF COVID-19

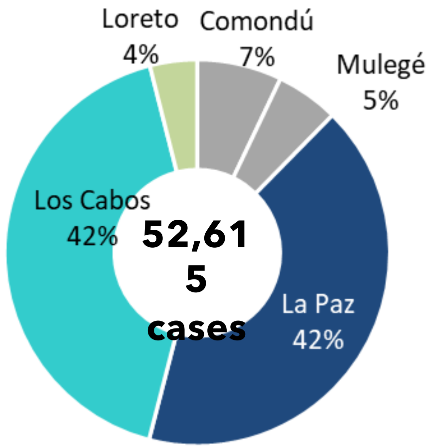
Effects of COVID-19 on Mexico's tourism sector.

Confirmed COVID-19 cases – overview

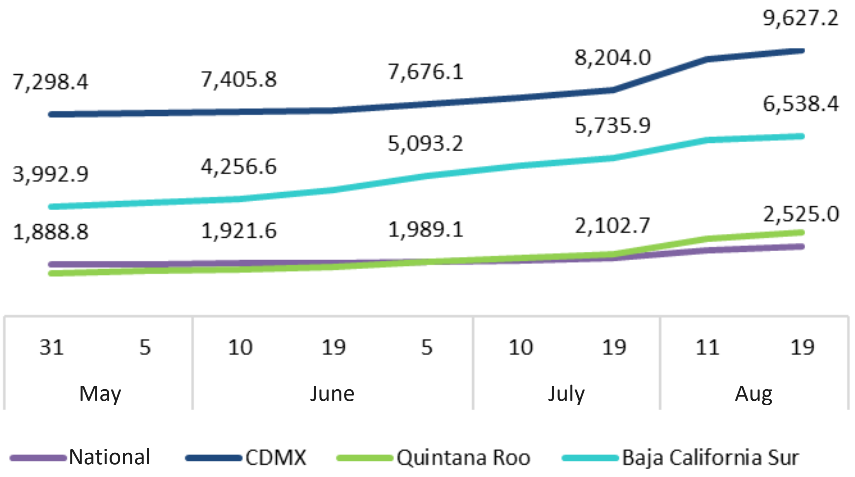
Number of daily new cases



Confirmed cases by municipalities in B.C.S.



Incidence of infection



Total confirmed cases as of August 19th, 2021

National

3.22 million

- 740 thousand more cases since July 19th.

Baja California Sur

52,615

- 6,458 more cases than those recorded by July 19th.

Quintana Roo

52,162

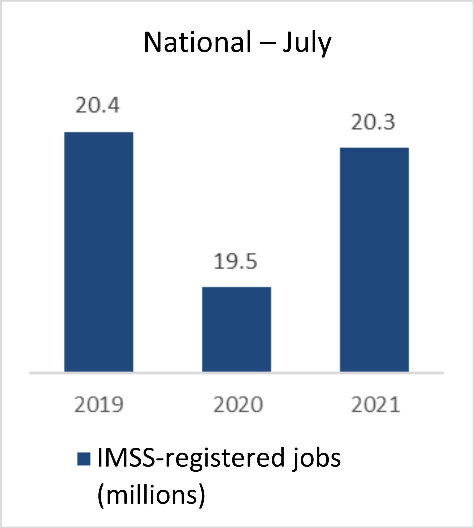
- 12,926 more cases in the same period.

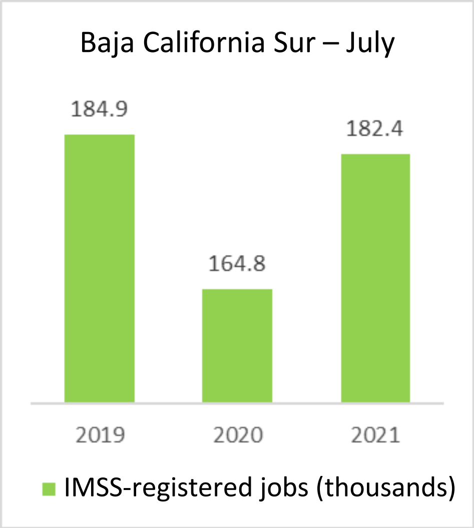
- La Paz and Los Cabos jointly account for 84% of the total confirmed cases statewide.
- Los Cabos has 1,624 more cases, adding up to a total of 22,090.
- La Paz has 2,414 more cases than those recorded as of July 19th, accumulating a total of 21,919 confirmed cases.
- Loreto accumulates 2,089 cases (563 more).

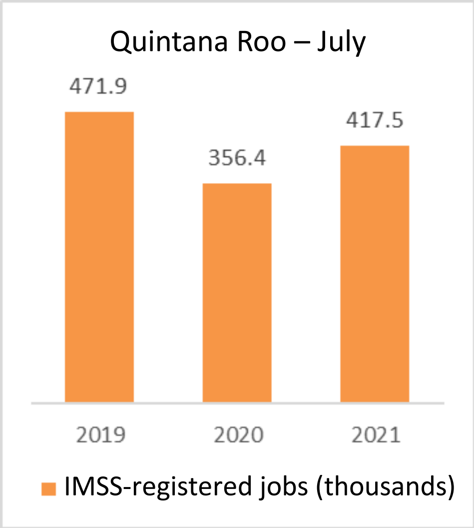
- The national average rate of infection is 2,525 cases per 100 thousand inhabitants.
- Mexico City still has the highest rate of new COVID-19 cases, which is above the national average: 9,627
- Quintana Roo: 3,026
- Baja California Sur is the second state with the highest rate: 6,538

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

Effects on employment in Mexico







- As of July 31st, 2021, IMSS had registered 20,291,923 jobs in the country, 0.5% fewer than those reported in Jul-2019.
- 518,191 more jobs were recorded compared with the end of Dec-2020.

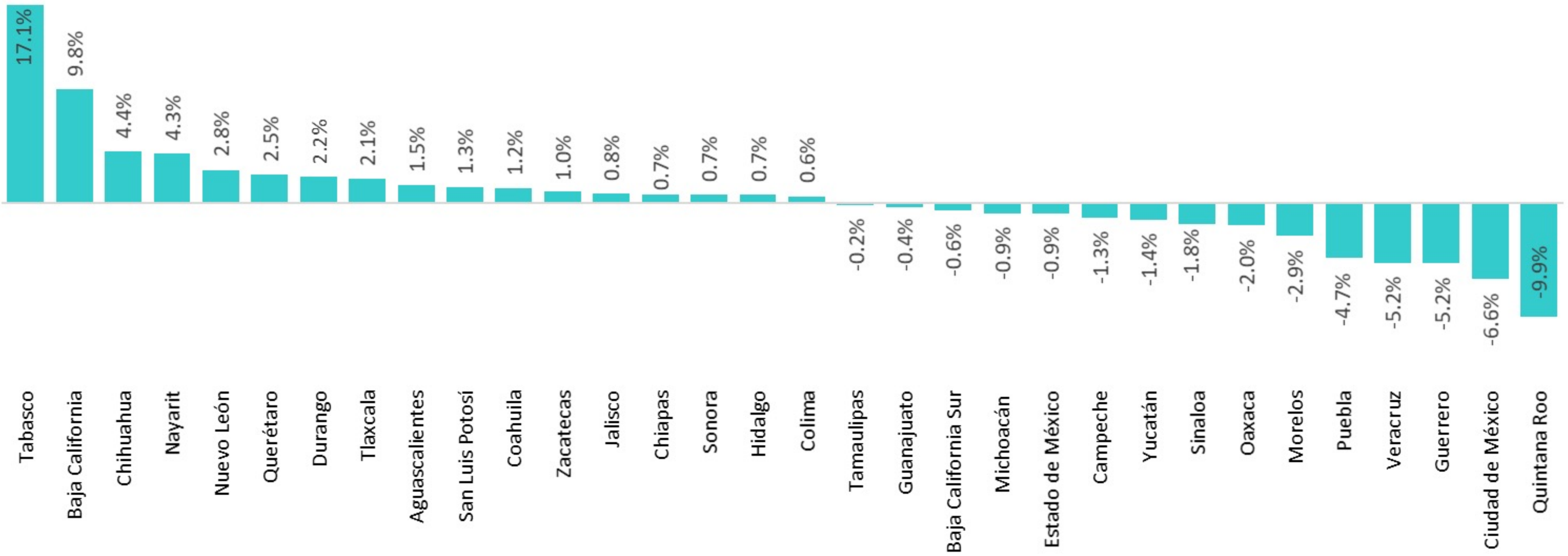
- Baja California Sur closes Jul-2021 with 182,367 jobs, 1.4% fewer than in Jul-2019.
- 12,996 more jobs were recorded compared with the end of Dec-2020.

- Quintana Roo closes Jul-2021 with 417,457 jobs, 11.5% fewer than in Jul-2019.
- 51,674 more jobs were recorded from Dec-2020 to Jul-2021.

SOURCE: IMSS

Effects on employment in Mexico

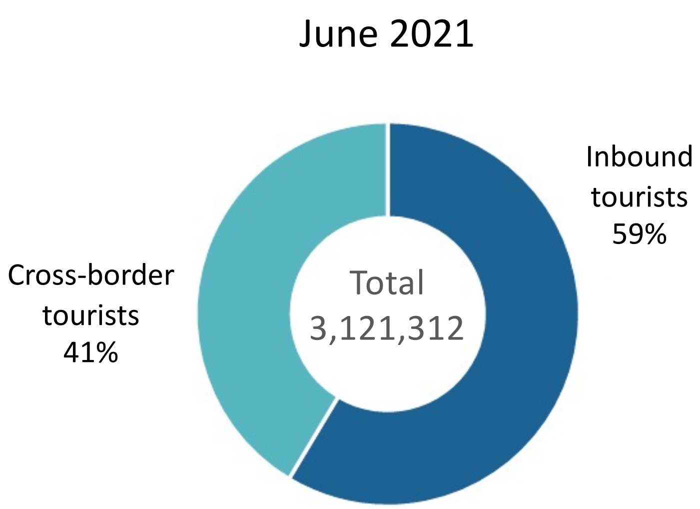
Employment variation by state (July 2021 vs. December 2019)

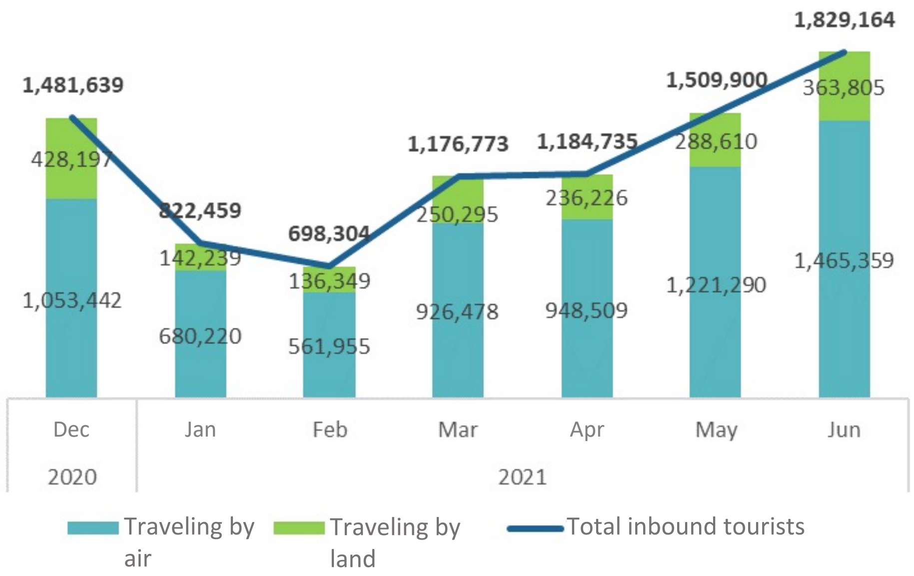


- Employment in Baja California Sur is 0.6% below Dec-2019 levels, placing the state in the thirteenth position with the strongest impact on job losses. Quintana Roo is still the most affected state.

SOURCE: IMSS

International tourist arrivals in Mexico

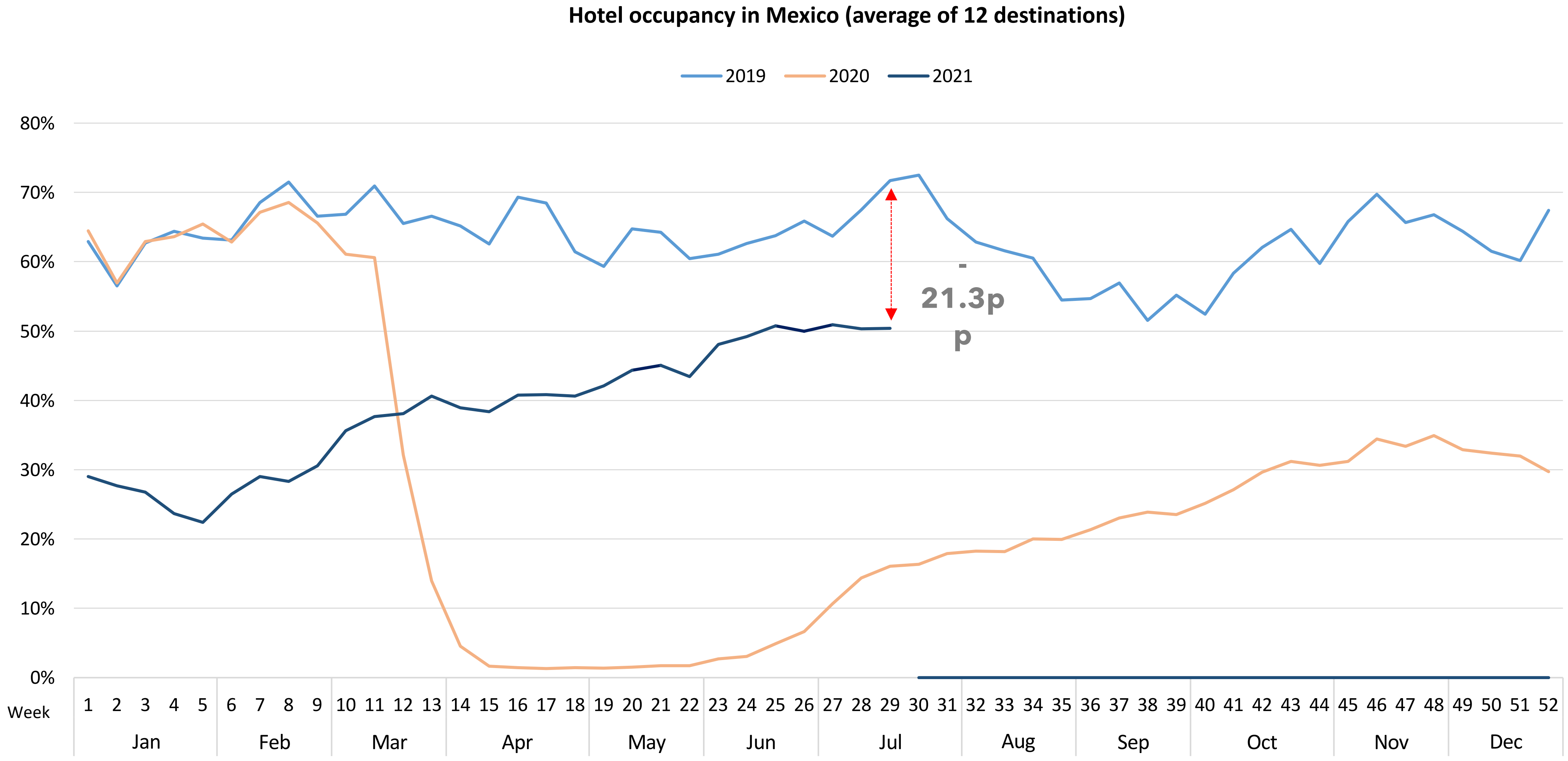




- In Jun-2021, 3.12 million international tourists arrived in the country (20% fewer than in Jun-2019). 59% were inbound tourists.
- The average spending of inbound tourists arriving by air was USD 1,134 ($221 more than the average spending in Jun-2019).
- The total number of inbound tourists increased 21.1% compared to May-2021.
- There is a 15.4% decrease in the total number of inbound tourists compared to Jun-2019.
- 80% arrived by air, and 20% did so by land.

SOURCE: INTERNATIONAL TOURIST SURVEYS, INEGI

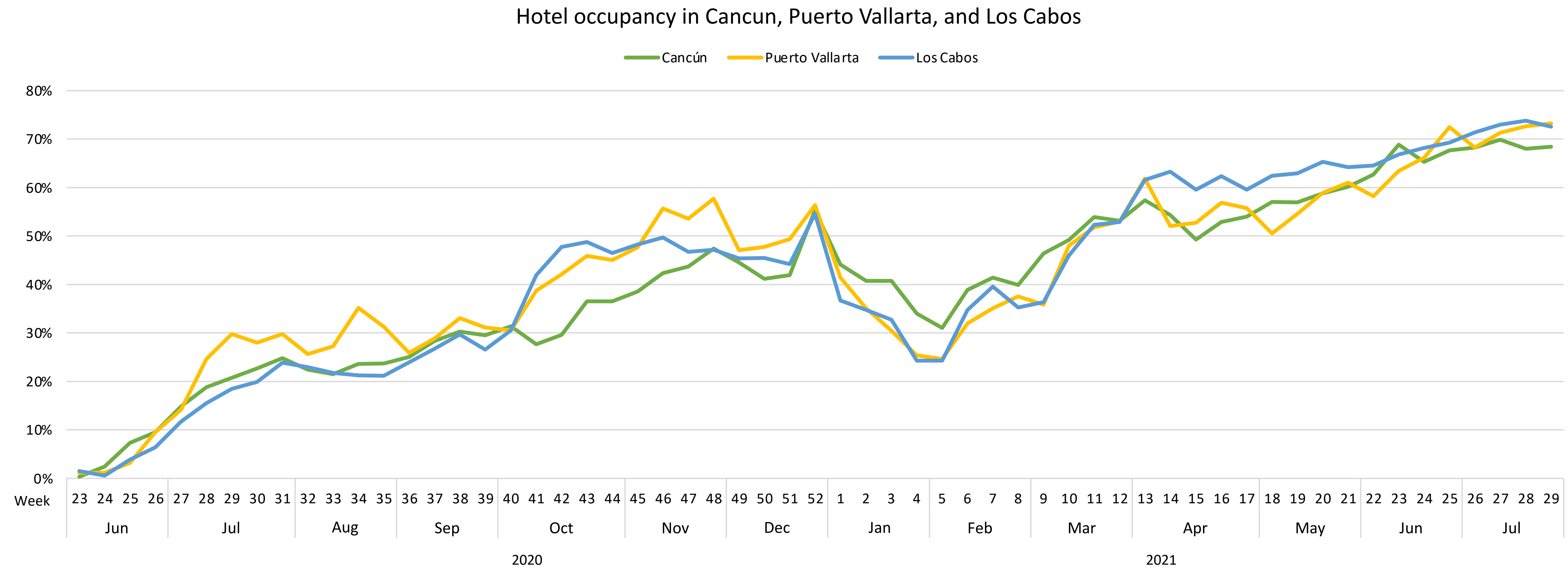
Hotel indicators in Mexico



- Hotel occupancy in Mexico continues to show moderate growth. By the end of week 29, occupancy closed at 50.4%, down 21.3pp compared to the same week of 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.

Hotel indicators in Mexico



- Hotel occupancy in Los Cabos has been growing steadily. As of week 26 (the first week of Jul-2021), occupancy exceeded 70%.
- By the end of week 29, Los Cabos, Cancun, and Puerto Vallarta had an occupancy of 72.6%, 68.5%, and 73.3%, respectively.

SOURCE: DATATUR

LOS CABOS TOURISM OBSERVATORY

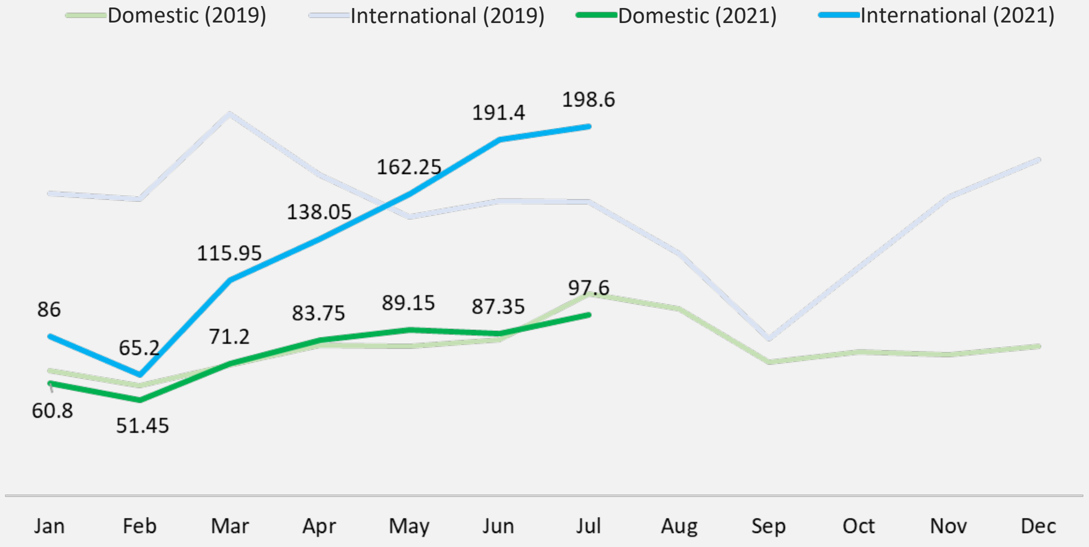
DEMAND INDICATORS AND TOURIST PASSENGERS

Passenger arrivals at Los Cabos International Airport, 2019-2020

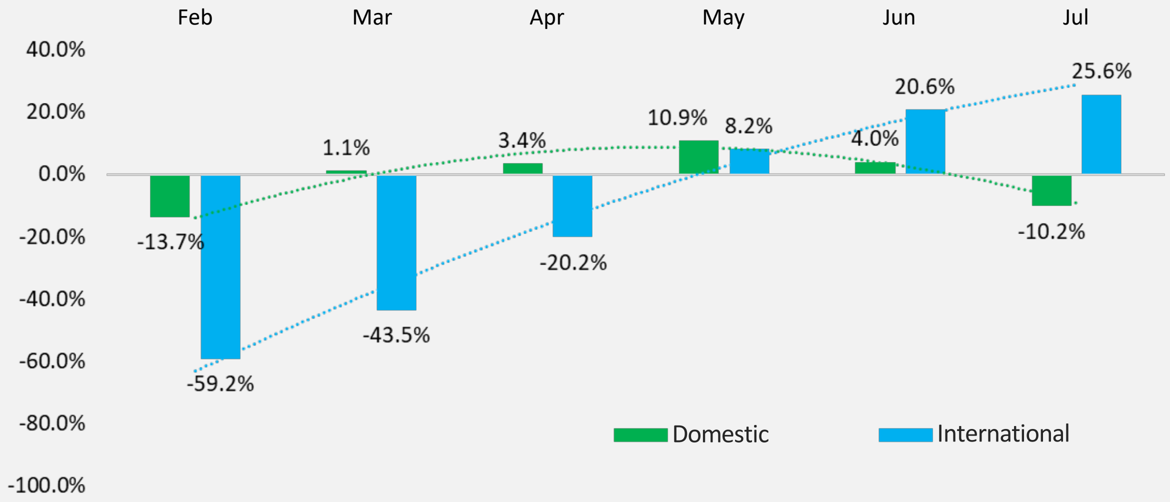
- **In Jul-2021, 296.2 thousand passengers arrived at Los Cabos International Airport, which represents an 11% increase compared to the same period in 2019.**
  - **It also represents a 6.3% increase with respect to Jun-2021 and an average growth rate of 11.1% between Jul-2020 and Jul-2021.**
  - **Passengers on domestic flights (97.6 thousand) represent 33% of total arrivals and decreased 10.2% compared to Jul-2019.**
    - **TMAC: 7.3% (between Jul-2020 and Jul-2021).**
  - **Passengers on international flights (198.6 thousand) represent 67% of total arrivals and increased by 25.6%.**
    - **TMAC: 13.8% (between Jul-2020 and Jul-2021).**

SOURCE: GAP

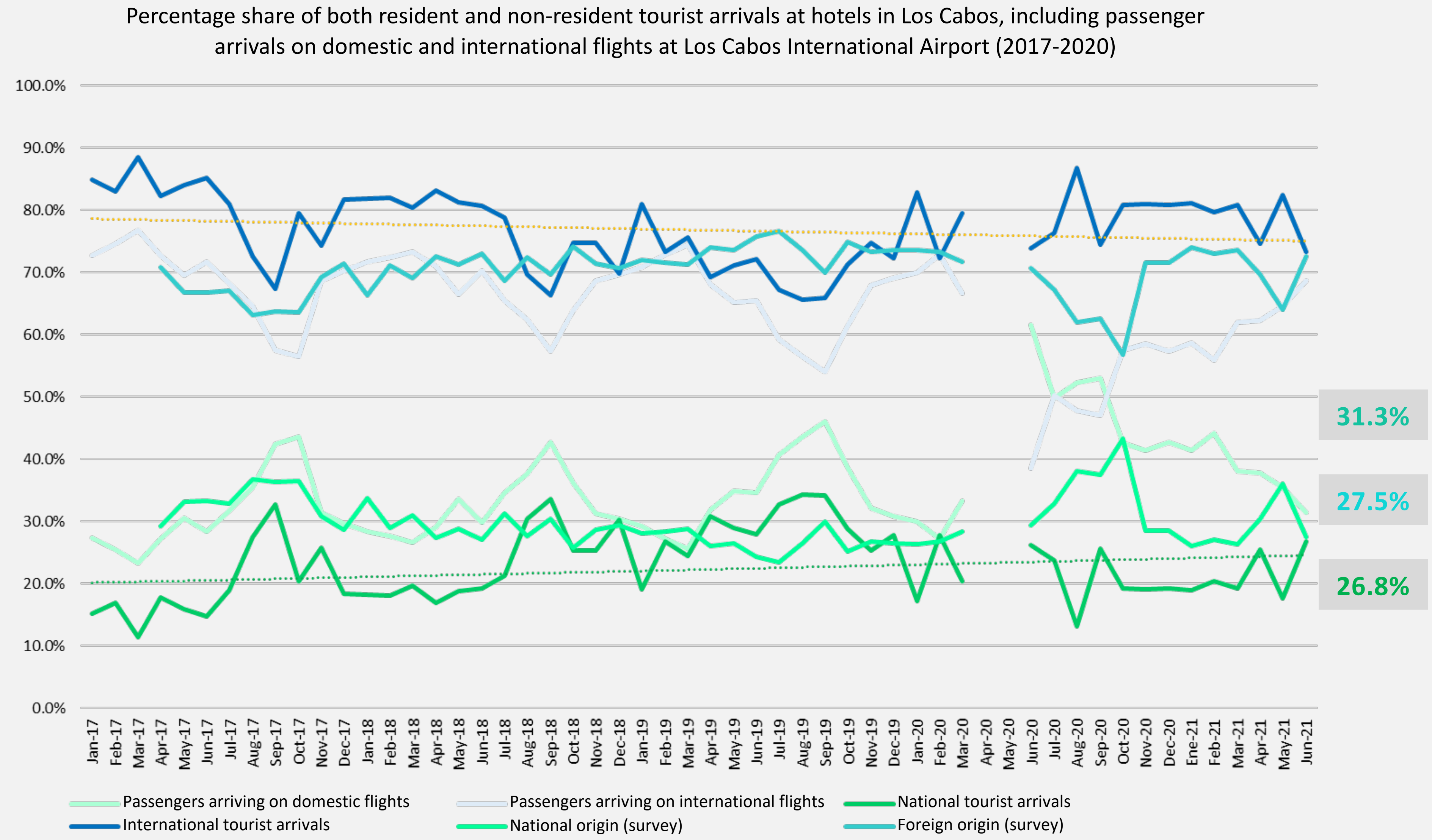
Monthly arrivals (expressed in thousands)



Variation with respect to 2019



Evolution of the domestic and international tourism share



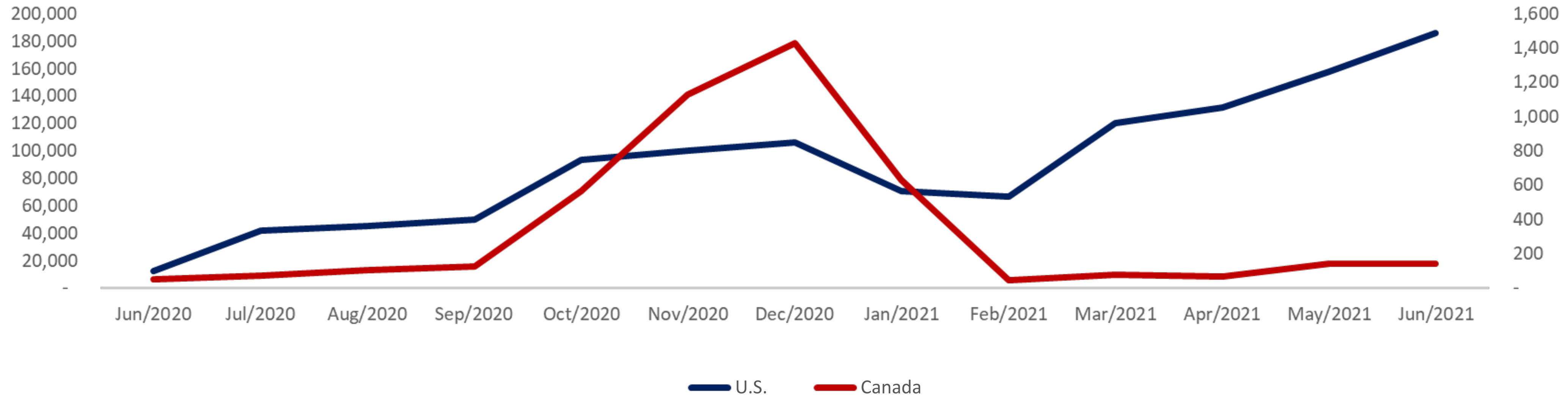
- **According to DataTur, the number of national residents arriving at hotels in Los Cabos reached 26.8% in Jul-2021 (16pp fewer than in 2019).**
- **Moreover, the share of domestic passengers in the total recorded by Los Cabos International Airport summed up to 31.3% in Jul-2021. This represents a decrease of 9.4pp vs. 2019.**
- **In Jun-2021, Tourist Surveys indicated that the share of domestic tourism in the total received by Los Cabos reached 27.5% (4.1pp more than in 2019).**

SOURCE: DATATUR, GAP, TOURIST SURVEYS

International tourist arrivals by air, by origin (residence), monthly

Regions	Jun/2020	Jul/2020	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Jan/2021	Feb/2021	Mar/2021	Apr/2021	May/2021	Jun/2021	Δ Jun 21 / Jun 19	Δ Jan-Jun 21 / Jan-Jun 19
U.S.	12,433	41,696	45,112	50,077	93,069	100,320	105,991	70,454	66,275	120,361	131,784	157,649	185,830	26.9%	-13.9%
Canada	52	74	106	128	563	1,126	1,429	628	44	75	66	144	144	-96.6%	-98.9%
Europe	20	43	52	40	48	70	64	32	32	39	37	61	55	-93.0%	-95.6%
Caribbean, Central & South America	12	34	19	33	37	48	43	19	18	31	24	58	76	-43.3%	-82.6%
Rest of the world	34	52	64	71	106	127	67	12	11	38	24	48	90	-88.2%	-96.1%
Grand total	12,551	41,899	45,353	50,349	93,823	101,691	107,594	71,145	66,380	120,544	131,935	157,960	186,195	22.2%	-23.7%

Key markets	Jun/2020	Jul/2020	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Jan/2021	Feb/2021	Mar/2021	Apr/2021	May/2021	Jun/2021	Δ Jun 21 / Jun 19	Δ Jan-Jun 21 / Jan-Jun 19
United Kingdom	9	8	19	10	9	21	18	5	16	16	8	25	15	-84.0%	-93.6%
Australia	10	13	9	18	18	42	19	3	1	4	4	4	12	-96.5%	-98.6%
South Korea	1	2	3	6	5	8	3	-	-	10	1	5	6	-91.7%	-96.7%
Total key markets	20	23	31	34	32	71	40	8	17	30	13	34	33	-93.6%	-96.6%



SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence)

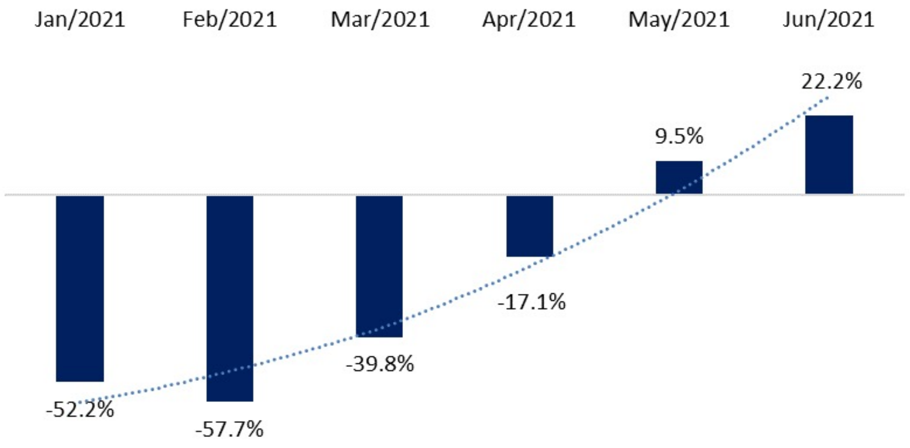
+22.2%

Jun-2021 vs. Jun-2019

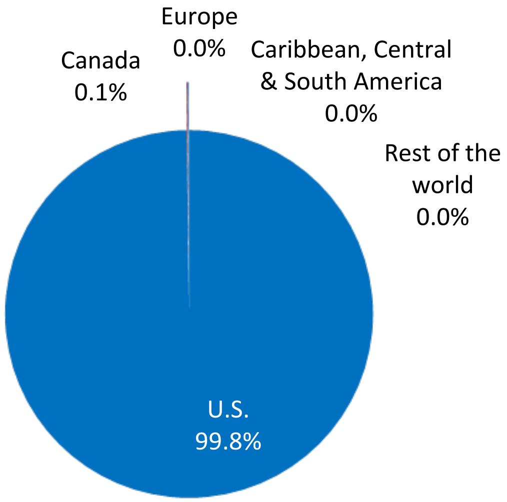
In Jun-2021, Los Cabos International Airport recorded the arrival of 186,195 international tourists, up 22.2% compared to Jun-2019.

American tourists represent 99.8% of the total.

Annual variation of international tourist arrivals by air to Los Cabos International Airport (Jan-Jun-2021 vs. 2019)



Share of international tourist arrivals by air to Los Cabos International Airport (Jun-2021)

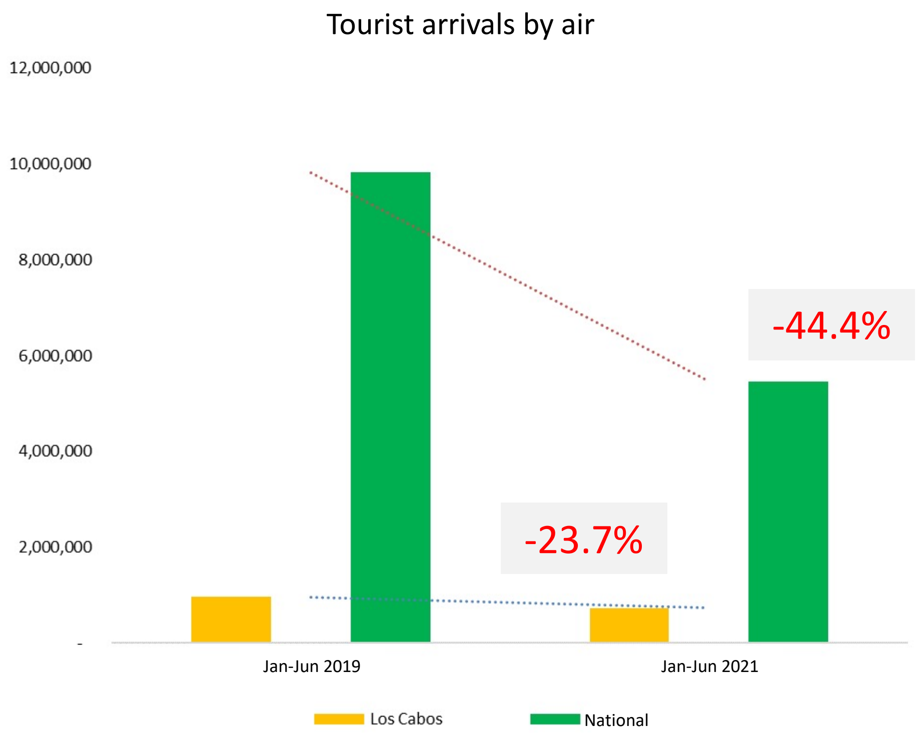


SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence), Jan-Jun aggregate

Regions	National			Los Cabos		
	Jan-Jun 2019	Jan-Jun 2021	Δ 2021/2019	Jan-Jun 2019	Jan-Jun 2021	Δ 2021/2019
U.S.	5,726,523	4,508,685	-21.3%	850,940	732,353	-13.9%
Canada	1,447,346	41,613	-97.1%	98,141	1,101	-98.9%
Europe	949,165	248,816	-73.8%	5,847	256	-95.6%
Caribbean, Central & South America	1,328,964	551,184	-58.5%	1,300	226	-82.6%
Rest of the world	377,317	111,949	-70.3%	5,661	223	-96.1%
Grand total	**9,829,315**	**5,462,247**	**-44.4%**	**961,889**	**734,159**	**-23.7%**

Key markets	National			Los Cabos		
	Jan-Jun 2019	Jan-Jun 2021	Δ 2021/2019	Jan-Jun 2019	Jan-Jun 2021	Δ 2021/2019
United Kingdom	262,595	23,082	-91.2%	1,328	85	-84.0%
Australia	33,438	1,562	-95.3%	2,026	28	-96.5%
South Korea	45,224	4,261	-90.6%	665	22	-91.7%
Total key markets	**341,257**	**28,905**	**-91.5%**	**1,860**	**135**	**-93.6%**



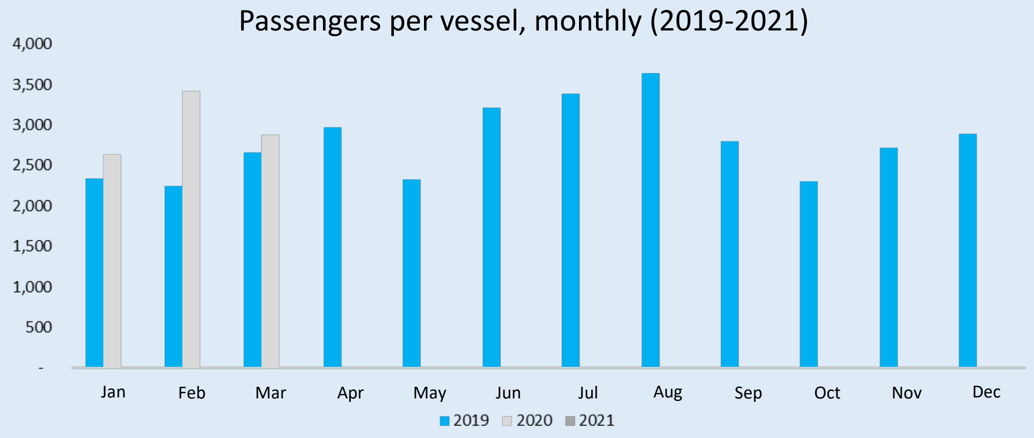
When comparing Jan-Jun-2021 vs. Jan-Jun-2019, tourist arrivals decreased by 44.4% nationwide and 23.7% in Los Cabos.

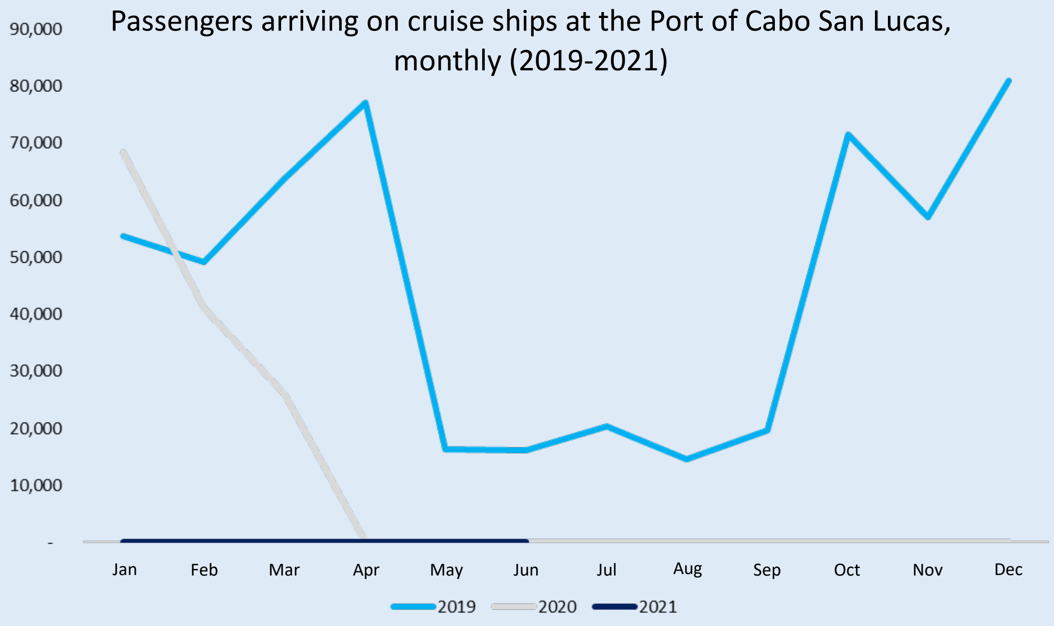
- On a national level, the U.S. market decreased by 21.3%, whereas the Canadian market did so by 97.1%.
- In Los Cabos International Airport, the U.S. and the Canadian markets decreased by 13.9% and 98.9% when comparing both periods.

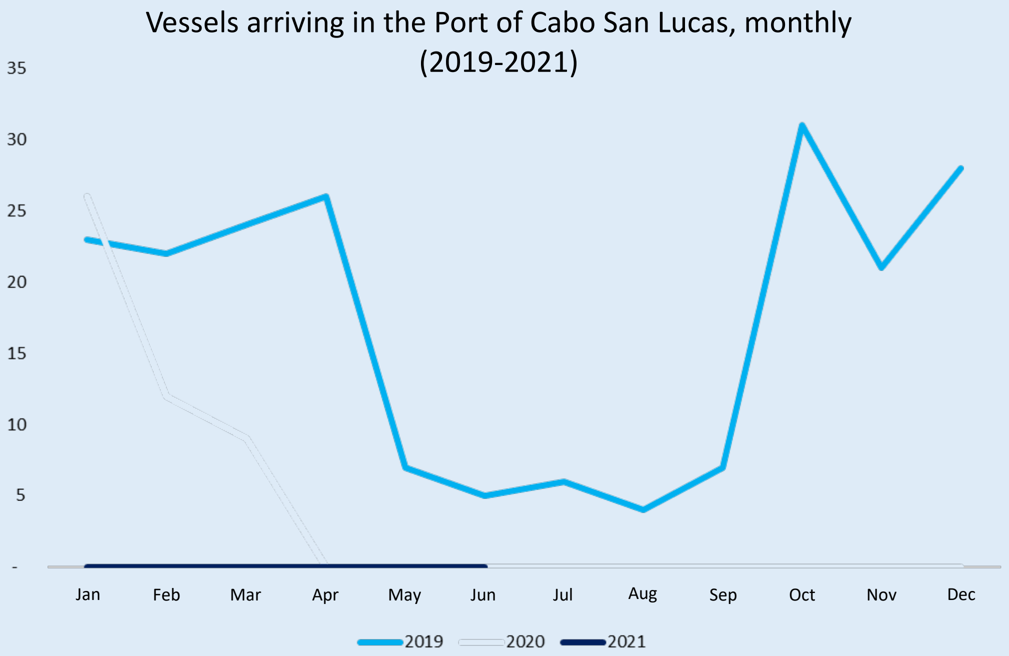
SOURCE: INM-SIOM

Cruise activity (Jun-2021)

There were no vessel or cruise ship arrivals at the Port of Cabo San Lucas in Jun-2021.



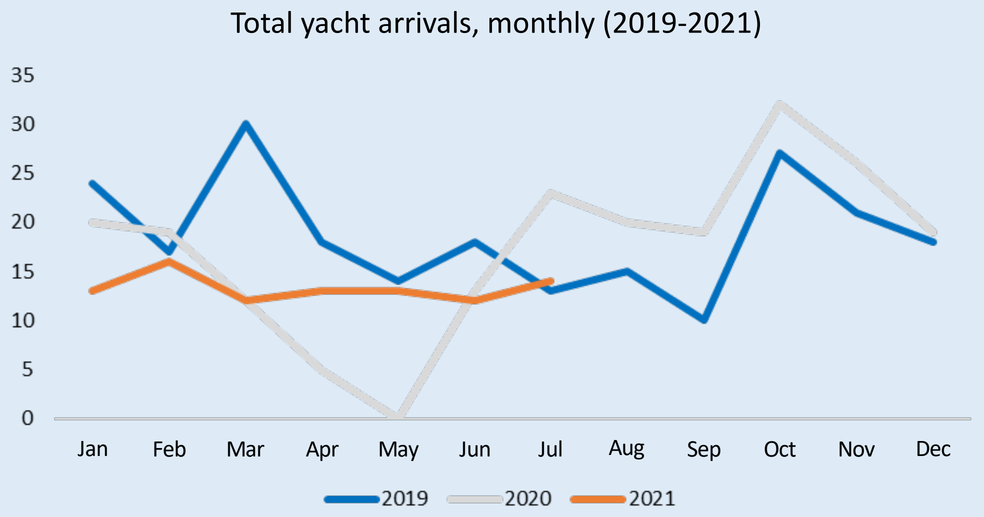


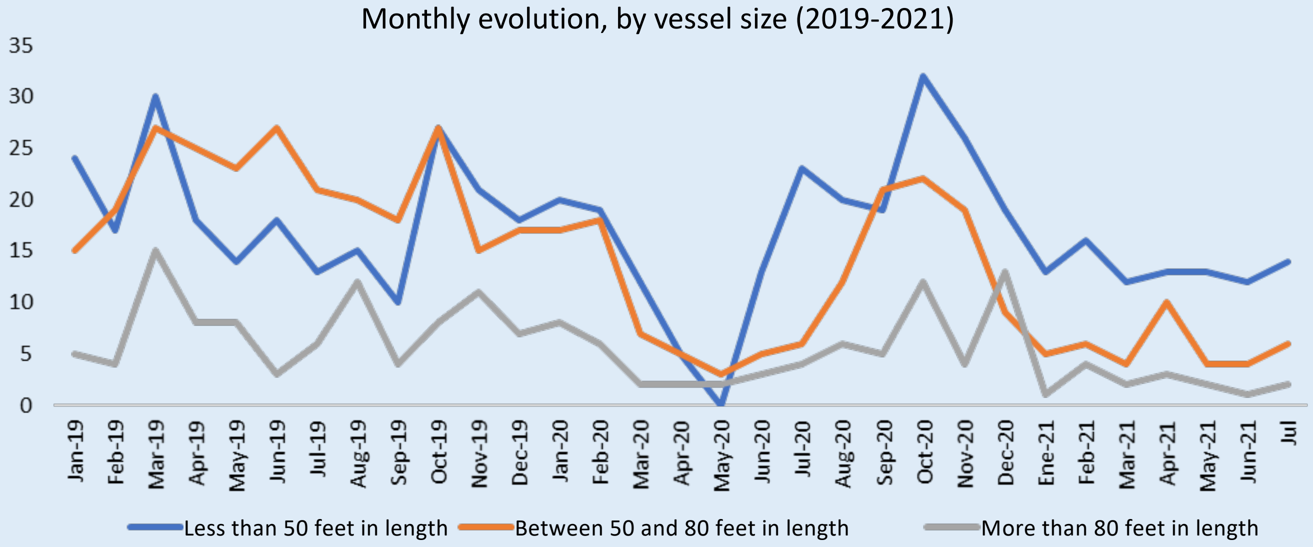


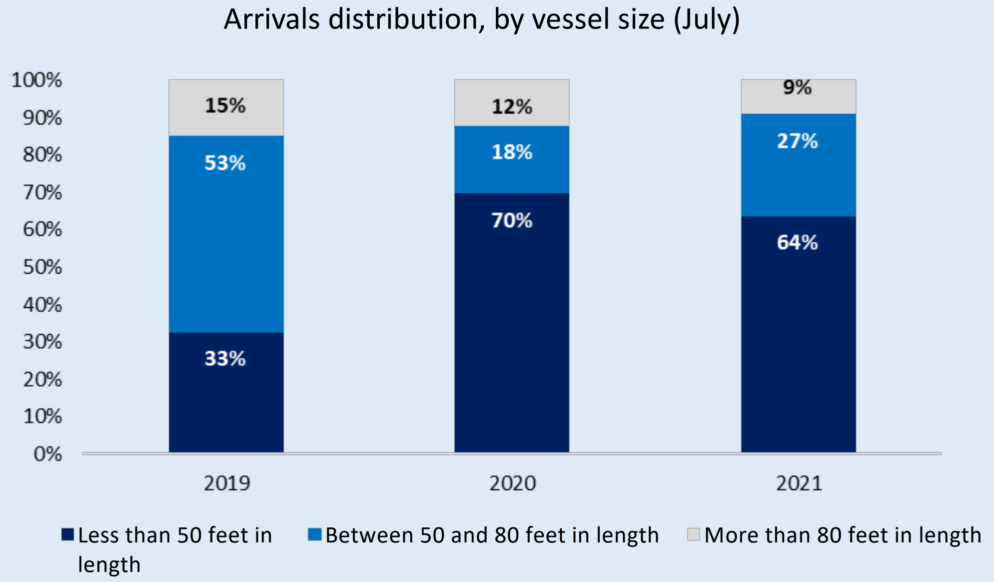
SOURCE: DATATUR-SCT

Yacht arrivals at the Port of Cabo San Lucas (Jul-2021)

- **22 yachts arrived at the Port of Cabo San Lucas in Jul-2021. This represents a decrease of 33% compared to the same period in 2020 and a 45% decrease compared to 2019.**
- **64% of these vessels measured less than 50 feet in length. Vessel size proportion has increased by 31pp between Jul-2019 and Jul-2021.**







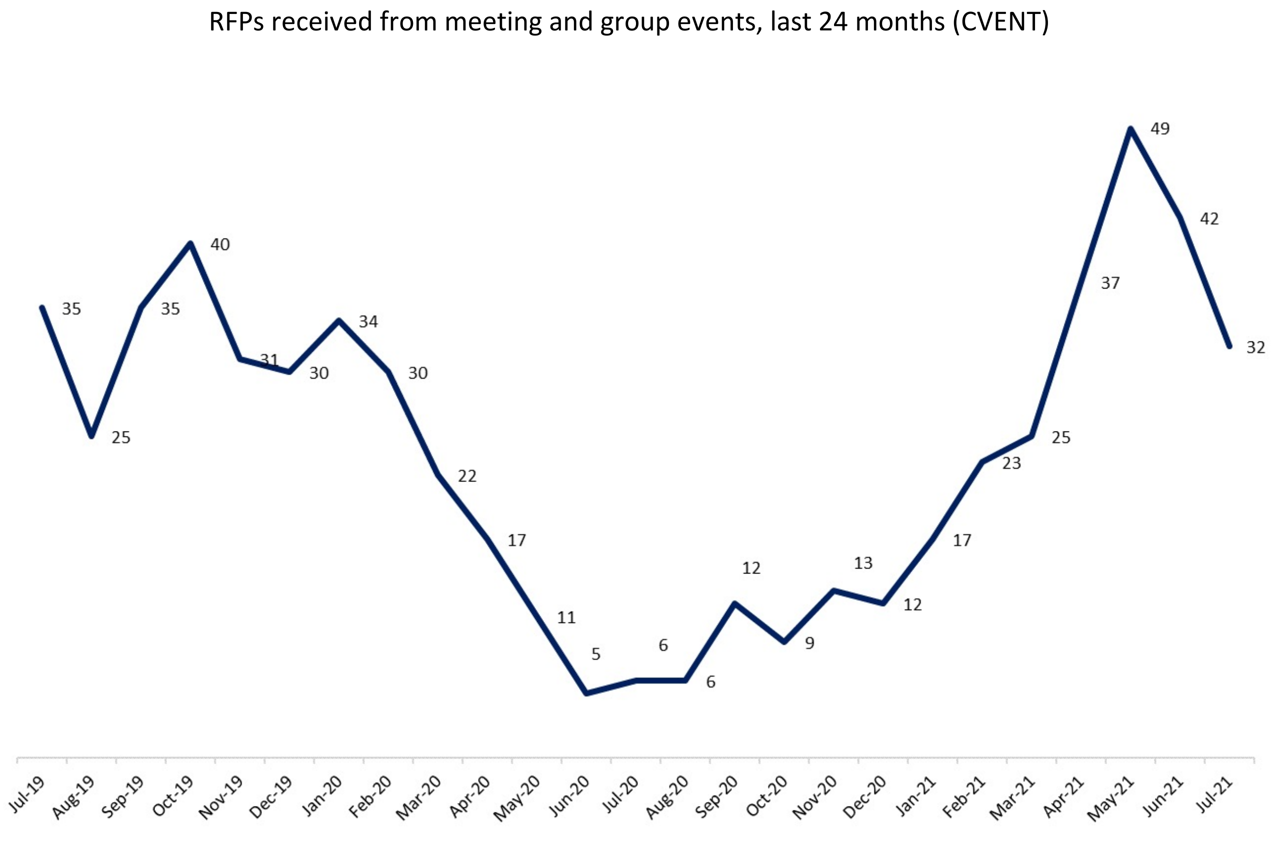
SOURCE: API Cabo San Lucas

LOS CABOS

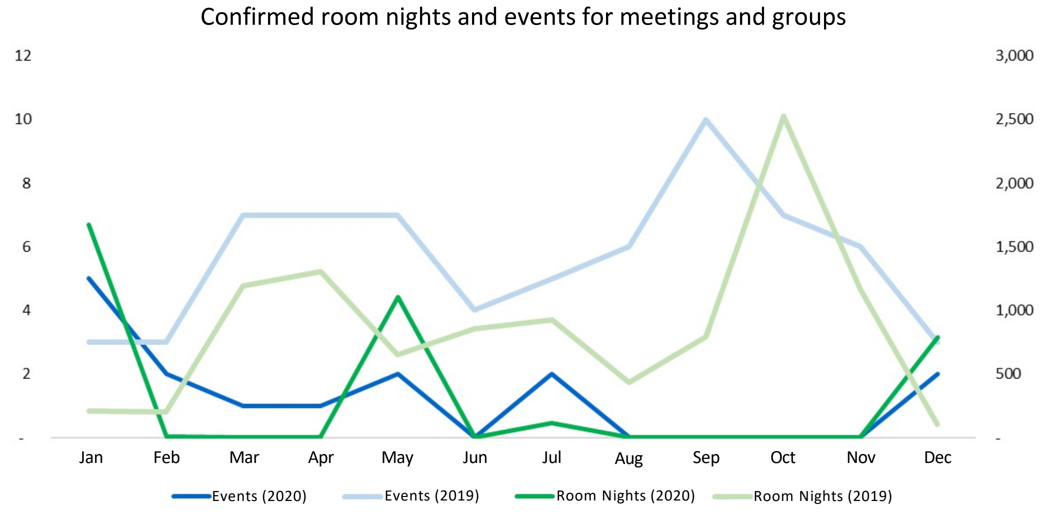
LOS CABOS TOURISM OBSERVATORY

TOURIST SURVEYS & GROUP BUSINESS

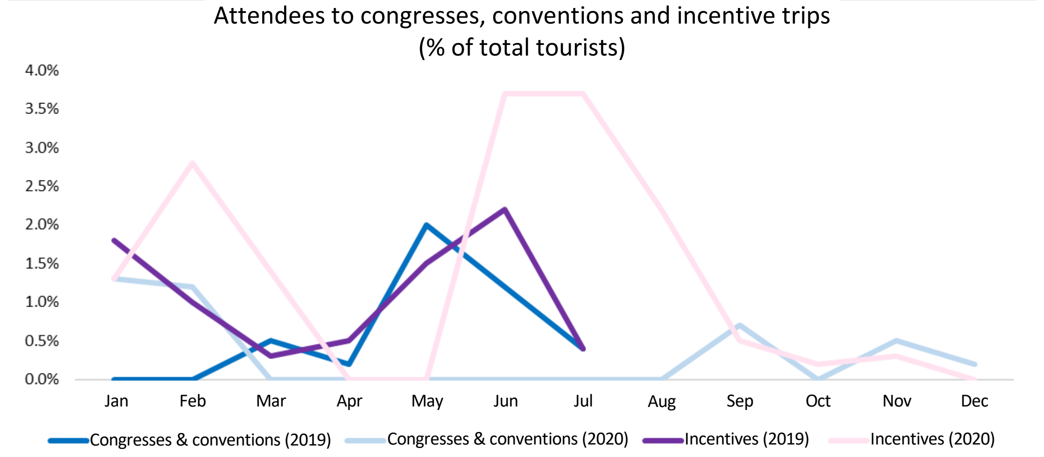
Group Business



SOURCE: CVENT

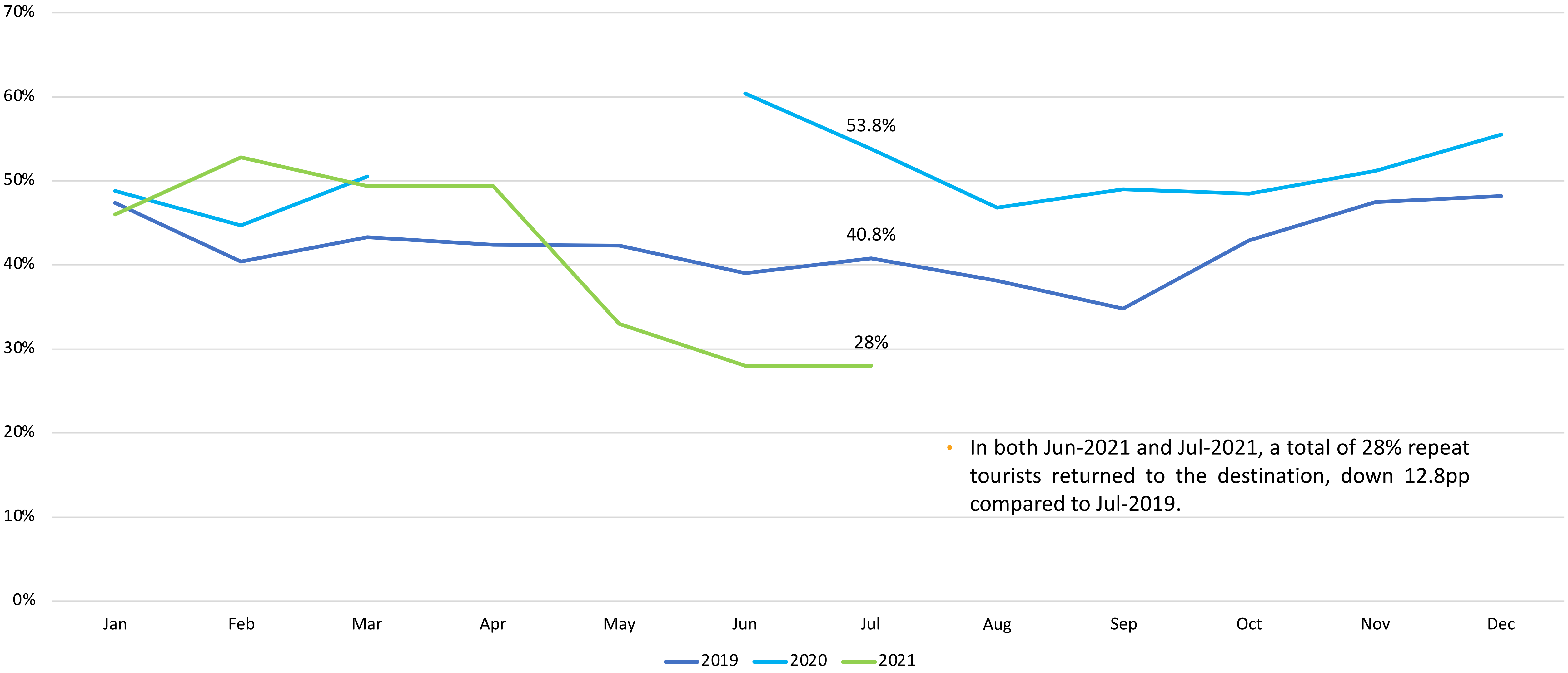


SOURCE: HELMS BRISCOE



SOURCE: TOURIST SURVEYS

Return rate to the destination

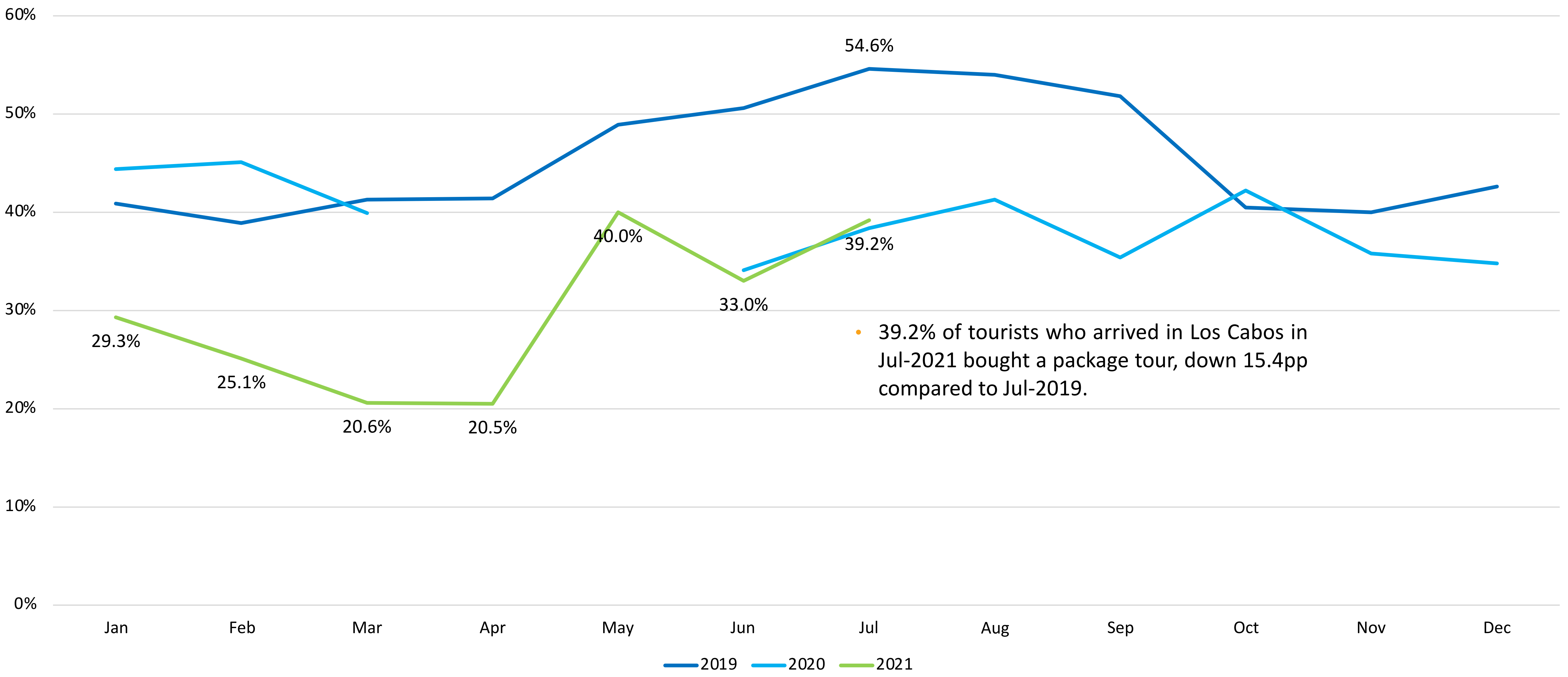


- In both Jun-2021 and Jul-2021, a total of 28% repeat tourists returned to the destination, down 12.8pp compared to Jul-2019.

SOURCE: TOURIST SURVEYS

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

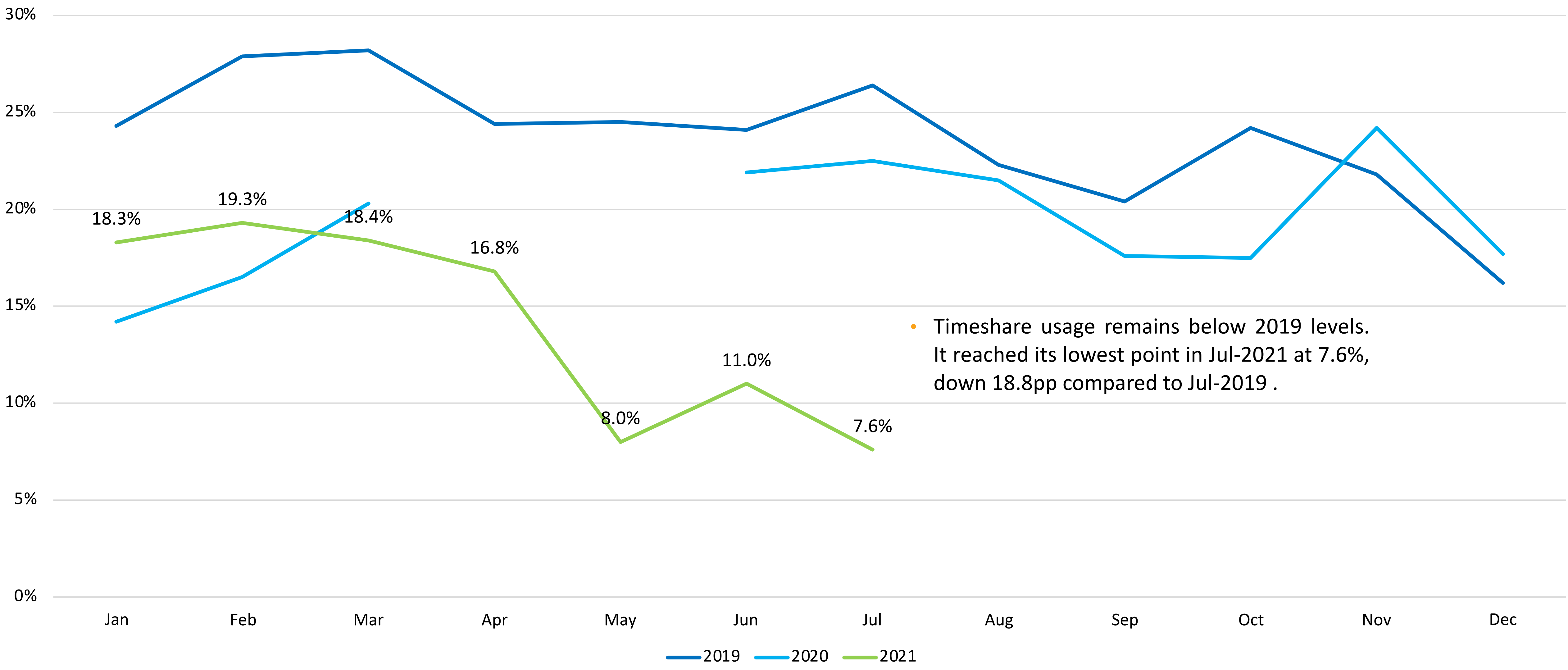
Package tour purchases



SOURCE: TOURIST SURVEYS

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

Timeshares



- Timeshare usage remains below 2019 levels. It reached its lowest point in Jul-2021 at 7.6%, down 18.8pp compared to Jul-2019 .

SOURCE: TOURIST SURVEYS

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

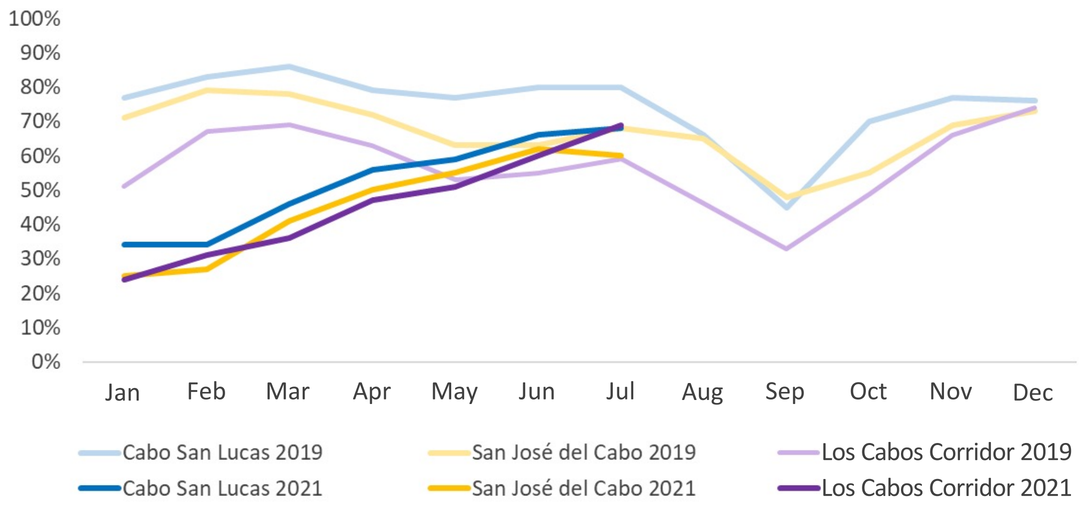
LOS CABOS

LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS

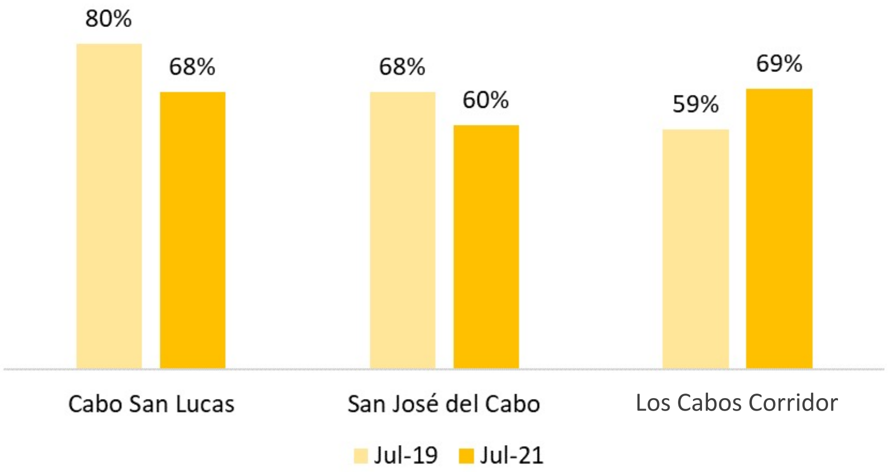
Evolution of the hotel supply in Los Cabos and sub-destinations

Monthly hotel occupancy (2019-2021)



SOURCE: AHLC

Hotel occupancy, current month (July 2019-2021)

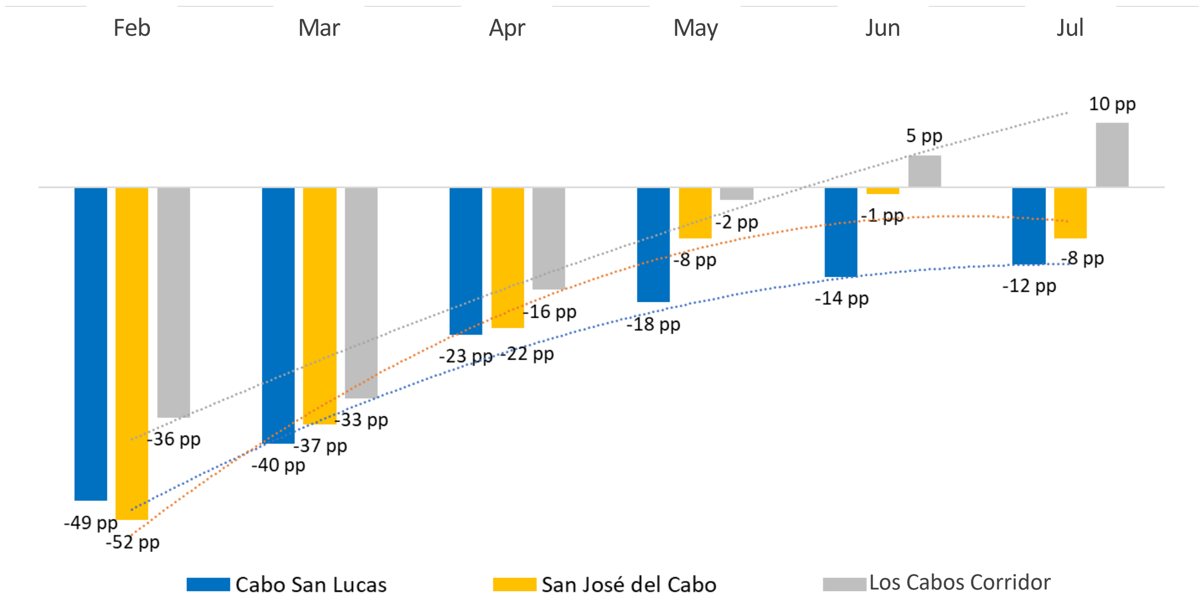


SOURCE: AHLC

- **According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 66% during Jul-2021, down 6pp compared to 2019. On a sub-destination level, Cabo San Lucas and San Jose del Cabo were at 68% and 60% (both decreased by 12pp and 8pp, respectively). In contrast, hotel occupancy in Los Cabos Corridor increased by 10pp and stood at 69%.**
- **In Jun-2021, 235,635 tourists arrived at hotels in Los Cabos, 0% more compared with Jun-2019. The average stay has remained at the same level as in 2019 (4.85, according to DataTur).**
    - **Domestic tourist arrivals at hotels fell 28.8% in this period, while international tourism grew 10.7%.**
    - **In Jun-2021, domestic tourism represented 19% of the total. A share of 26.8% was recorded in 2019.**

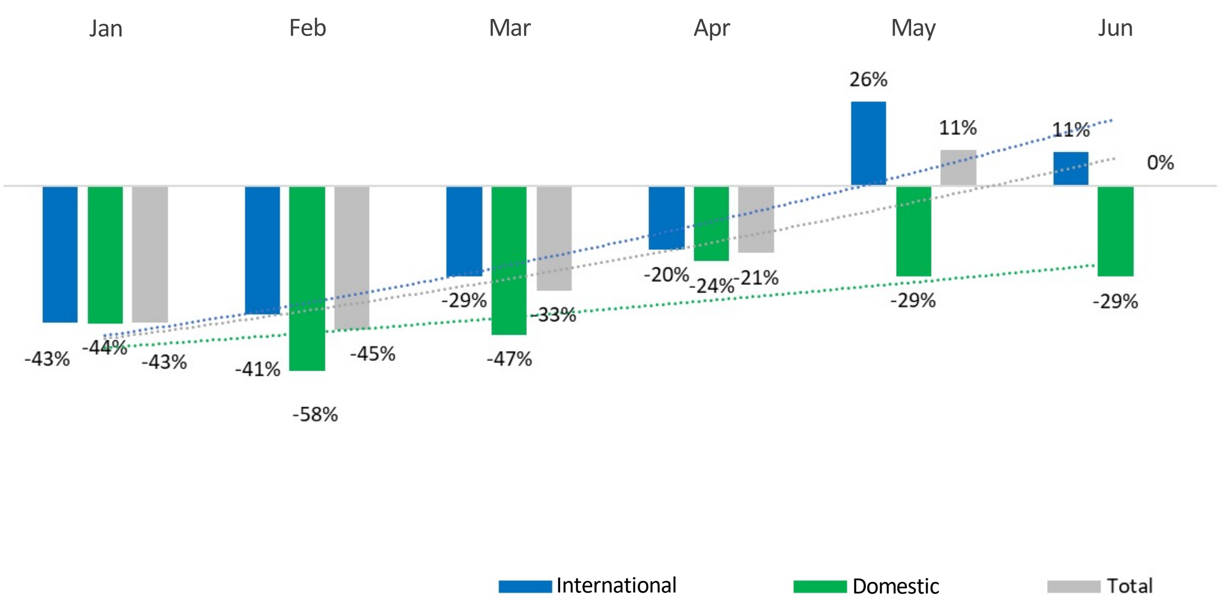
Evolution of the hotel supply in Los Cabos and sub-destinations

Annual variation in hotel occupancy, by destination
(Feb-Jul-2021 vs. 2019)



SOURCE: AHLC

Annual variation of tourist arrivals at hotels, by origin
(Jan-Jun-2021, vs. 2019)

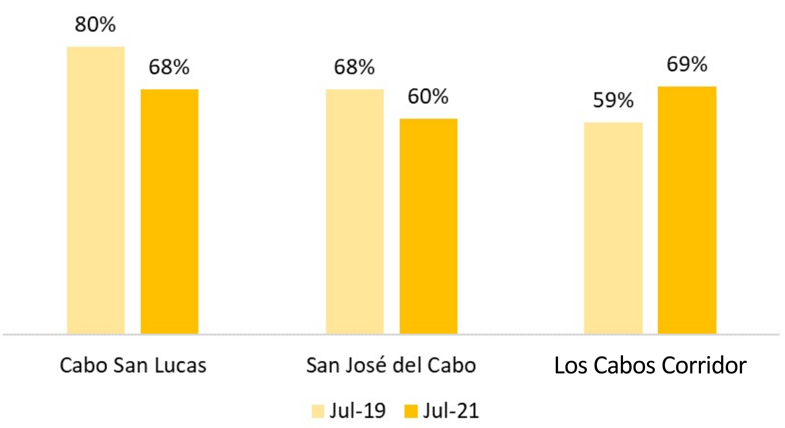


SOURCE: DATATUR

- **In Cabo San Lucas, the drop in hotel occupancy kept decreasing and went from -14pp in Jul-2021 (compared to 2019) to -12pp in Jul-2021.**
- **However, hotel occupancy in San Jose del Cabo decreased by 8pp in Jul-2021.**
- **The Corridor has shown growth for two consecutive months, reaching 10pp when comparing Jul-2021 with the previous year.**

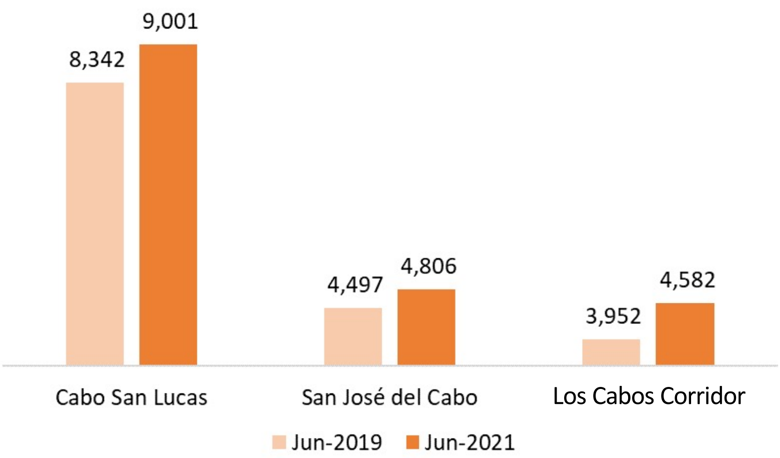
Evolution of the hotel supply in Los Cabos and sub-destinations

Hotel occupancy (July 2019-2021)



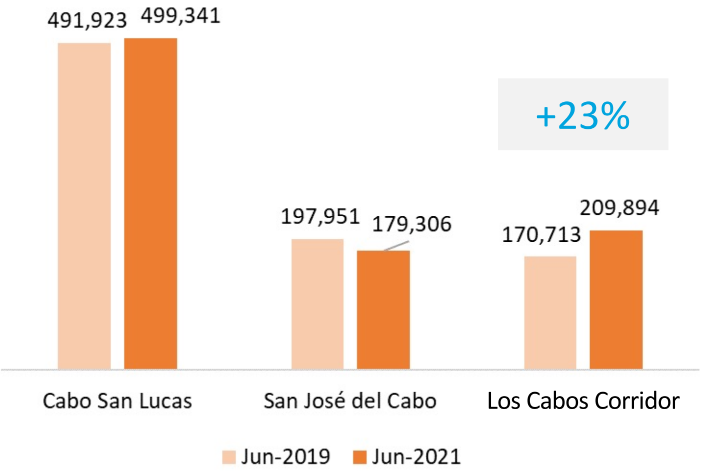
SOURCE: AHLC

Rooms available (June 2020-2021)



SOURCE: DATATUR

Room nights (June 2019-2021)



SOURCE: DATATUR

CABO SAN LUCAS

- **Hotel occupancy was at 68%, which implies a decrease of 6pp (Jul-2021 vs. Jul-2019, AHLC).**
- **Its hotel supply increased 7.9% between Jun-2019 and Jun-2021, registering 9,000 rooms (DataTur).**
- **Occupied room nights increased 2% between Jun-2019 and Jun-2021 (DataTur).**

SAN JOSE DEL CABO

- **Occupancy dropped 8pp (60%) when comparing Jul-2021 to Jul-2019 (AHLC).**
- **Its hotel supply increased 6.9% between Jun-2019 and Jun-2021, registering 4.8 thousand rooms (DataTur).**
- **Occupied room nights decreased 9.4% between Jun-2019 and Jun-2021 (DataTur).**

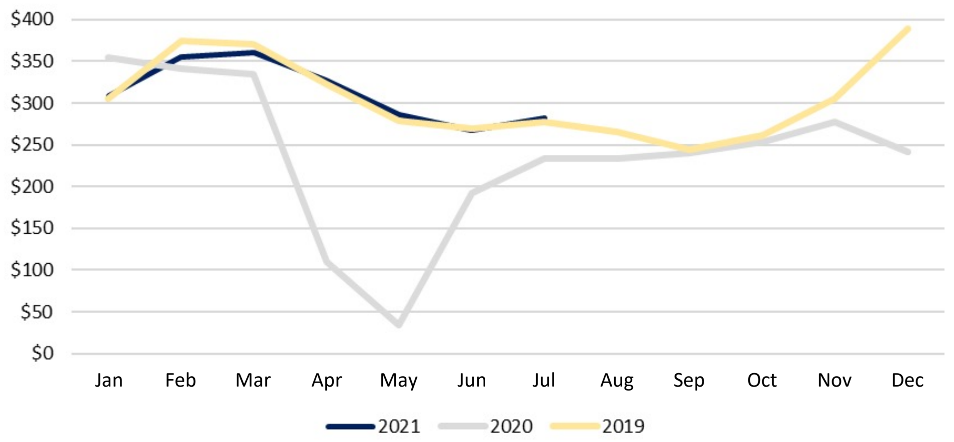
LOS CABOS CORRIDOR

- **Occupancy was at 69% in Jul-2021, which implies an increase of 10pp (AHLC).**
- **Its hotel supply increased 15.9% between Jun-2019 and Jun-2021, registering 4.6 thousand rooms (DataTur).**
- **Occupied room nights increased 23% between Jun-2019 and Jun-2021 (DataTur).**

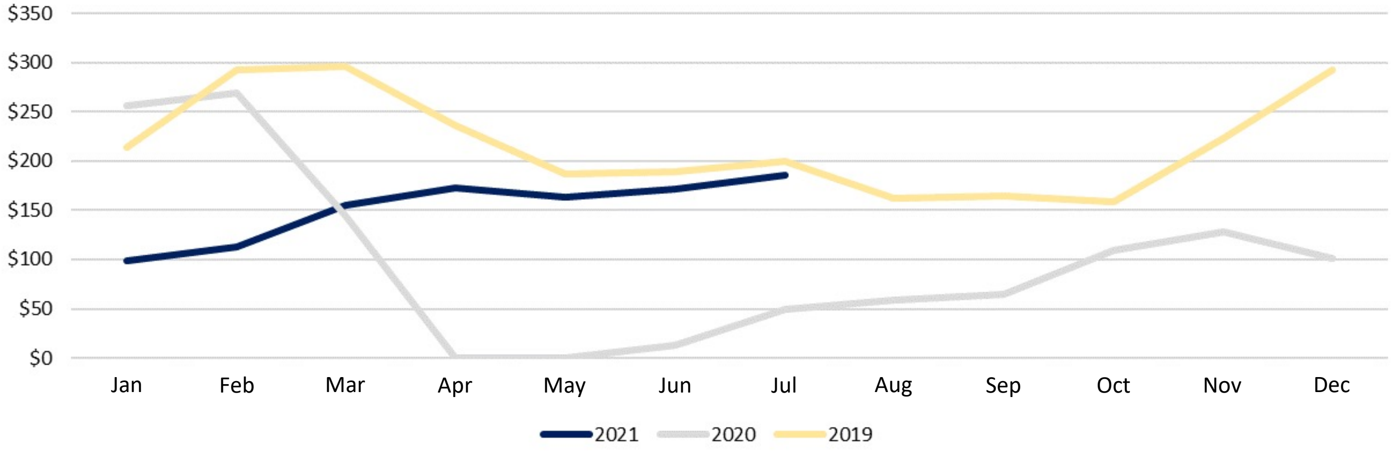
Evolution of the RevPAR and the average hotel rate in Los Cabos & sub-destinations

- **The average hotel rate in Los Cabos for Jul-2021 was USD 282, 4 dollars below the last 12-month average, but 4 dollars above that of Jul-2019.**
    - **Cabo San Lucas recorded an annual decrease of 3.5% (USD 9) and now stands at USD 245.**
    - **San Jose del Cabo decreased its rate by 13.3% (USD 30) and now stands at USD 245.**
    - **Compared to 2019, the rate in Los Cabos Corridor increased 14.7% (USD 52) and recorded USD 405.**
- **The RevPAR in Jul-2021 was USD 186, 14 dollars (-7%) below the one recorded in Jul-2019.**

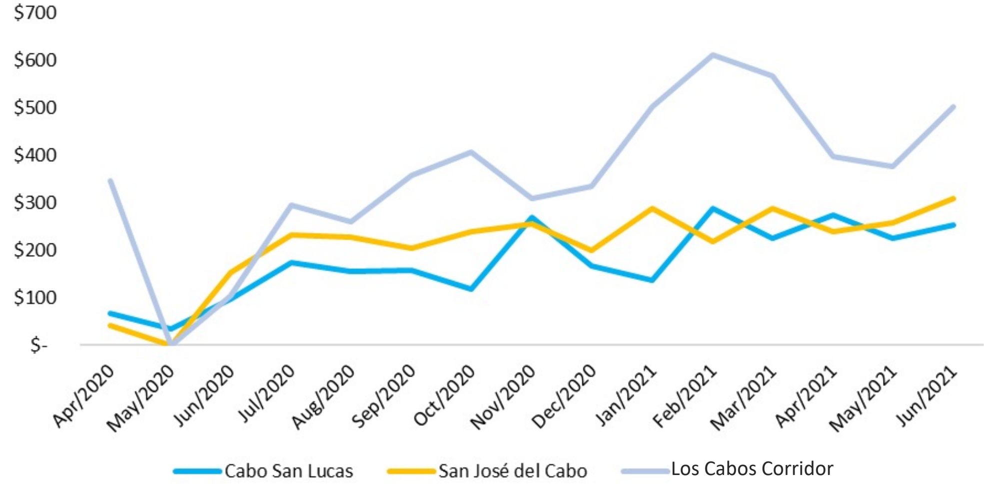
Average Hotel Rate, Los Cabos (USD, 2019-2021)



RevPAR Los Cabos (USD, 2019-2021)



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



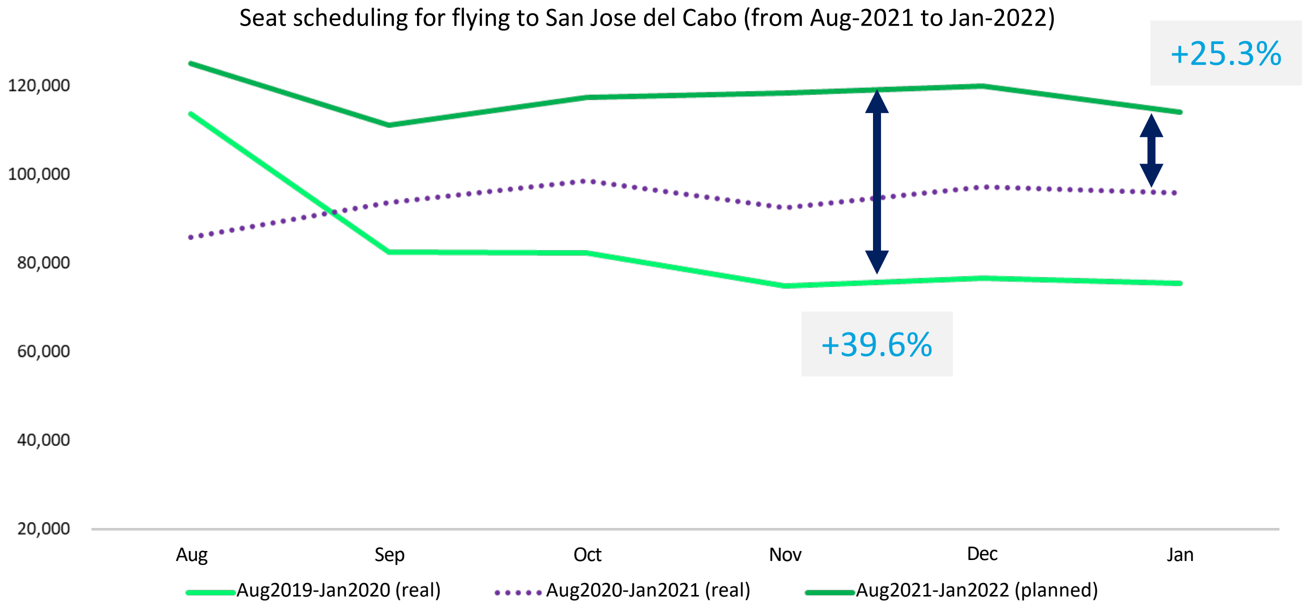
SOURCE: AHLC

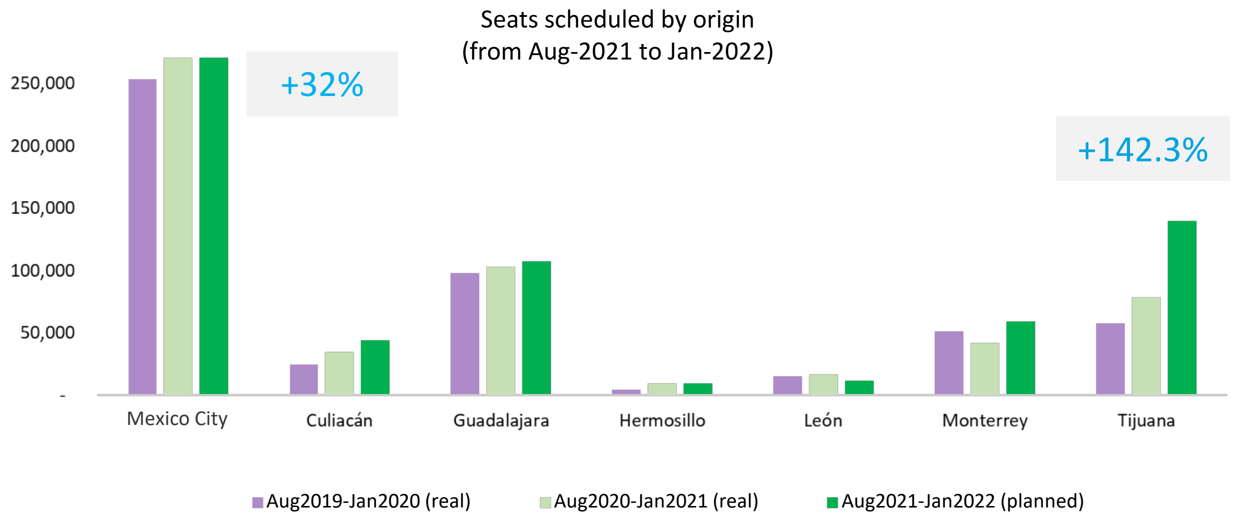
Domestic air connectivity

SEATS SCHEDULED FROM AUG-2021 TO JAN-2022

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

- **There are 706 thousand seats scheduled for the next 6 months, 39.6% more compared to the same period in 2019.**
    - **However, when comparing the seats scheduled for the next 6 months against the 2020 schedule (pandemic), the volume of programmed seats is 25.3% higher.**
    - **There are 9.9% more available seats expected for Aug-2021 than those scheduled for Aug-2019.**
- **Mexico City, GDL, and Tijuana are the most relevant issuing markets, having 47%, 15%, and 20% of total available seats (for the next 6 months), followed by Monterrey (8%), Culiacan (6%), Leon (2%), and Hermosillo (1%).**
    - **Seats from CDMX, MTY, and TIJ increased 9.4%, 15.5%, and 142.4%, respectively (when compared against 2019). However, BJX decreased by 21.7%. Consequently, TIJ's market share grew 9pp during these 6 months, and BJX's dropped 1pp.**
- **For the next 6 months, 50% of the available seats will be provided by Volaris, followed by Viva Aerobus with 33% and Aeromexico with 17%. Interjet has dropped to 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.**
- **Load factors of domestic airlines for May-2021 were: Aeromexico (70%), Viva Aerobus (77%), and Volaris (80%).**





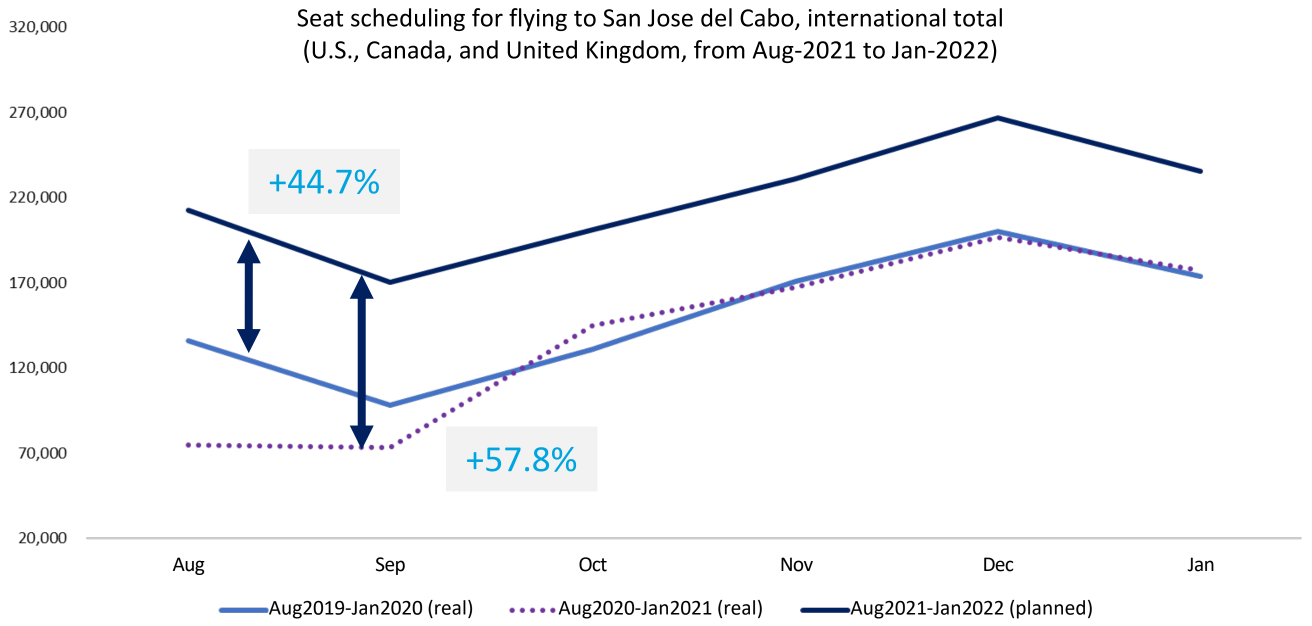
SOURCE: OAG

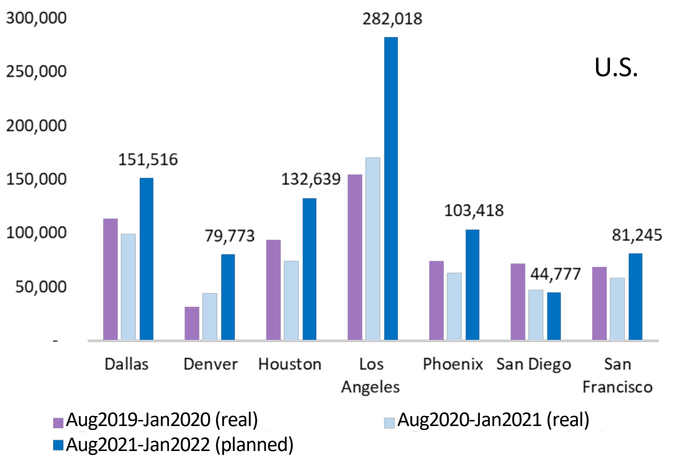
International air connectivity

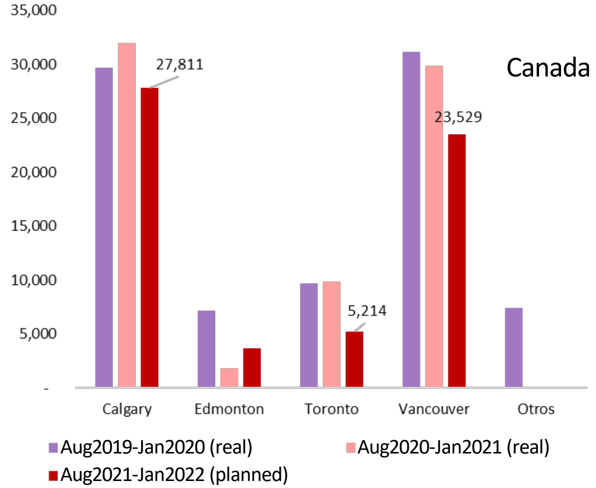
SEATS SCHEDULED FROM AUG-2021 TO JAN-2022

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

- **For the U.S., there are 1.25 million seats scheduled for the next 6 months, which is 52.5% more seats compared to the same period in 2019.**
  - **However, when comparing the seats scheduled for the next 6 months against the 2020 schedule (pandemic), the volume of programmed seats is 65.5% higher.**
  - **CHI (+28.7%), LAX (+82.7%), PHX (+40.3%), HOU (+41.9%), DFW (+33.5%), DEN (+153.5%), and SEA (+125.5%) have the most significant increase in service vs. 2019. However, a decrease of 37.2% is observed in San Diego.**
  - **Los Angeles is the main issuing market in the U.S. (23% of the market), followed by DFW (12%), Houston (11%), and Phoenix (8%).**
  - **American, Alaska, Delta, and United Airlines are the most relevant (78% as a whole).**
  - **For Aug-2021, the United States expects 61.9% more available seats than those scheduled for 2019.**
- **For Canada, there are 64.6 thousand seats scheduled for the next 6 months, which is 24.3% fewer seats compared to the same period in 2019.**
  - **When comparing the seats scheduled for the next 6 months against the 2020 schedule (pandemic), the volume of programmed seats is 16.9% higher.**
  - **There are 100% fewer available seats expected for Aug-2021 than those scheduled for Aug-2019.**
  - **All airports show a decrease in service within the next 6 months: Calgary (-6.4%), Vancouver (-24.6%), Toronto (-46.5%), and Edmonton (-49%).**
  - **During this period, Swoop, Air Canada, and Sunwing will reduce the number of seats by 100%, 44.8%, and 70%, respectively, while WestJet will have a 2.4% increase compared to the number of seats scheduled for 2019.**
- **Load factors of international airlines for May-2021 were: American (77%), Alaska (75%), Delta (66%), United (77%), and Southwest (70%).**







LOS CABOS

LOS CABOS TOURISM OBSERVATORY

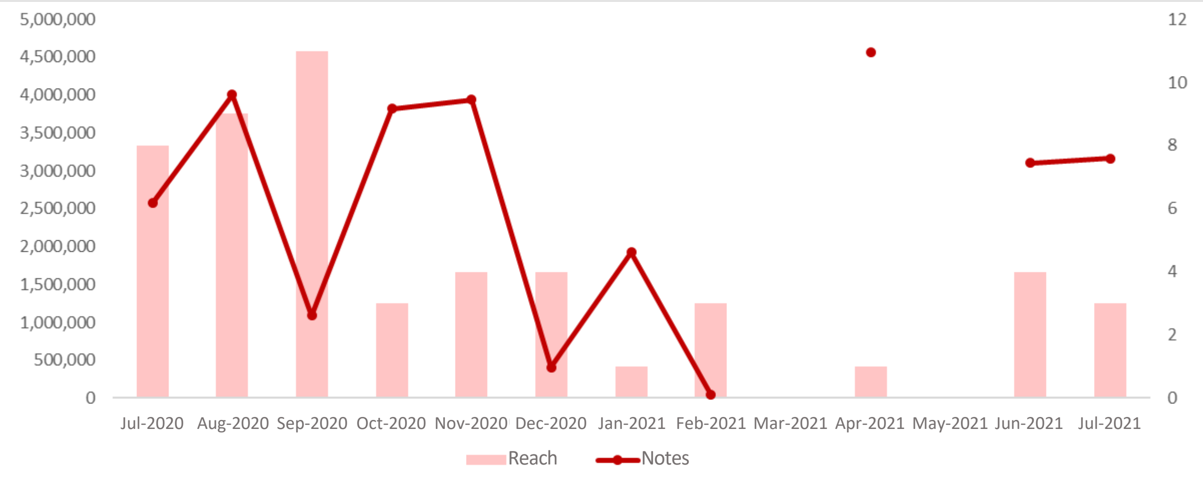
PUBLIC RELATIONS

Public relations: notes and scope

- **In the domestic market:**
  - **During Jul-2021, 19 placements were introduced, accounting for 4.4 million impressions. An average of 43 placements has been published monthly since the pandemic started in April 2020, with a monthly reach of 3.6 million.**

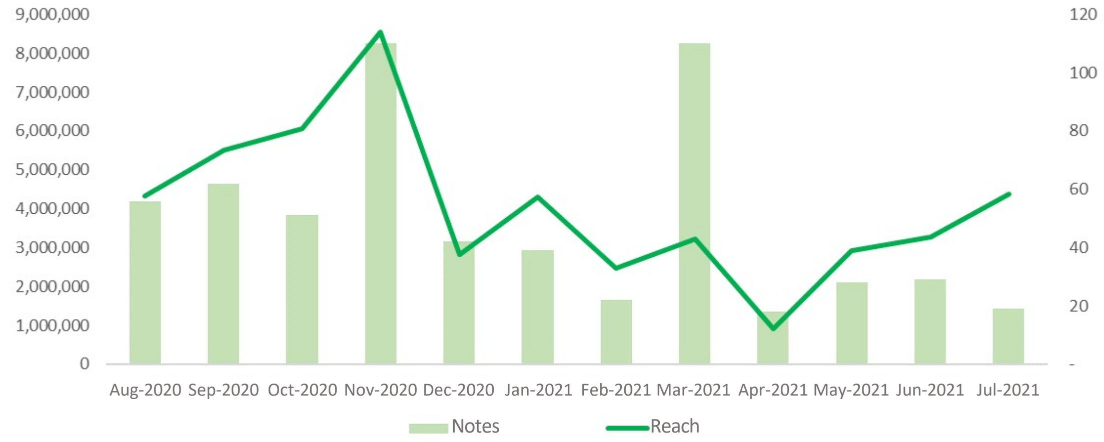
- **In the international market:**
  - **In Jun-2021, 7 placements and 61.4 million impressions were achieved in the United States. An average of 23 placements has been published monthly since the pandemic started, with a monthly reach of 778 million.**
  - **31 notes were delivered to the Canadian market throughout Jun-2021, achieving 18.9 million impressions. An average of 6 placements has been published monthly since April, with a monthly reach of 4.7 million.**

NOTES MADE FOR THE CANADIAN MARKET – TOTAL & REACH



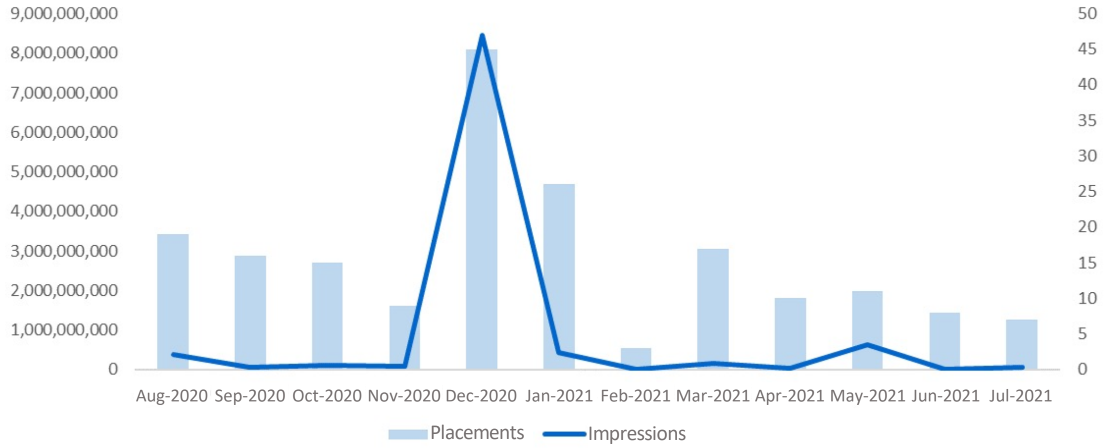
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET – TOTAL & REACH



SOURCE: GAUDELLI (Feb-2018 to Jan-2019), LLORENTE & CUENCA (Feb-2019 to Jul-2021)

NOTES MADE FOR THE U.S. MARKET – TOTAL & REACH



SOURCE: NJF (Feb-2018 to Jan-2019), OGILVY (Feb-2019 to Jul-2021)

LOS CABOS TOURISM OBSERVATORY

DEFINITIONS

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

LOS CABOS TOURISM OBSERVATORY

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