LOS CABOS

LOS CABOS TOURISM OBSERVATORY

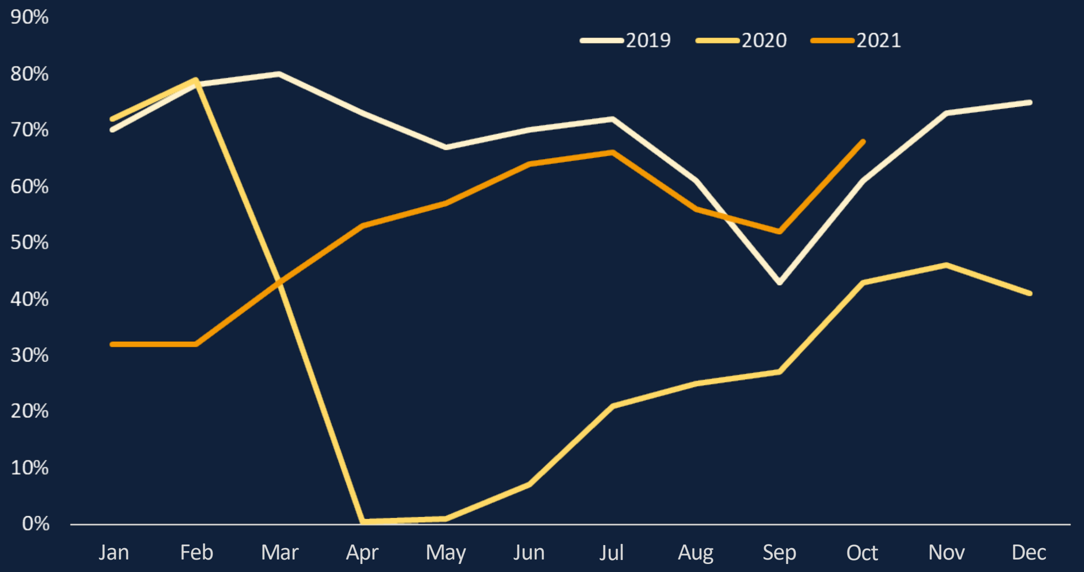
KEY PERFORMANCE INDICATORS

NOVEMBER 2021

Leading indicators – Summary

Hotel Performance

Hotel Occupancy:



Hotel Occupancy (Oct-2021):
68%
+7pp
(vs. Oct-2019)

SOURCE: AHLC

Rooms Available (Sep-2021):
22,428
+1.9%
(vs. Sep-2019)

SOURCE: DATATUR

Room Nights (Sep-2021):
865,856
+29.9%
(vs. Sep-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers (Oct-2021, expressed in thousands):
255.25
+27.5%
(vs. Oct-2019)

National Passengers (Oct-2021, expressed in thousands):
94.6
+22.4%
(vs. Oct-2019)

International Passengers (Oct-2021, expressed in thousands):
160.65
+30.7%
(vs. Oct-2019)

SOURCE: GAP

Other indicators

Cruise Ships (Sep-2021):
6
-1 vessel
(vs. Sep-2019)

SOURCE: DATATUR

Cruise Passengers (Sep-2021):
12,318
-40.1%
(vs. Sep-2019)

SOURCE: DATATUR

Group Business Total RFPs (Oct-2021):
41
+1 RFPs
(vs. Oct-2019)

SOURCE: CVENT

Tourist Satisfaction: more than expected (Oct-2021):
65%
+27.1pp
(vs. Oct-2019)

SOURCE: TOURIST SURVEYS

Attendees to Congresses and Conventions (Oct-2021):
0.8%
-0.7pp
(vs. Oct-2019)

SOURCE: TOURIST SURVEYS

Tourists' Origin (Oct-2021):
67.2% foreigners
-7.6pp
(vs. Oct-2019)

SOURCE: TOURIST SURVEYS

LOS CABOS

Leading indicators – Summary

PASSENGER ARRIVALS

- In Oct-2021, Los Cabos International Airport recorded a 27.5% (+55 thousand) increase in the total number of passengers arriving at the destination compared to Oct-2019, adding up to a total of 255.25 thousand (when considering arrivals only).
    - Passengers on domestic flights (94.6 thousand) represent 37.1% of total arrivals. These increased by 22.4% (+17.3 thousand vs. Oct-2019).
    - Passengers on international flights (160.65 thousand) represent 62.9% of total arrivals. These increased by 30.7% (+37.75 thousand vs. Oct-2019).

FLIGHT SCHEDULES

- The domestic market has 32.8% more available seats scheduled from Nov-2021 to Apr-2022 (compared to the same period in 2019). 35.4% more seats are expected in Nov-2021.
    - Flight seats departing from CDMX, MTY, and TIJ increased by 31.1%, 61.7%, and 104.7%, respectively (compared to 2019); however, BJX decreased by 41.3%.
- There are 1.38 million seats scheduled for the U.S. in the next 6 months, which is 33.2% more than the same period in 2019.
    - LAX (+60.2%), PHX (+44.1%), HOU (+20.1%), DFW (+31.2%), DEN (+67.2%), and SEA (+16.3%) had the most significant increase vs. 2019. However, San Diego showed a decrease of 33.5%.
- For Nov-2021, the United States expects 37.4% more available seats than those scheduled for 2019.
- From Canada, 17.4% fewer seats are expected in the next 6 months, with a 14.5% drop in Nov-2021.
    - Decreases are expected in Calgary (-28.8%) and Vancouver (-2.3%) within the next 6 months.

HOTEL PERFORMANCE

- Occupancy in Oct-2021 was 68%, up 7pp from 61% in Oct-2019.
    - Occupancy in Cabo San Lucas increased by 3pp compared to Oct-2019 and is now at 73%.
    - San Jose del Cabo recorded an occupancy rate of 59% (4pp higher than in Oct-2019).
    - Los Cabos Corridor recorded an occupancy rate of 65% (a 16pp increase compared to Oct-2019).
- The number of rooms available in Los Cabos increased 1.9% between Sep-2021 and Sep-2019, reaching 22,428 this month.
- Hotels in Los Cabos recorded 207 thousand tourist arrivals, equivalent to an increase of 31.8% between Sep-2021 and Sep-2019.
- Domestic and international tourism increased by 7.8% (+4.1 thousand) and 44.1% (+45.8 thousand), respectively.
- There were 865.9 thousand occupied room nights in Sep-2021, 29.9% more compared to Sep-2019.

TOURIST SURVEYS

- In Oct-2021, 65% of tourists rated their experience in Los Cabos as better than expected (27.1pp more than in Oct-2019 and 1pp more than in Sep-2021).
- During Oct-2021, security was perceived as bad or regular by 1.4% of tourists, 11.6pp better than in Oct-2019.
- Satisfaction with the airport also improved 8.2pp compared to 2019 (0.8% of tourists perceived their experience as bad or regular).
- The number of repeat tourists decreased by 7.9pp compared to 2019, reaching 35% in Oct-2021.
- 36% of tourists traveled with a package tour, down 4.5pp compared to 2019.
- The number of tourists who visited restaurants increased by 15pp this month, recording 80%.

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

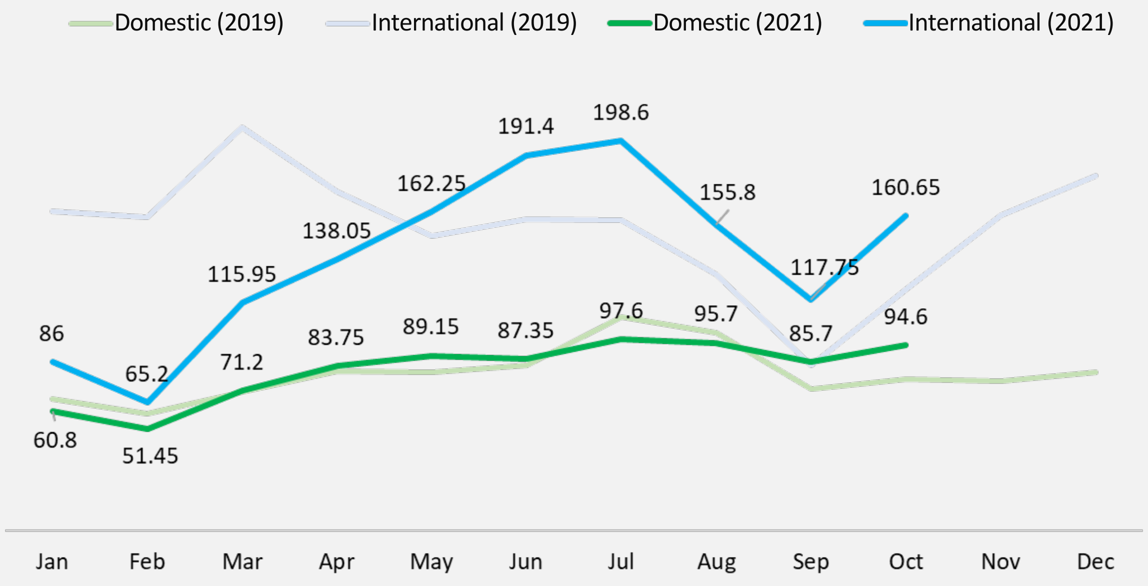
PASSENGER ARRIVALS

Passenger arrivals at Los Cabos International Airport, 2019-2020

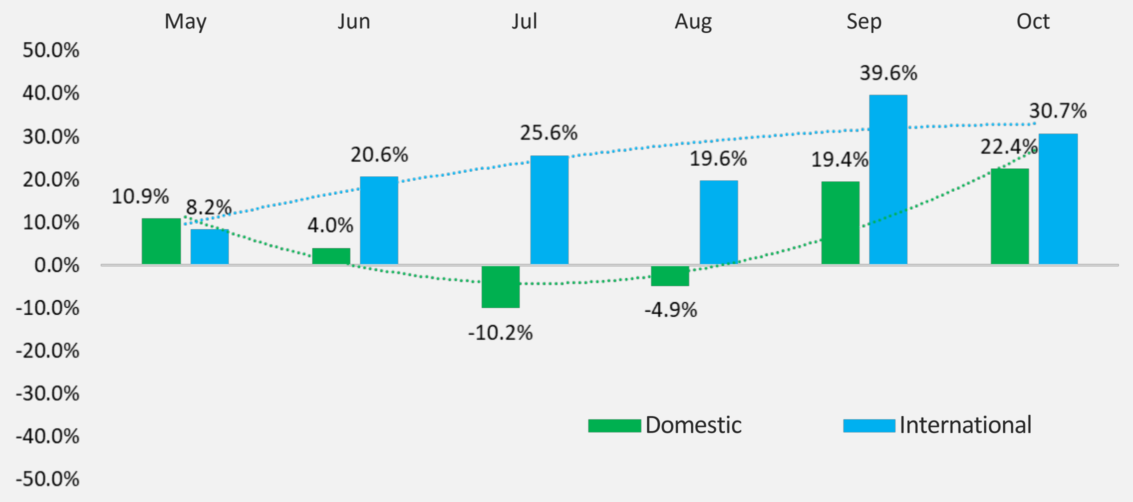
- **In Oct-2021, 255.25 thousand passengers arrived at Los Cabos International Airport, which represents a 27.5% increase compared to the same period in 2019.**
    - **It also represents an average growth rate of 3.9% between Oct-2020 and Oct-2021.**
    - **Passengers on domestic flights (94.6 thousand) represent 37.1% of total arrivals and increased by 22.4% compared to Oct-2019.**
        - **TMAC: 2.7% (between Oct-2020 and Oct-2021).**
    - **Passengers on international flights (160.65 thousand) represent 62.9% of total arrivals and increased by 30.7%.**
        - **TMAC: 4.7% (between Oct-2020 and Oct-2021).**

SOURCE: GAP

Monthly arrivals (expressed in thousands)



Variation with respect to 2019



LOS CABOS

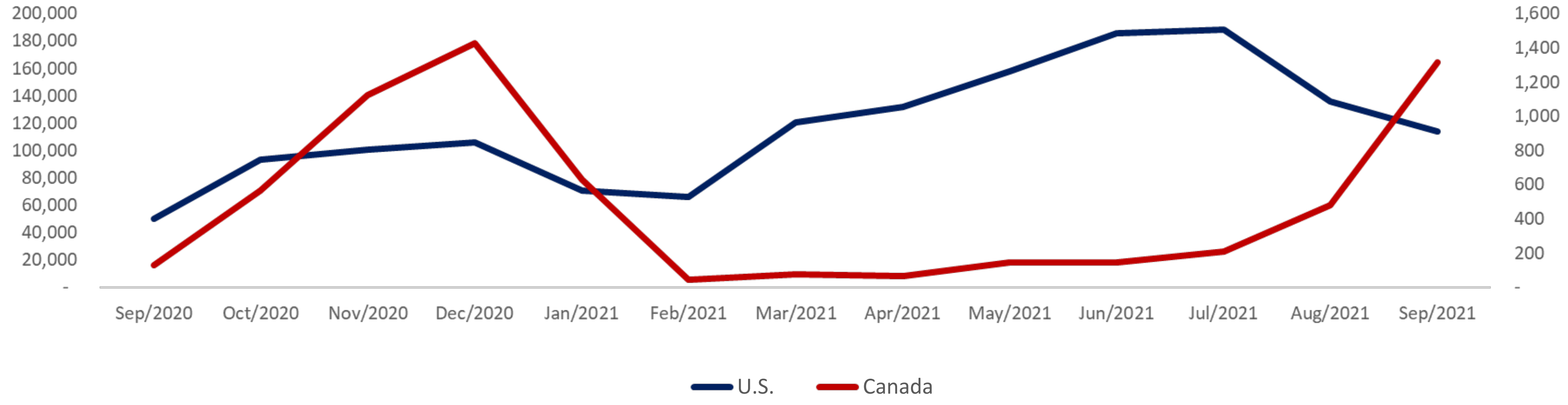
LOS CABOS TOURISM OBSERVATORY

PASSENGER ARRIVALS
by nationality

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

Regions	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Jan/2021	Feb/2021	Mar/2021	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	Sep/2021	Δ Sep 21 / Sep 19	ΔJan-Sep 21 / Jan-Sep 19
U.S.	50,077	93,069	100,320	105,991	70,454	66,275	120,361	131,784	157,649	185,830	188,099	135,769	114,095	55.4%	-0.7%
Canada	128	563	1,126	1,429	628	44	75	66	144	144	211	480	1,316	-59.6%	-97.2%
Europe	40	48	70	64	32	32	39	37	61	55	136	98	62	-79.5%	-92.9%
Caribbean, Central & South America	33	37	48	43	19	18	31	24	58	76	138	138	107	-13.7%	-67.3%
Rest of the world	71	106	127	67	12	11	38	24	48	90	163	169	108	-82.1%	-91.6%
Grand total	50,349	93,823	101,691	107,594	71,145	66,380	120,544	131,935	157,960	186,195	188,747	136,654	115,688	48.8%	-10.0%

Key markets	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Jan/2021	Feb/2021	Mar/2021	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	Sep/2021	Δ Sep 21 / Sep 19	ΔJan-Sep 21 / Jan-Sep 19
United Kingdom	10	9	21	18	5	16	16	8	25	15	50	48	7	-78.1%	-89.5%
Australia	18	18	42	19	3	1	4	4	4	12	18	21	15	-91.8%	-97.1%
South Korea	6	5	8	3	-	-	10	1	5	6	17	16	10	-80.7%	-93.1%
Key markets total	34	32	71	40	8	17	30	13	34	33	85	85	32	-84.8%	-93.9%



SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence)

+48.8%

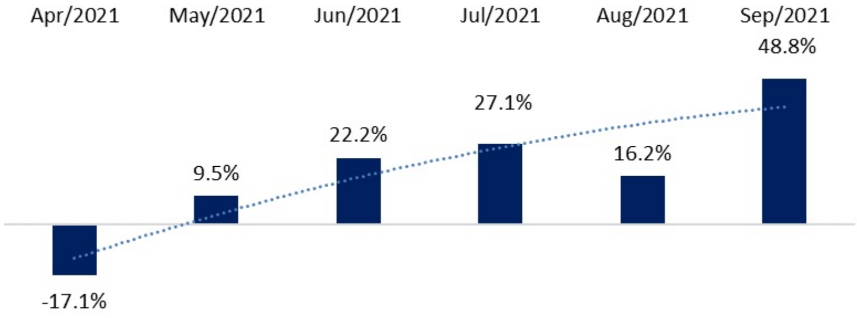
Sep-2021 vs. Sep-2019

In Sep-2021, Los Cabos International Airport recorded the arrival of 115,688 international tourists, up 48.8% compared to Sep-2019.

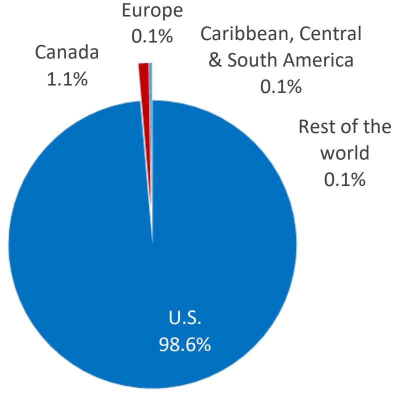
However, this growth is due to a 55.4% increase in U.S. inbound tourists, while the rest of the regions showed declines.

American tourists represent 98.6% of the total.

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



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

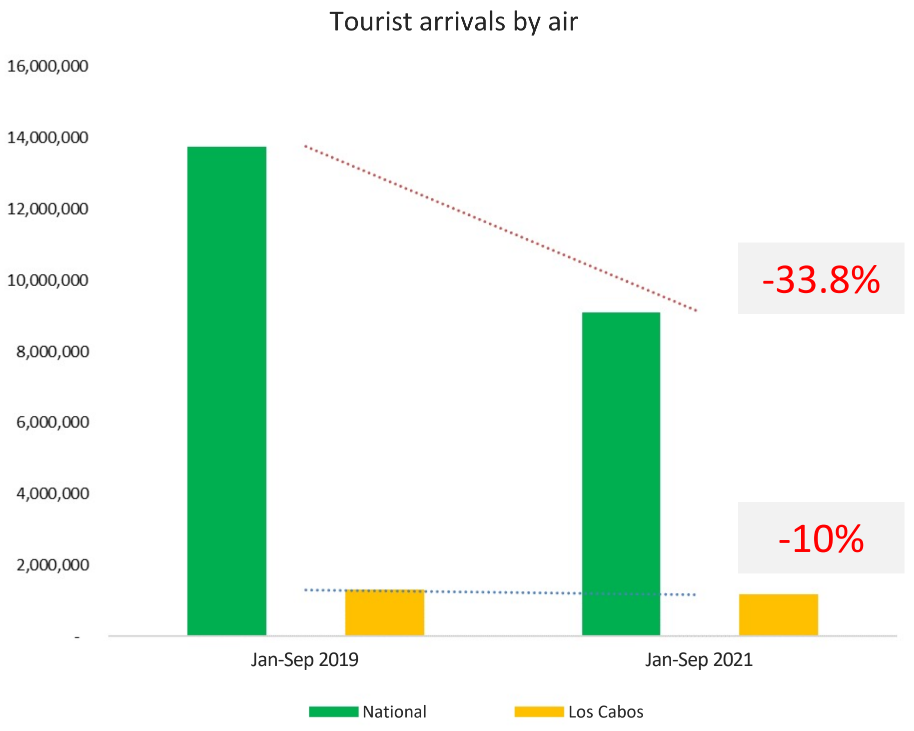


SOURCE: INM-SIOM

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

Regions	National			Los Cabos		
	Jan-Sep 2019	Jan-Sep 2021	Δ 2021/2019	Jan-Sep 2019	Jan-Sep 2021	Δ 2021/2019
U.S.	8,103,311	7,309,122	-9.8%	1,177,976	1,170,316	-0.7%
Canada	1,660,199	110,765	-93.3%	110,200	3,108	-97.2%
Europe	1,470,919	470,877	-68.0%	7,803	552	-92.9%
Caribbean, Central & South America	1,987,792	981,397	-50.6%	1,863	609	-67.3%
Rest of the world	538,098	234,633	-56.4%	7,891	663	-91.6%
Grand total	**13,760,319**	**9,106,794**	**-33.8%**	**1,305,733**	**1,175,248**	**-10.0%**

Key markets	National			Los Cabos		
	Jan-Sep 2019	Jan-Sep 2021	Δ 2021/2019	Jan-Sep 2019	Jan-Sep 2021	Δ 2021/2019
United Kingdom	441,019	36,705	-91.7%	1,804	190	-78.1%
Australia	46,936	2,757	-94.1%	2,819	82	-91.8%
South Korea	62,495	7,419	-88.1%	946	65	-80.7%
Key markets total	**550,450**	**46,881**	**-91.5%**	**2,242**	**337**	**-84.8%**



When comparing Jan-Sep-2021 to 2019, international tourist arrivals by air decreased 33.8% nationwide and 10% in Los Cabos.

- On a national level, the U.S. travel market decreased by 9.8%, whereas the Canadian travel market did so by 93.3%.
- In Los Cabos International Airport, the U.S. and Canadian travel markets decreased by 0.7% and 97.2% when comparing both periods.

SOURCE: INM-SIOM

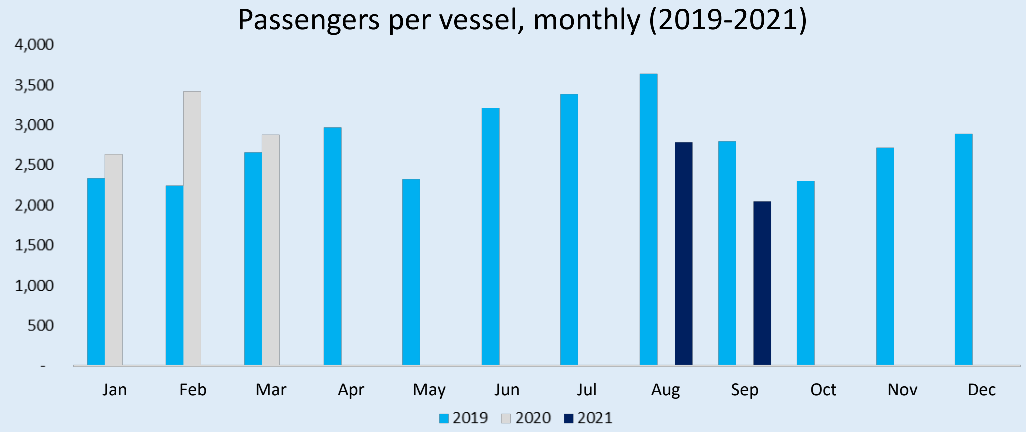
LOS CABOS

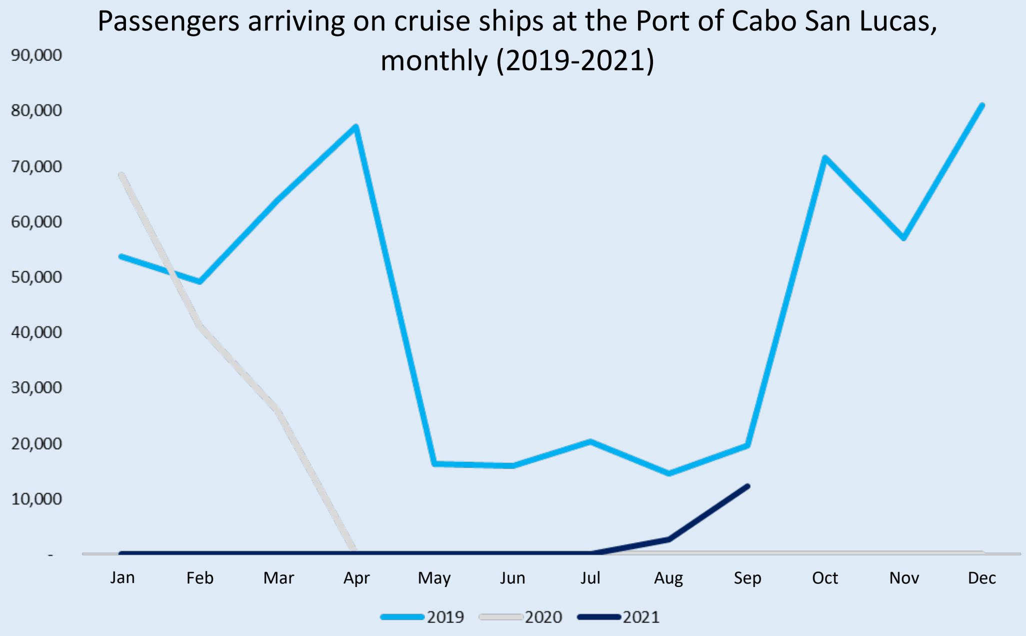
LOS CABOS TOURISM OBSERVATORY

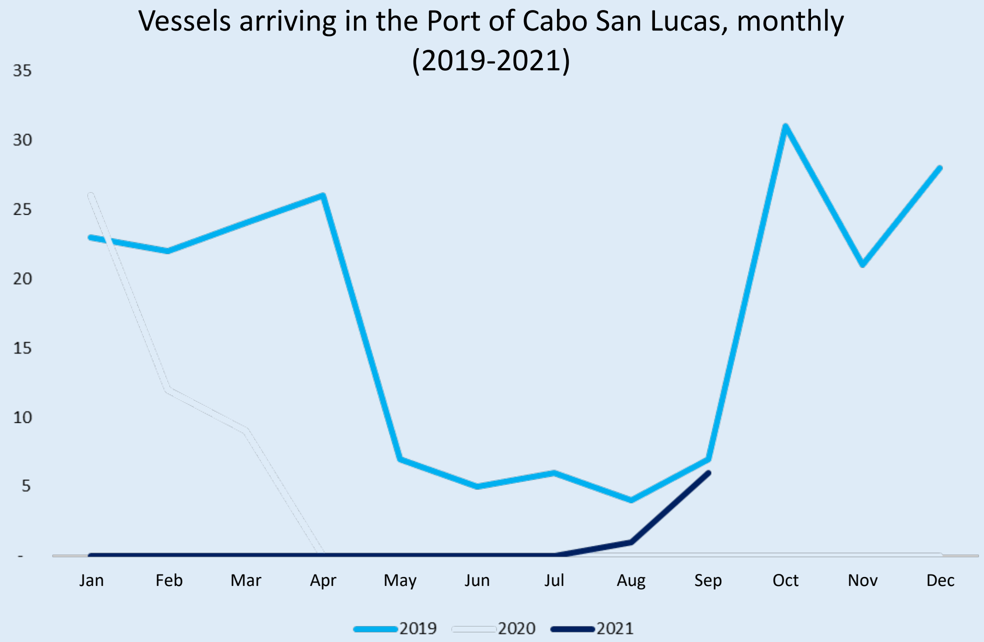
YACHT AND CRUISE SHIP ACTIVITY

Cruise activity (Sep-2021)

Cruise operations continued to recover in Sep-2021, with 6 vessels arriving at the port of Cabo San Lucas carrying a total of 12,318 passengers.







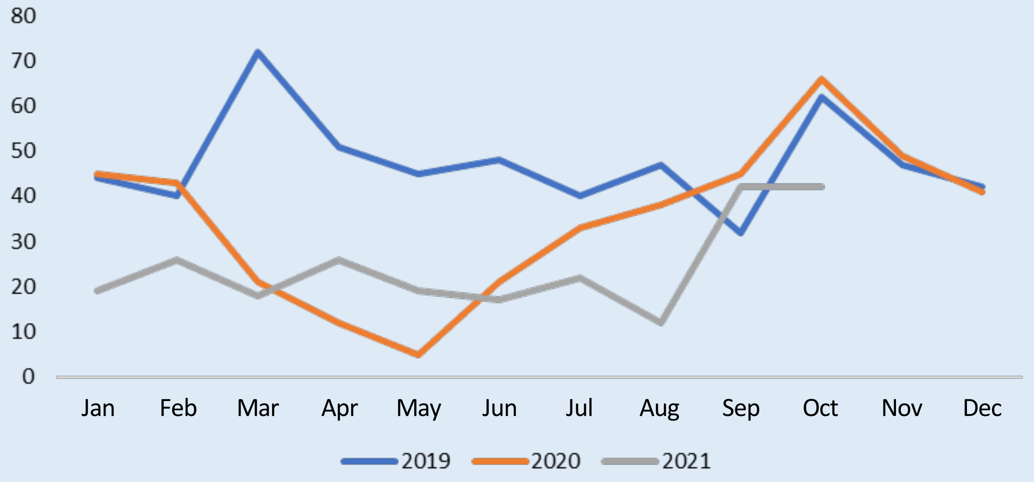
SOURCE: DATATUR-SCT

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

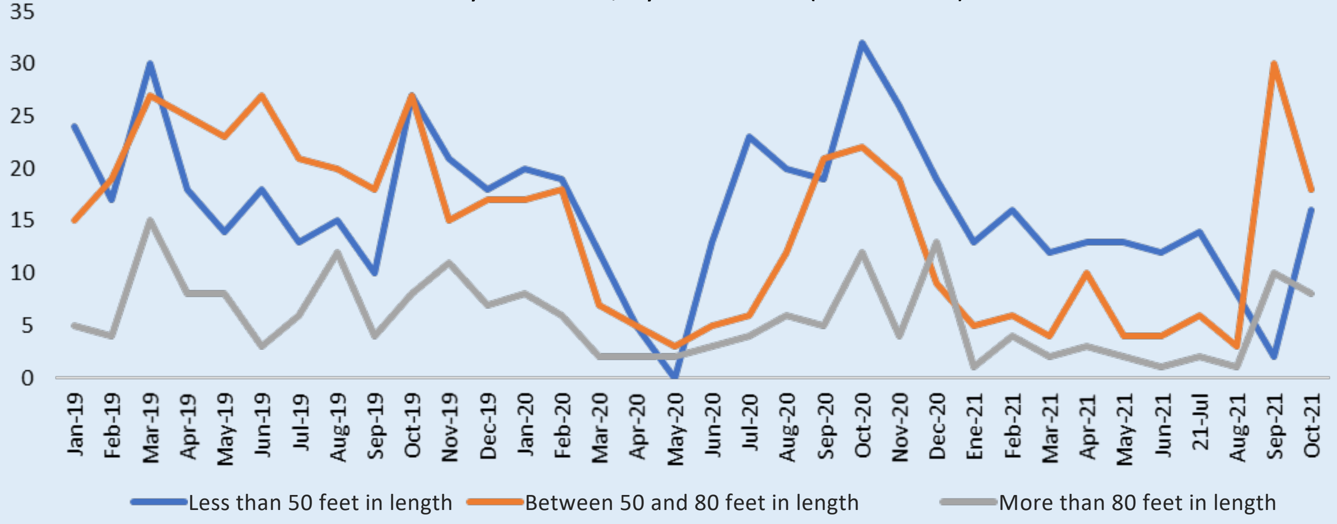
- **42 yachts arrived at the Port of Cabo San Lucas in Oct-2021. This represents a decrease of 32% compared to the same period in 2019.**
- **43% were medium-sized vessels that measured between 50 and 80 feet in length.**

SOURCE: API Cabo San Lucas

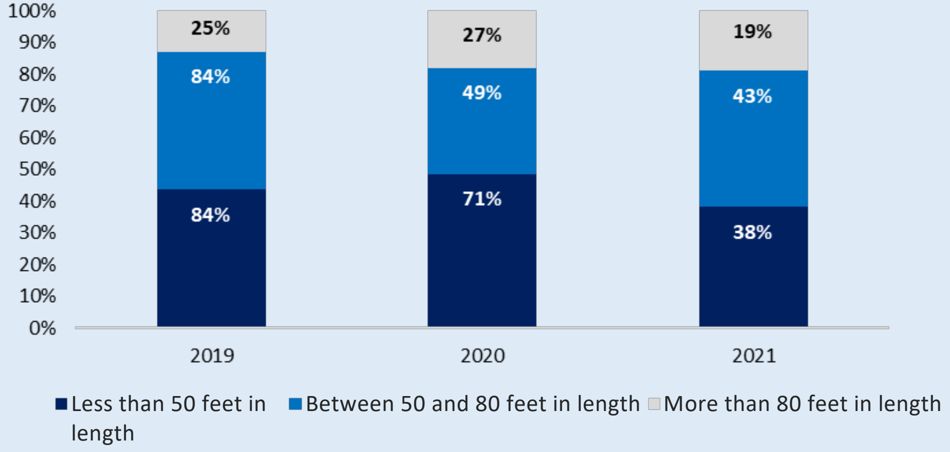
Total yacht arrivals, monthly (2019-2021)



Monthly evolution, by vessel size (2019-2021)



Arrivals distribution, by vessel size (October)



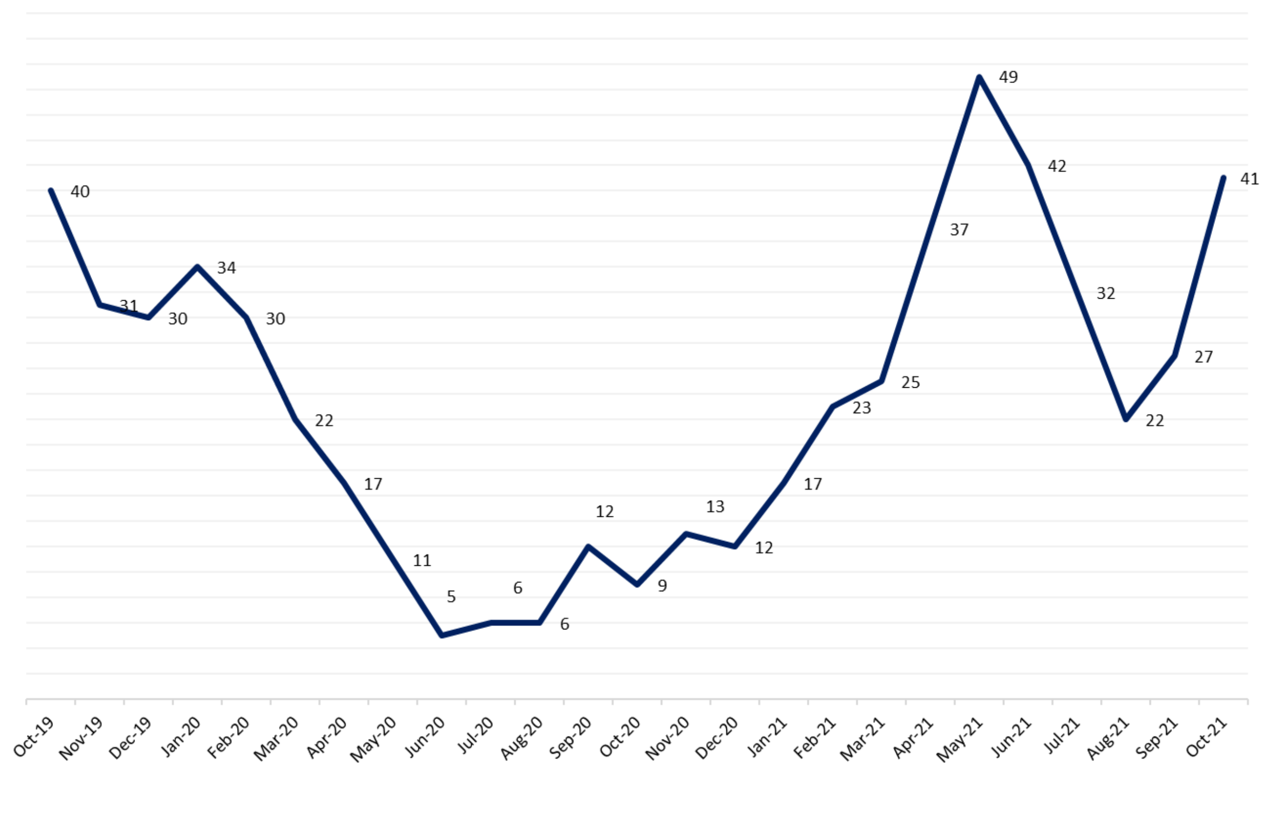
LOS CABOS

LOS CABOS TOURISM OBSERVATORY

TOURIST SURVEYS & GROUP BUSINESS

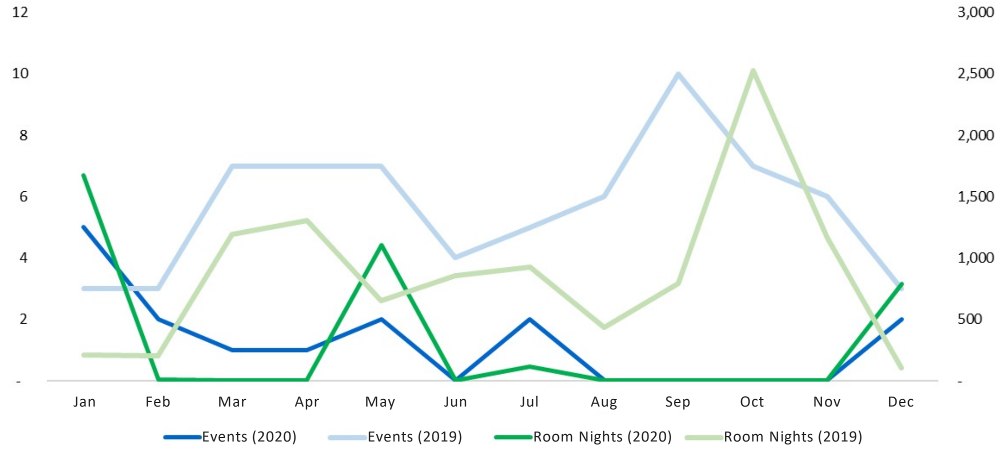
Group Business

RFPs received from meeting and group events, last 24 months (CVENT)



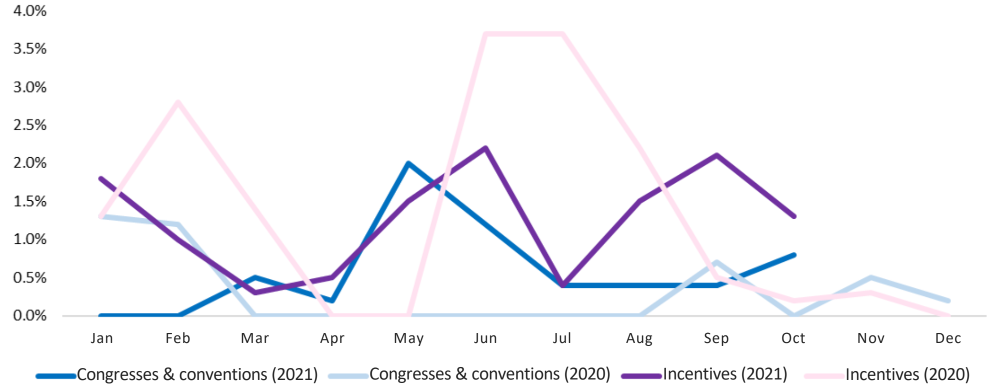
SOURCE: CVENT

Confirmed room nights and events for meetings and groups



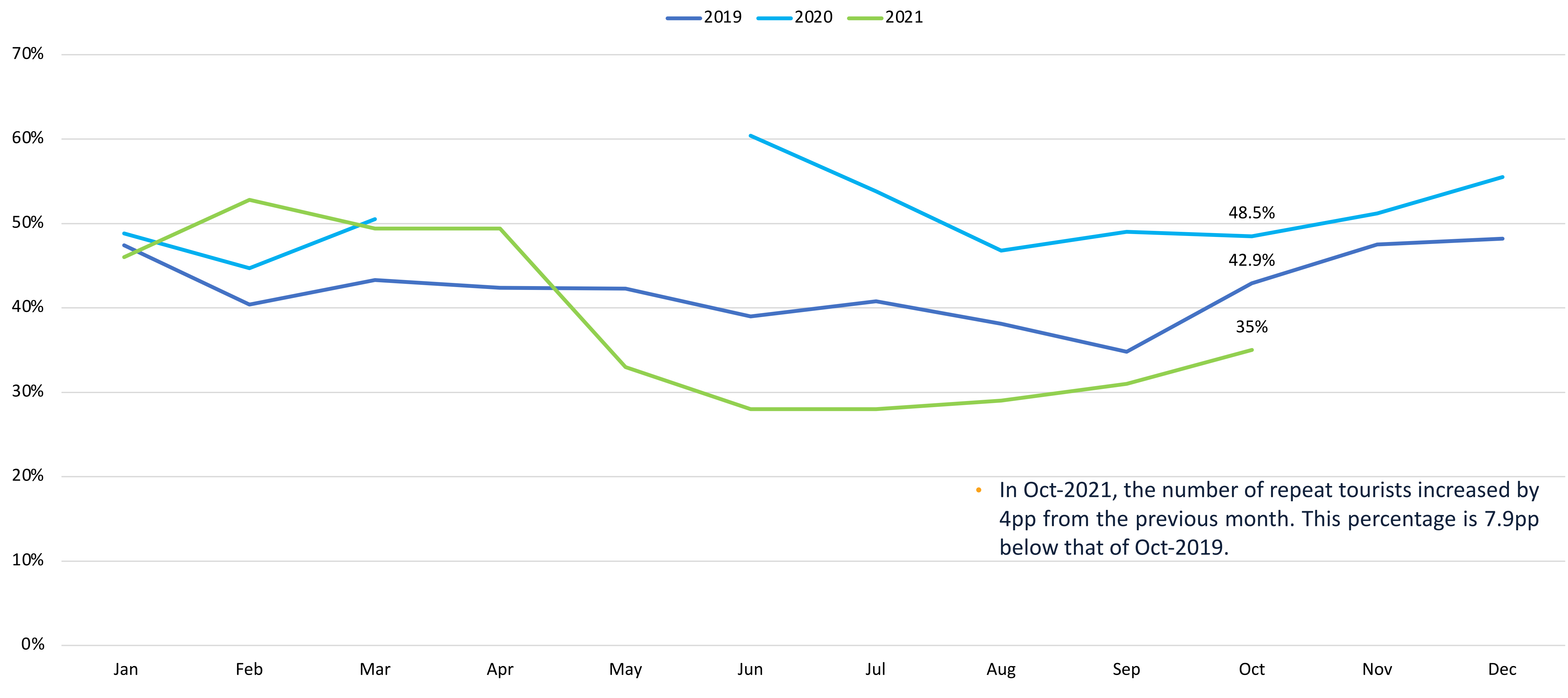
SOURCE: HELMS BRISCOE

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



SOURCE: TOURIST SURVEYS

Return rate to the destination

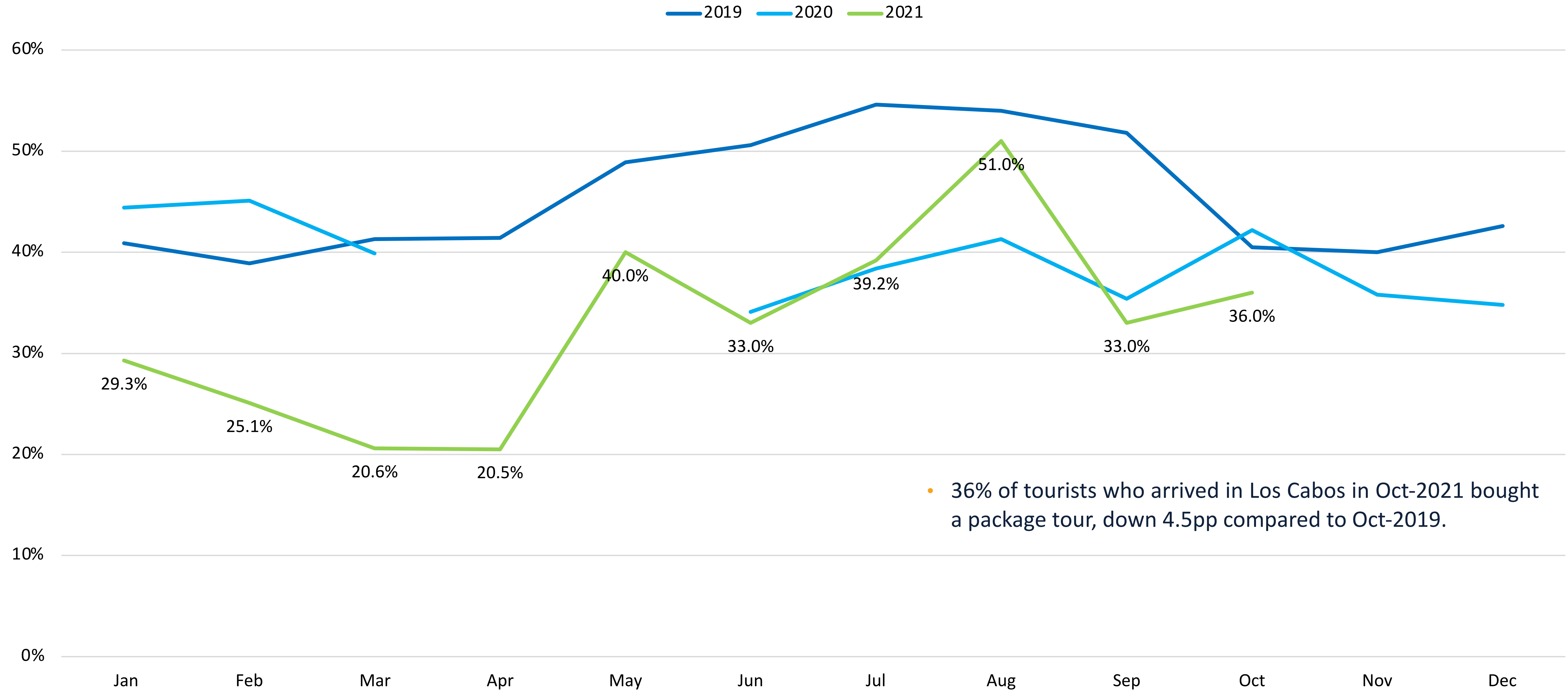


- In Oct-2021, the number of repeat tourists increased by 4pp from the previous month. This percentage is 7.9pp below that of Oct-2019.

SOURCE: TOURIST SURVEYS

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

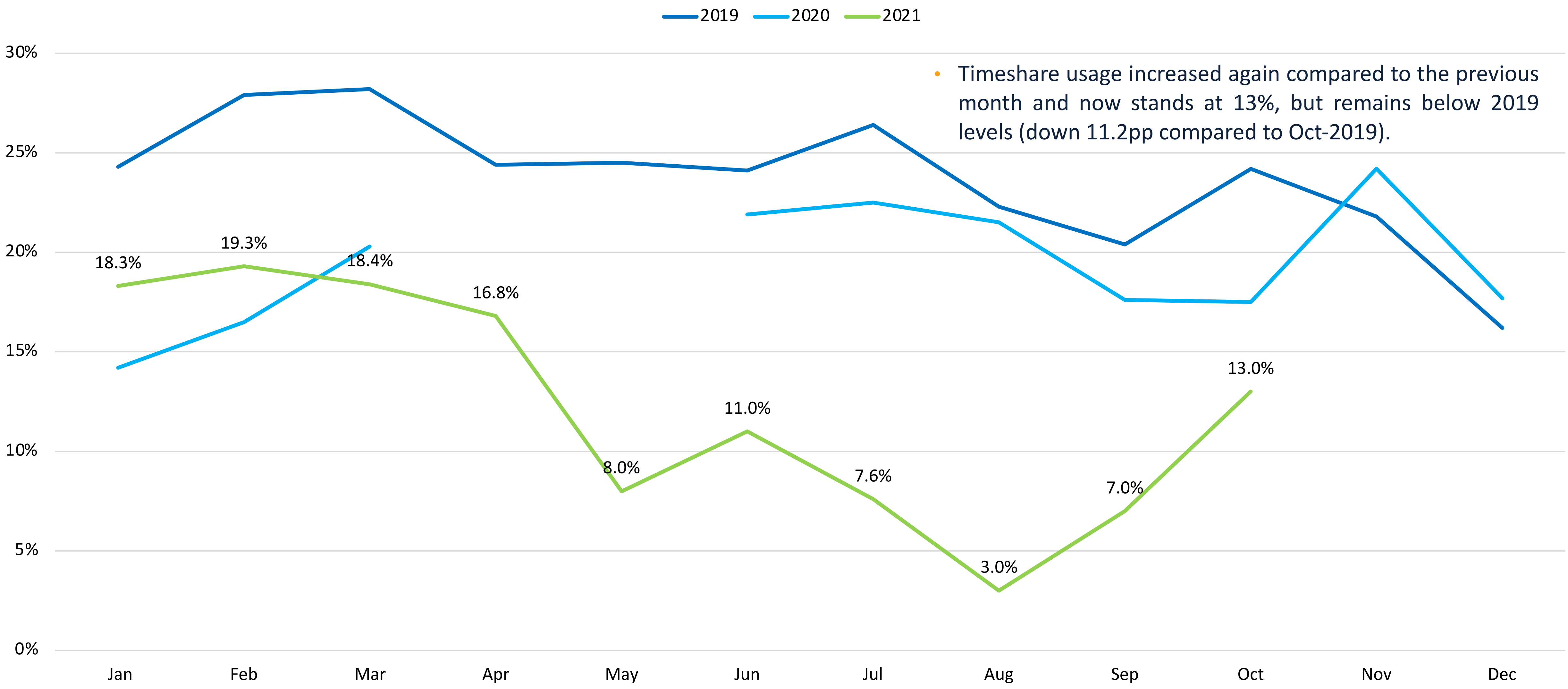
Package tour purchases



- 36% of tourists who arrived in Los Cabos in Oct-2021 bought a package tour, down 4.5pp compared to Oct-2019.

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

Timeshares



- Timeshare usage increased again compared to the previous month and now stands at 13%, but remains below 2019 levels (down 11.2pp compared to Oct-2019).

SOURCE: TOURIST SURVEYS

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

LOS CABOS

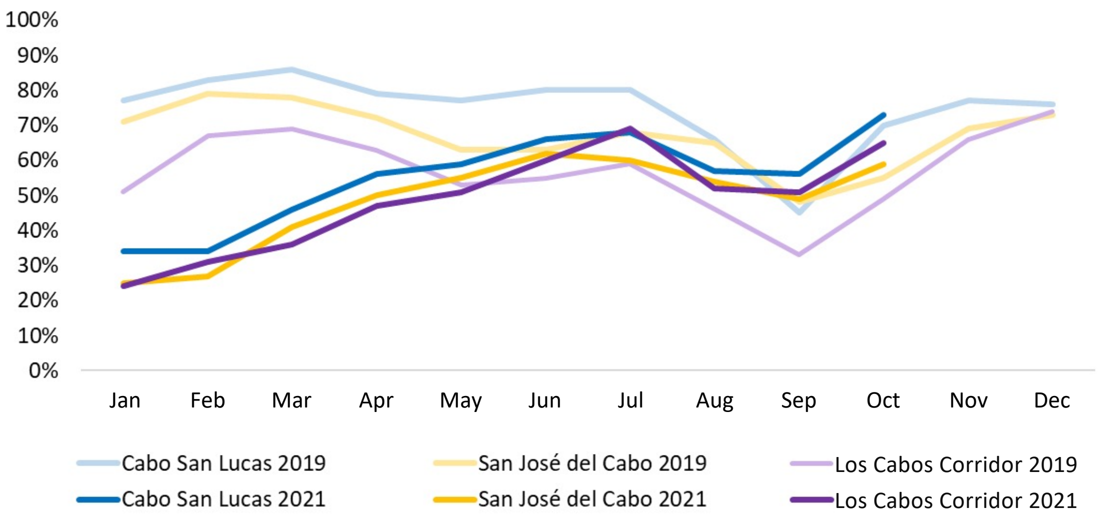
LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS

Hotel Performance

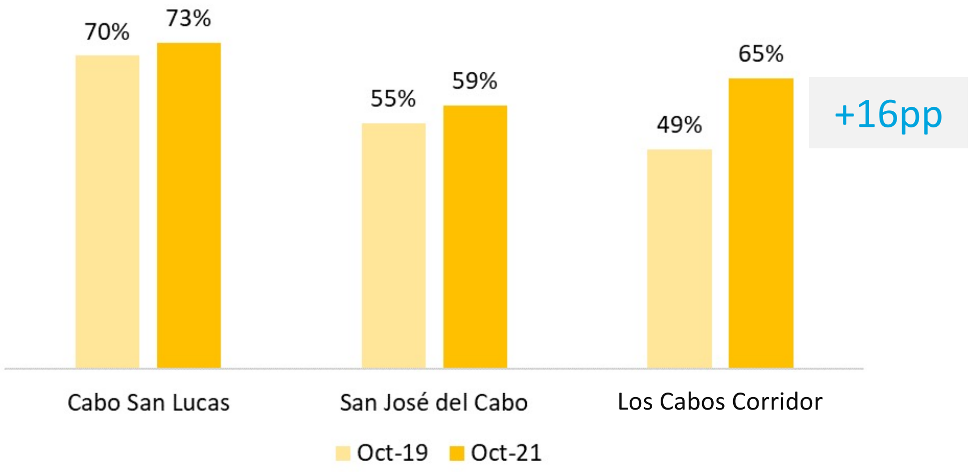
Evolution of the hotel supply in Los Cabos and sub-destinations

Monthly hotel occupancy (2019-2021)



SOURCE: AHLC

Hotel occupancy, current month (2019-2021)

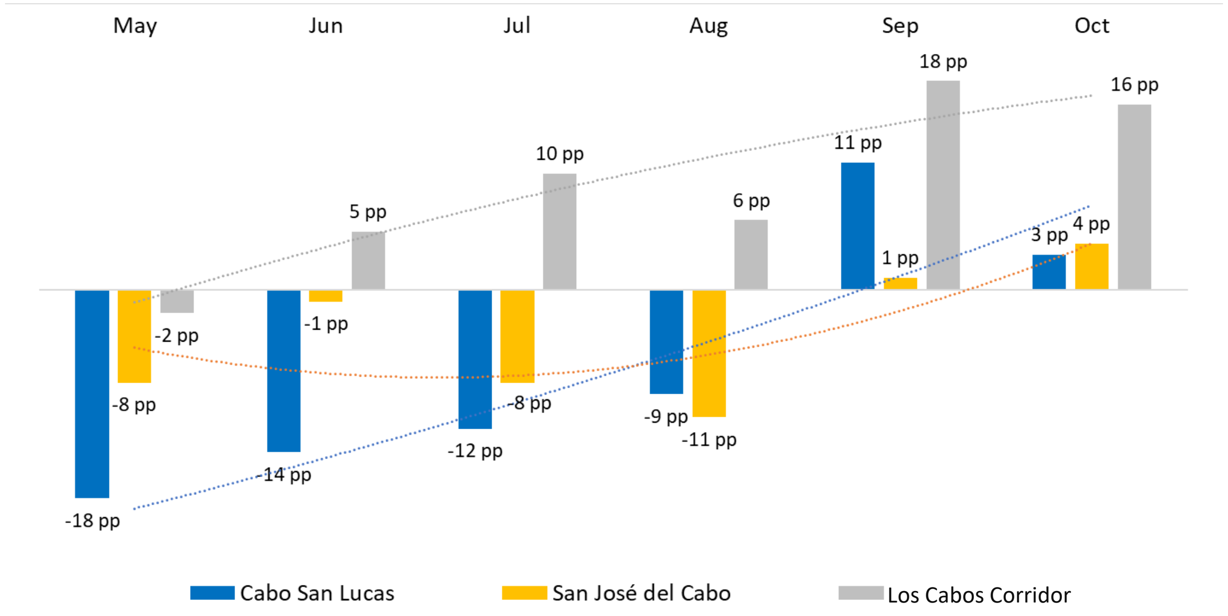


SOURCE: AHLC

- **According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 68% during Oct-2021, up 7pp compared to 2019. On a sub-destination level, Cabo San Lucas and San Jose del Cabo were at 73% and 59% (both increased by 3pp and 4pp, respectively). Furthermore, hotel occupancy in Los Cabos Corridor increased by 16pp and stood at 65%.**
- **In Sep-2021, 207,012 tourists arrived at hotels in Los Cabos, 31.8% more than in Sep-2019. However, the average stay decreased by 0.1 nights (4.18, according to DataTur).**
  - **The number of domestic and international tourist arrivals at hotels increased by 7.8% and 44.1% in this period.**
  - **In Sep-2021, domestic tourism represented 27.7% of the total. A share of 33.9% was recorded in 2019.**

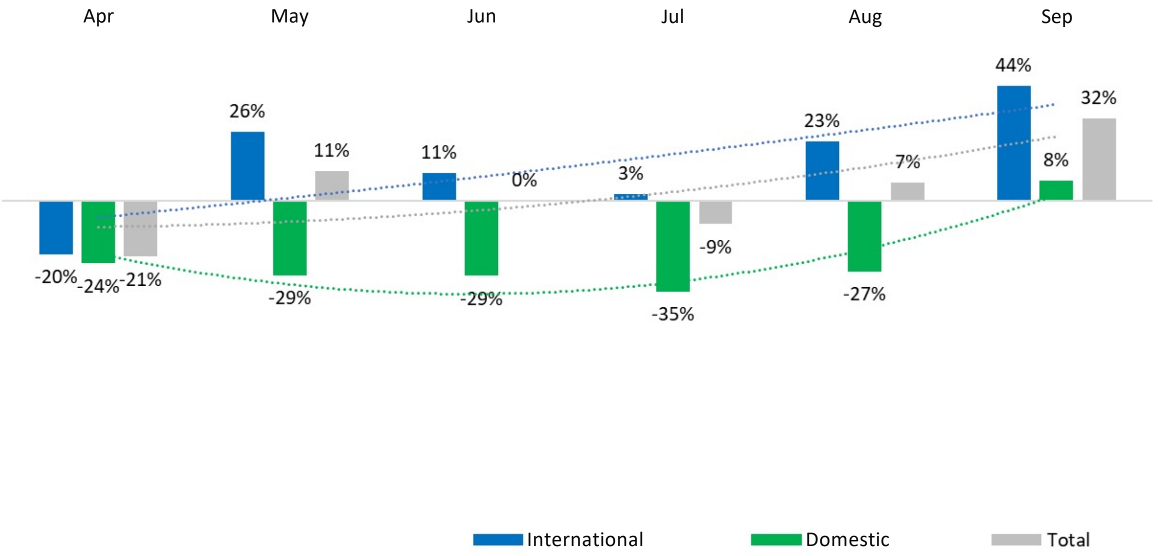
Evolution of the hotel supply in Los Cabos and sub-destinations

Annual variation in hotel occupancy, by destination
(May-Oct-2021 vs. 2019)



SOURCE: AHLC

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

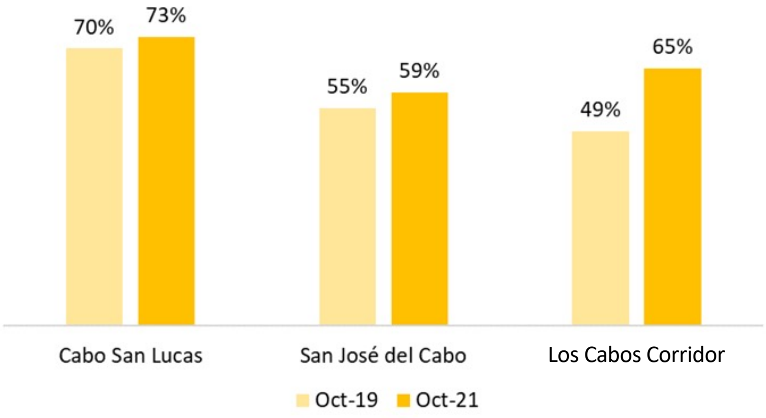


SOURCE: DATATUR

- **Compared to Oct-2019, hotel occupancy in Cabo San Lucas and San Jose del Cabo increased by 3pp and 4pp, respectively (second growth since the pandemic began).**
- **Furthermore, Los Cabos Corridor has shown growth for five consecutive months, reaching a 16pp increase compared to 2019.**

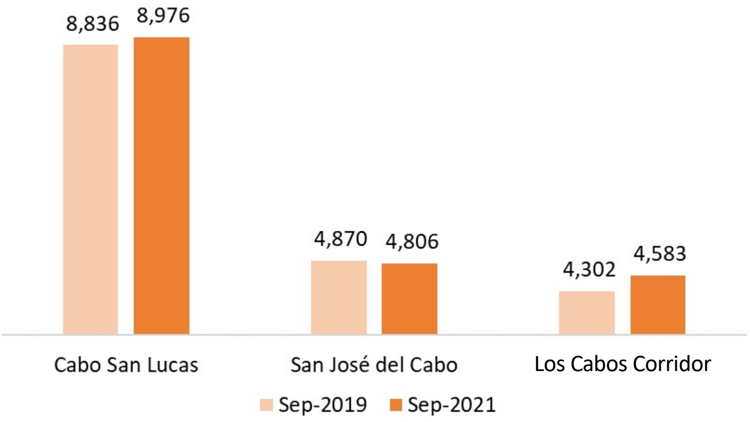
Evolution of the hotel supply in Los Cabos and sub-destinations

Hotel occupancy (October 2019-2021)



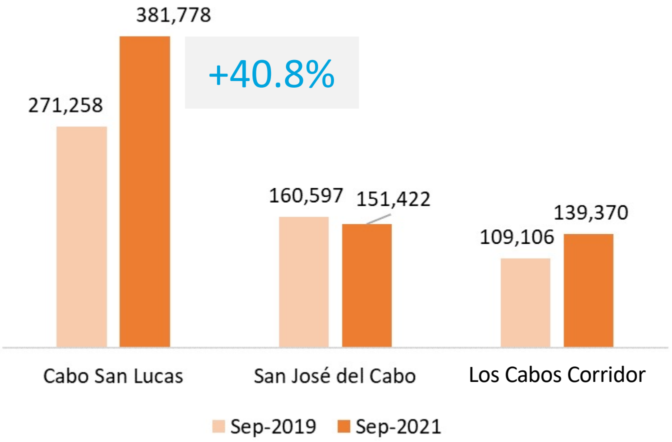
SOURCE: AHLC

Rooms available (September 2020-2021)



SOURCE: DATATUR

Room nights (September 2019-2021)



SOURCE: DATATUR

CABO SAN LUCAS

- **Hotel occupancy was at 73%, implying an increase of 3pp (Oct-2021 vs. Oct-2019, AHLC).**
- **Its hotel supply increased 1.6% between Sep-2019 and Sep-2021, registering a total of 9 thousand rooms (DataTur).**
- **Occupied room nights increased 40.8% between Sep-2019 and Sep-2021 (DataTur).**

SAN JOSE DEL CABO

- **Occupancy grew 4pp (59%) when comparing Oct-2021 to Oct-2019 (AHLC).**
- **Its hotel supply decreased 1.3% between Sep-2019 and Sep-2021, registering a total of 4.8 thousand rooms (DataTur).**
- **Occupied room nights decreased 5.7% between Sep-2019 and Sep-2021 (DataTur).**

LOS CABOS CORRIDOR

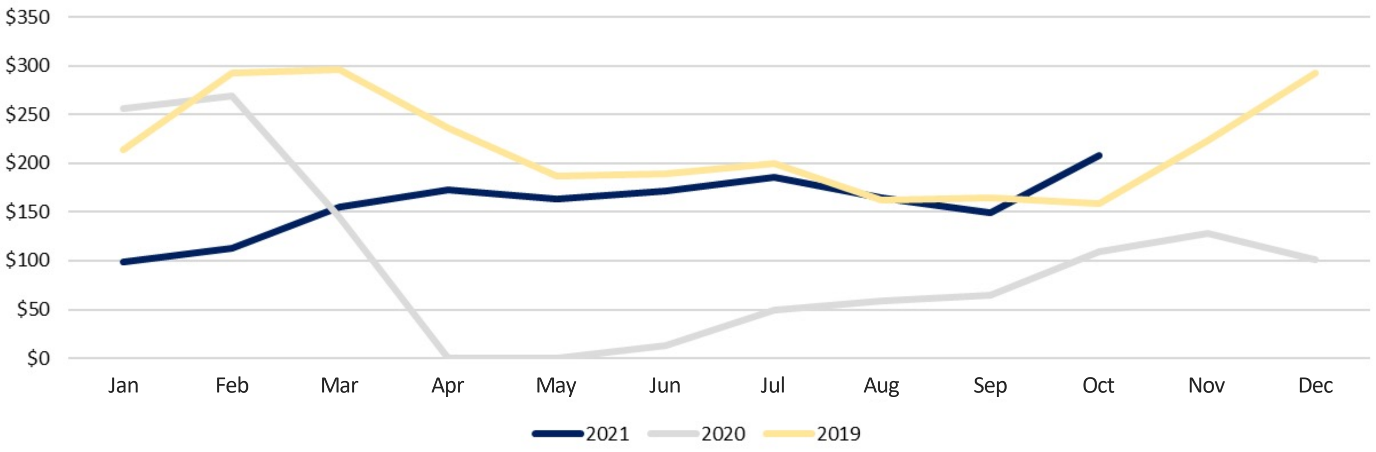
- **Occupancy was at 65% in Oct-2021, implying an increase of 16pp (AHLC).**
- **Its hotel supply increased 6.5% between Sep-2019 and Sep-2021, registering a total of 4.6 thousand rooms (DataTur).**
- **Occupied room nights increased 27.7% between Sep-2019 and Sep-2021 (DataTur).**

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

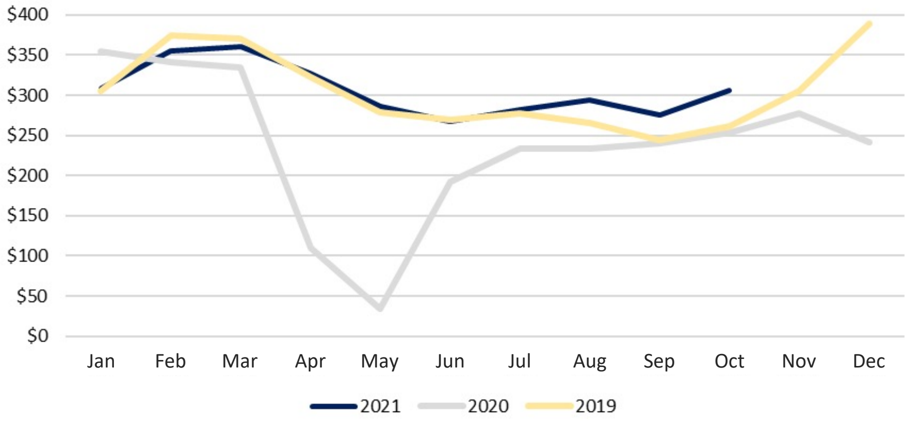
- **The average hotel rate in Los Cabos for Oct-2021 was USD 306, 7 dollars above the last 12-month average ($299) and 45 dollars above that of Oct-2019.**
  - **Cabo San Lucas recorded an increase of 10.7% (USD 24) and now stands at USD 249.**
  - **San Jose del Cabo increased its rate by 9.3% (USD 21) and now stands at USD 246.**
  - **Compared to 2019, the rate in Los Cabos Corridor increased 10% (USD 37) and recorded USD 409.**

- **The RevPAR in Oct-2021 was USD 208, up 49 dollars (+30.8%) compared to Oct-2019.**

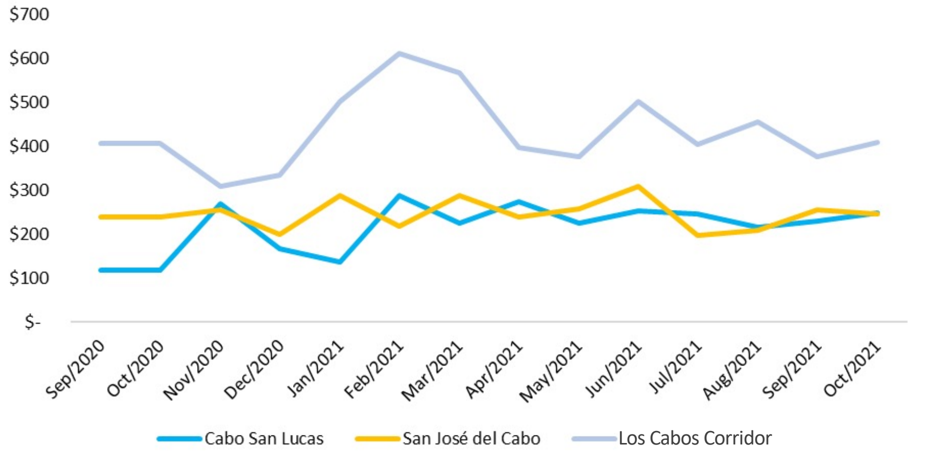
RevPAR Los Cabos (USD, 2019-2021)



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



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



SOURCE: AHLC

LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Air Connectivity

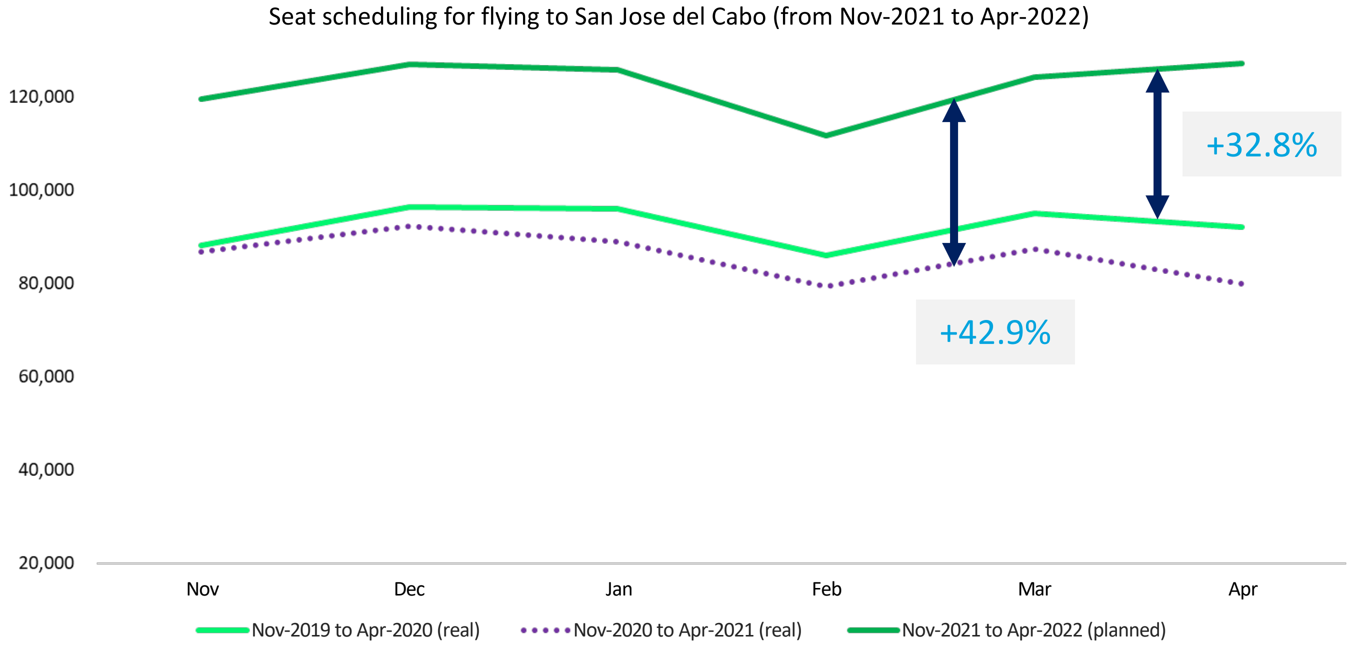
SOURCE: OAG

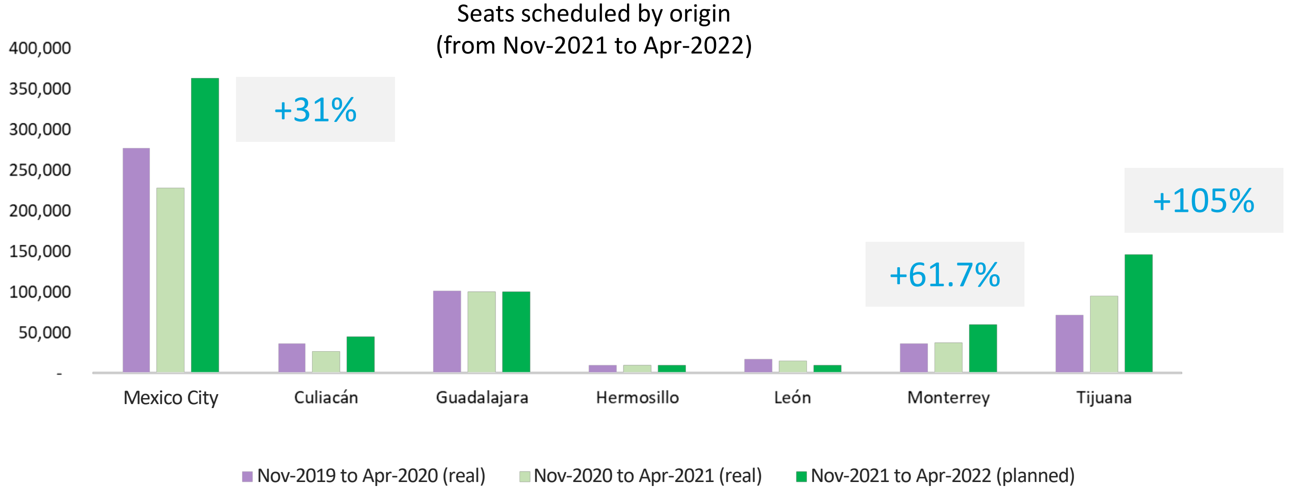
Domestic air connectivity

SEATS SCHEDULED FROM NOV-2021 TO APR-2022

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

- **There are 735,810 seats scheduled for the next 6 months, 32.8% 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 42.9% higher.**
  - **There are 35.4% more available seats expected for Nov-2021 than those scheduled for Nov-2019.**
- **Mexico City, GDL, and Tijuana are the most relevant issuing markets, having 49%, 14%, and 20% of total available seats (for the next 6 months), followed by Monterrey (8%), Culiacan (6%), Leon (1%), and Hermosillo (1%).**
  - **Seats from CDMX, MTY, and TIJ increased by 31%, 61.7%, and 105%, respectively (when compared against 2019). However, BJX decreased by 41.3%. Consequently, TIJ's market share grew 2pp during these 6 months, and BJX's dropped 2pp.**
- **For the next 6 months, 53% of the available seats will be provided by Volaris, followed by Viva Aerobus with 31% and Aeromexico with 16%. Interjet has dropped to 0%.**
  - **It's worth noting that this corresponds to the information provided on the OAG portal. However, 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 Aug-2021 were: Aeromexico (77%) and Volaris (76%).**





LOS CABOS

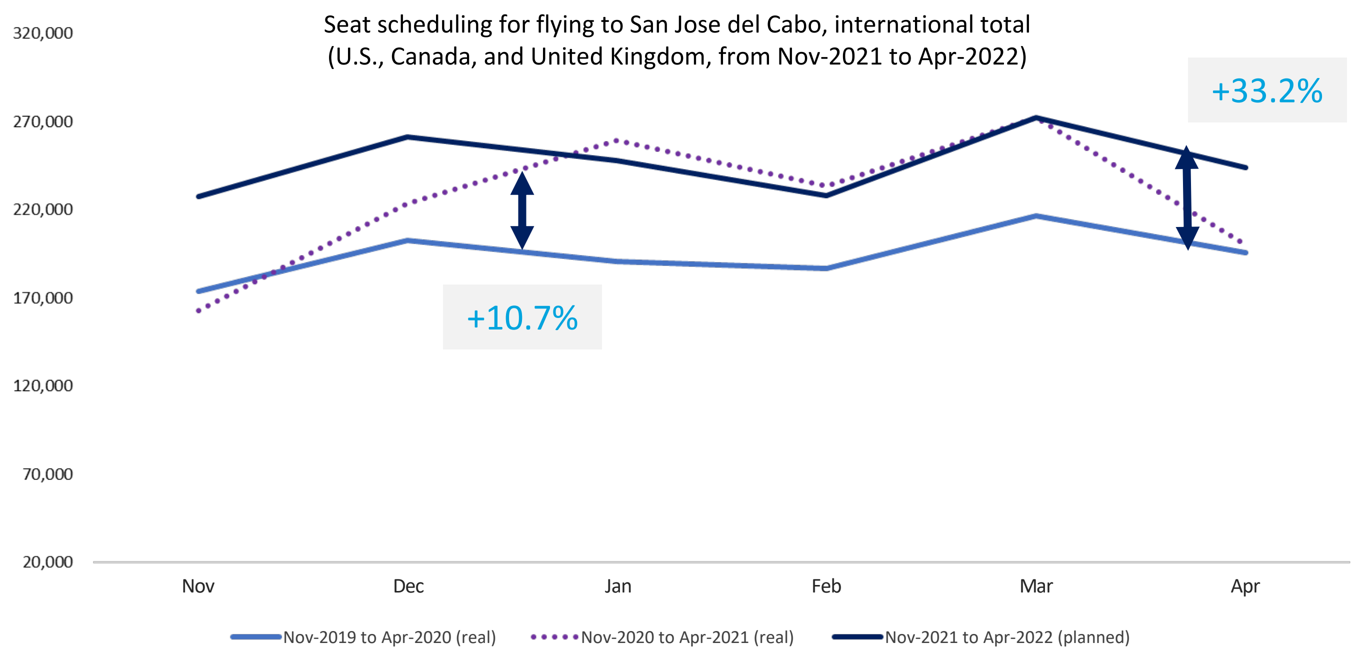
SOURCE: OAG

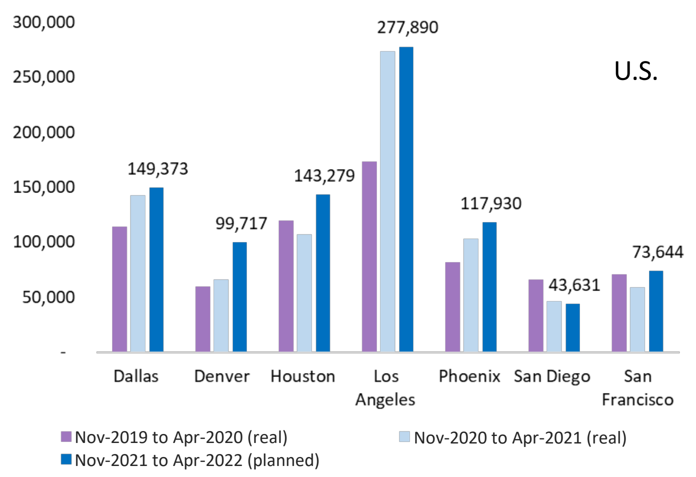
International air connectivity

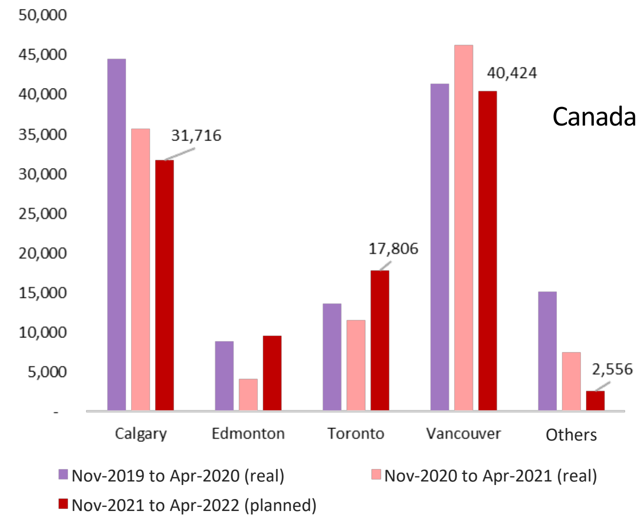
SEATS SCHEDULED FROM NOV-2021 TO APR-2022

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

- **For the U.S., there are 1.38 million seats scheduled for the next 6 months, which is 33.2% 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 10.7% higher.**
  - **LAX (+60.2%), PHX (+44.1%), HOU (+20.1%), DFW (+31.2%), DEN (+67.2%), and SEA (+16.3%) have the most significant increase vs. 2019. However, a decrease of 33.5% is observed in San Diego.**
  - **Los Angeles is the main issuing market in the U.S. (20% of the market), followed by DFW (11%), Houston (10%), and Phoenix (9%).**
  - **American, Alaska, Delta, Southwest, and United Airlines are the most relevant (91% as a whole).**
  - **For Nov-2021, the United States expects 37.4% more available seats than those scheduled for 2019.**
- **For Canada, there are 102 thousand seats scheduled for the next 6 months, which is 17.4% 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 3.1% lower.**
  - **There are 14.5% fewer available seats expected for Nov-2021 than those scheduled for 2019.**
  - **A decline is anticipated in Calgary (-28.8%) and Vancouver (-2.3%) within the next 6 months. Edmonton and Toronto are expected to increase by 8.1% and 30.8% compared to 2019.**
  - **During this period, Air Canada and Swoop will reduce the number of seats by 34.1% and 8.8%, respectively.**
- **Load factors of international airlines for Aug-2021 were: American (84%), Alaska (80%), Delta (77%), United (81%), and Southwest (72%).**







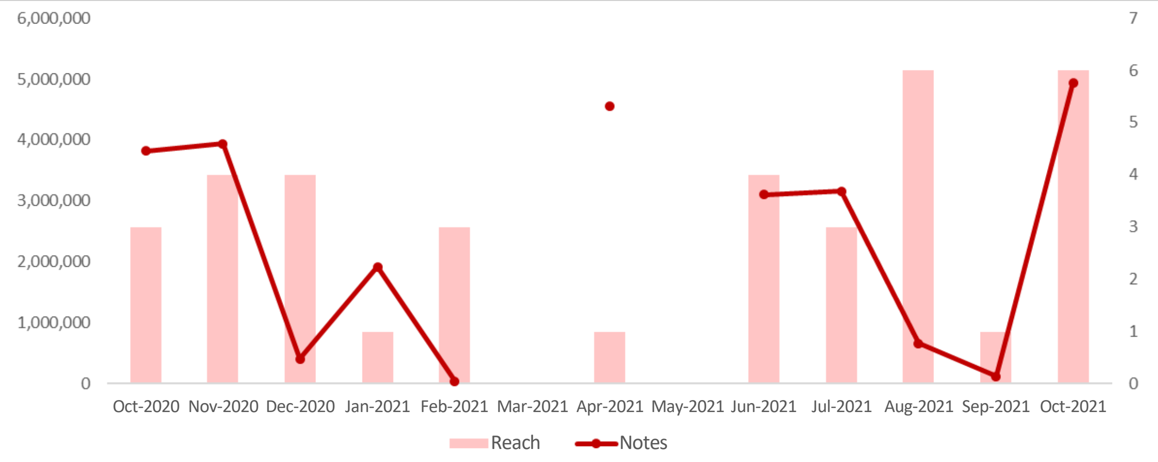
LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope

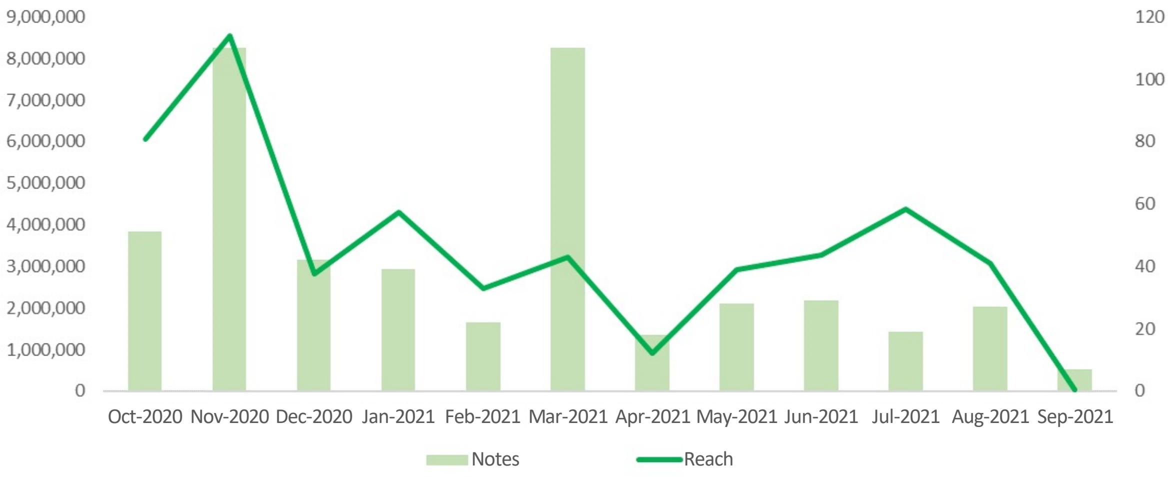
- **In the domestic market:**
  - **During Sep-2021, 7 placements were introduced, accounting for 24.8 thousand impressions. An average of 40 placements has been published monthly since the pandemic started in April 2020, with a monthly reach of 3.4 million.**
- **In the international market:**
  - **In Oct-2021, 26 placements and 223 million impressions were achieved in the United States. An average of 22 placements has been published monthly since the pandemic started, with a monthly reach of 703 million.**
  - **6 notes were delivered to the Canadian market throughout Oct-2021, achieving 4.9 million impressions. An average of 5 placements has been published monthly since April, with a monthly reach of 3.8 million.**

NOTES MADE FOR THE CANADIAN MARKET – TOTAL & REACH



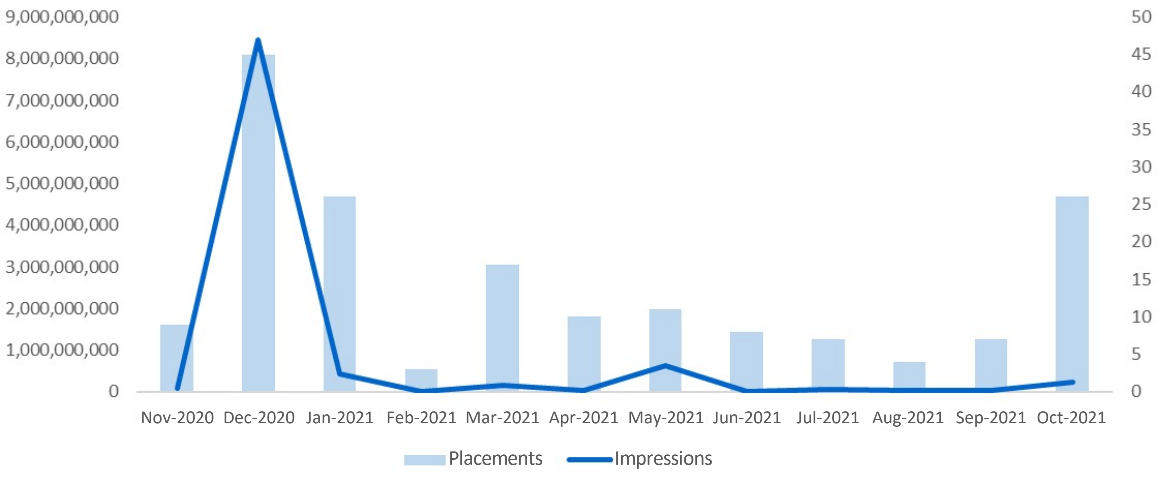
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET – TOTAL & REACH



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

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



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

LOS CABOS

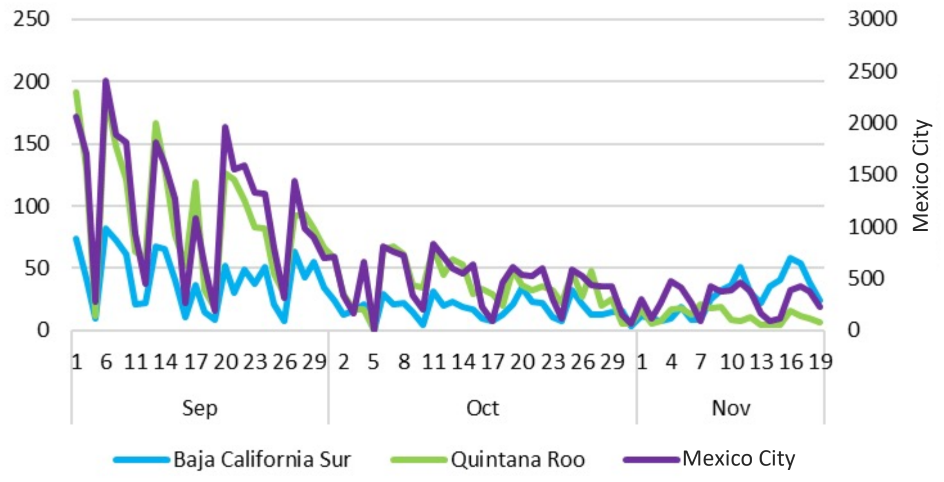
LOS CABOS TOURISM OBSERVATORY

IMPACT OF COVID-19

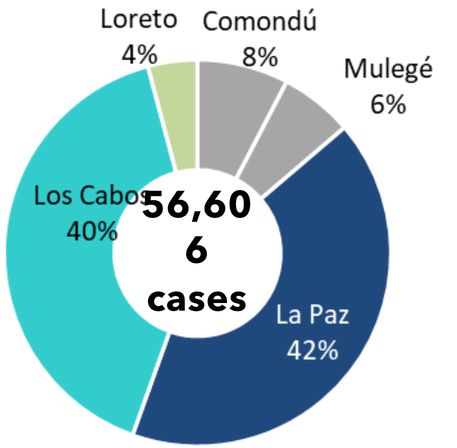
Effects of COVID-19 on Mexico's tourism sector.

Confirmed COVID-19 cases – overview

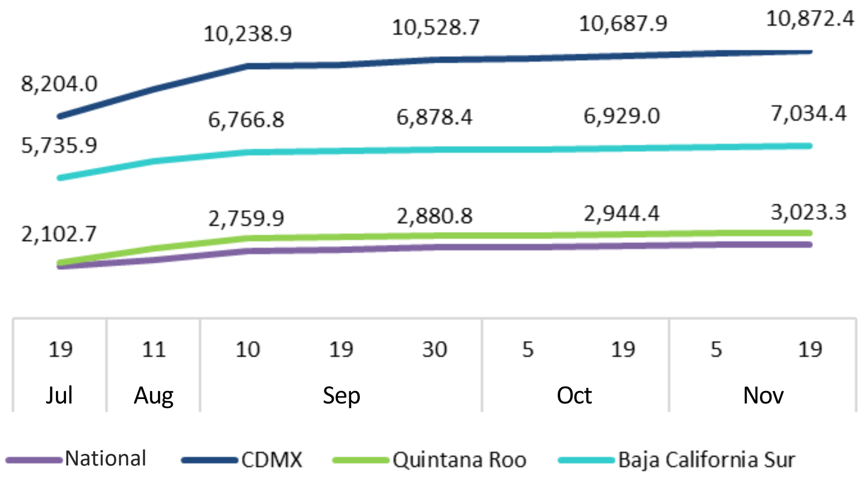
Number of daily new cases



Confirmed cases by municipalities in B.C.S.



Incidence of infection



Total confirmed cases as of November 19th, 2021

National

3.86 million

- 103 thousand more cases since October 19th.

Baja California Sur

56,606

- 848 more cases than those recorded by October 19th.

Quintana Roo

59,751

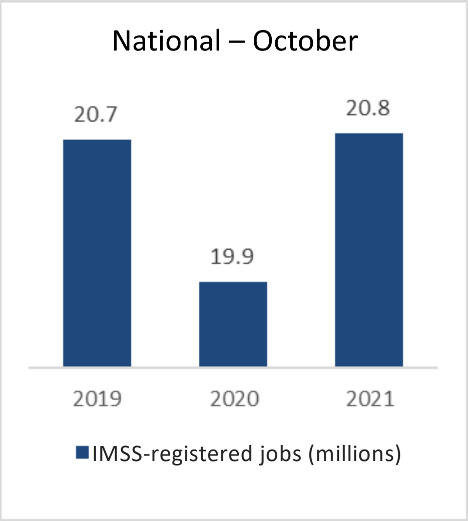
- 718 more cases in the same period.

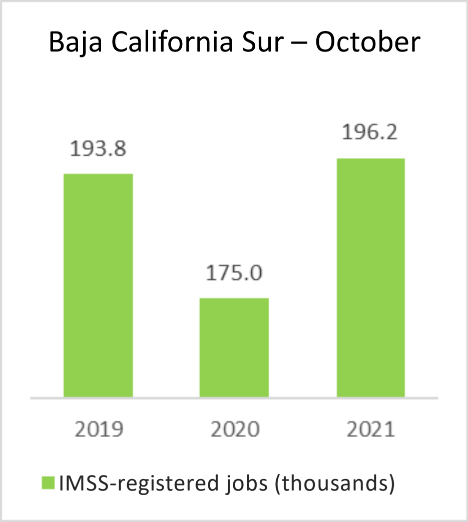
- La Paz and Los Cabos jointly account for 82% of the total confirmed cases statewide.
- Los Cabos has 163 more cases, adding up to a total of 22,878.
- La Paz has 417 more cases than those recorded as of October 19th, accumulating a total of 23,608 confirmed cases.
- Loreto accumulates 2,338 cases (31 more).

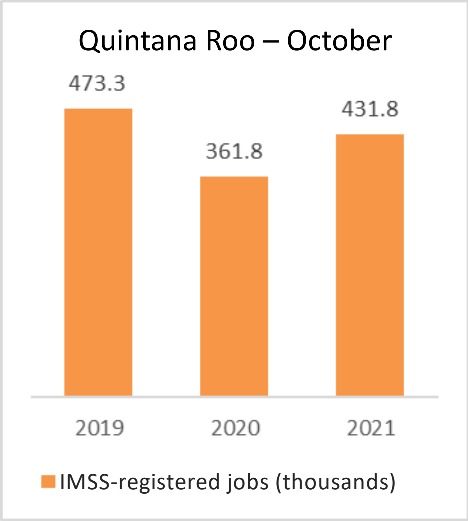
- The national average rate of infection is 3,023 cases per 100 thousand inhabitants.
- Mexico City has the highest rate of COVID-19 cases, which is above the national average of 10,872.
- Quintana Roo: 3,467.
- Baja California Sur is the second state with the highest rate: 7,034.

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

Effects on employment in Mexico







- As of October 31st, 2021, IMSS registered 20,767,587 jobs in the country, which is 0.2% more than those reported in Oct-2019.
- 993,855 more jobs were recorded compared with the end of Dec-2020.

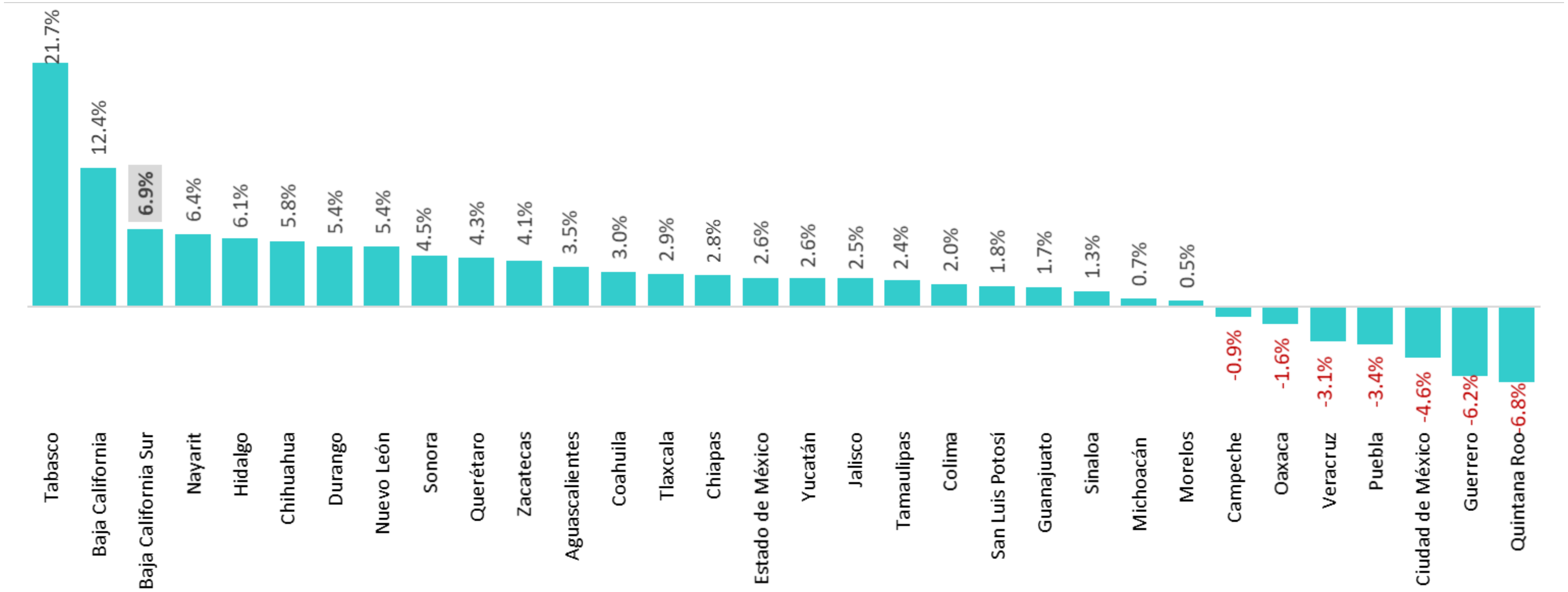
- Baja California Sur closes Oct-2021 with 196,200 jobs, 1.2% more than in Oct-2019.
- 26,829 more jobs were recorded compared with the end of Dec-2020.

- Quintana Roo closes Oct-2021 with 431,755 jobs, 8.8% fewer than in Oct-2019.
- 65,972 more jobs were recorded from Dec-2020 to Oct-2021.

SOURCE: IMSS

Effects on employment in Mexico

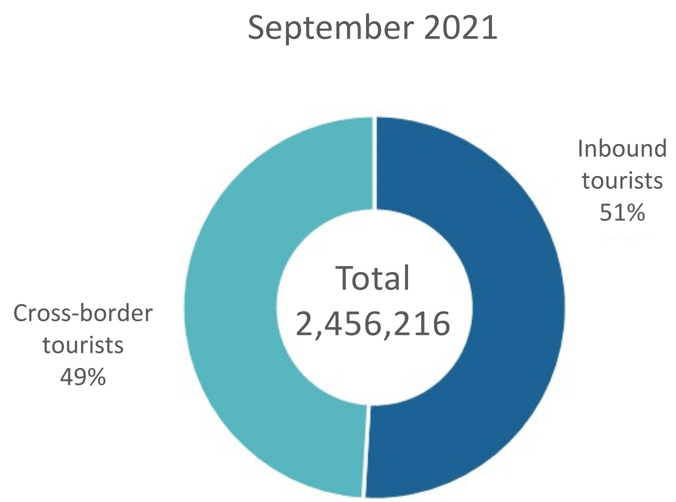
Employment variation by state (October 2021 vs. December 2019)

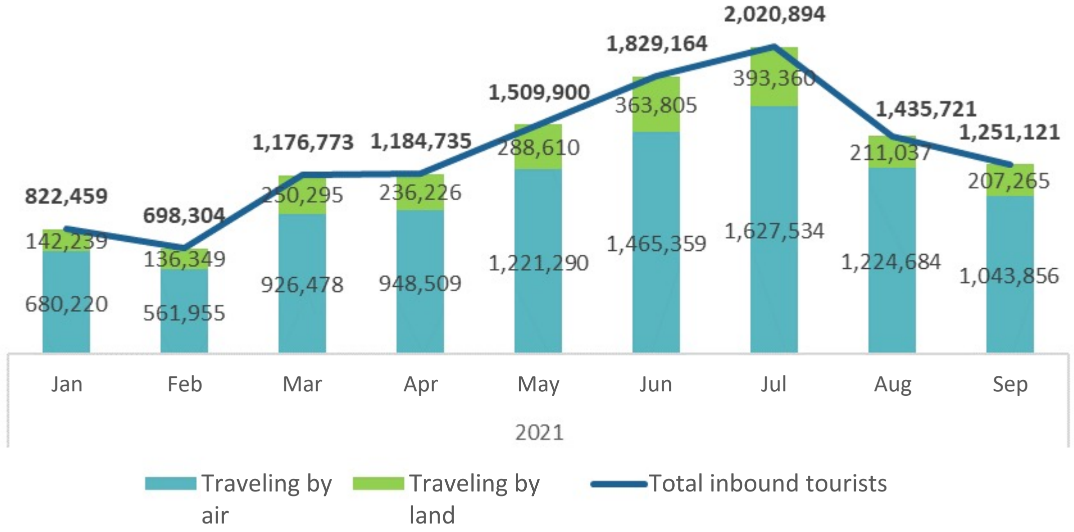


- For the third consecutive month, the number of jobs recorded in Baja California Sur has increased (+6.9%) compared to Dec-2019. Quintana Roo is still the most affected state.

SOURCE: IMSS

International tourist arrivals in Mexico



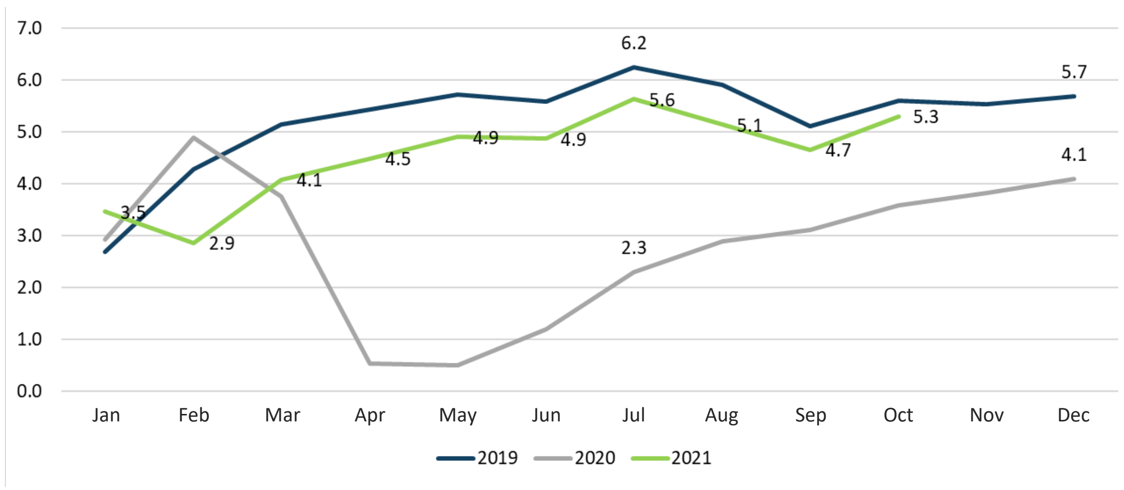


- In Sep-2021, 2.46 million international tourists arrived in the country (19% fewer than in Sep-2019). 51% were inbound tourists.
- The average spending of inbound tourists arriving by air was USD 1,124 ($105 more than the average spending in Sep-2019).
- In Sep-2021, the total number of inbound tourists decreased by 13% compared to the previous month.
- There is a 2.5% decrease in the total number of inbound tourists compared to Sep-2019.
- 83% arrived by air, and 17% did so by land.

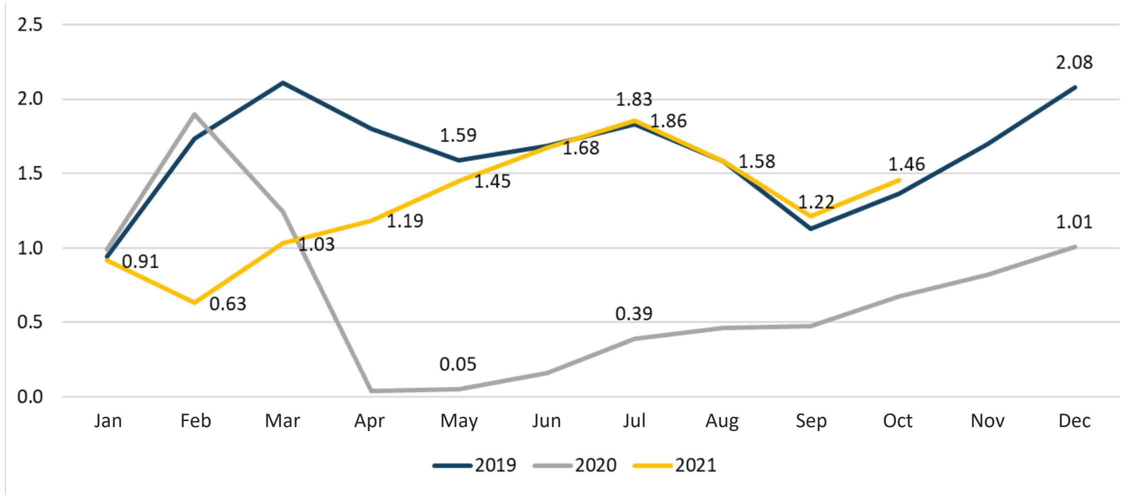
SOURCE: INTERNATIONAL TOURIST SURVEYS, INEGI

Air traffic in Mexico – Airport groups

Passenger traffic in domestic flights (millions)



Passenger traffic in international flights (millions)



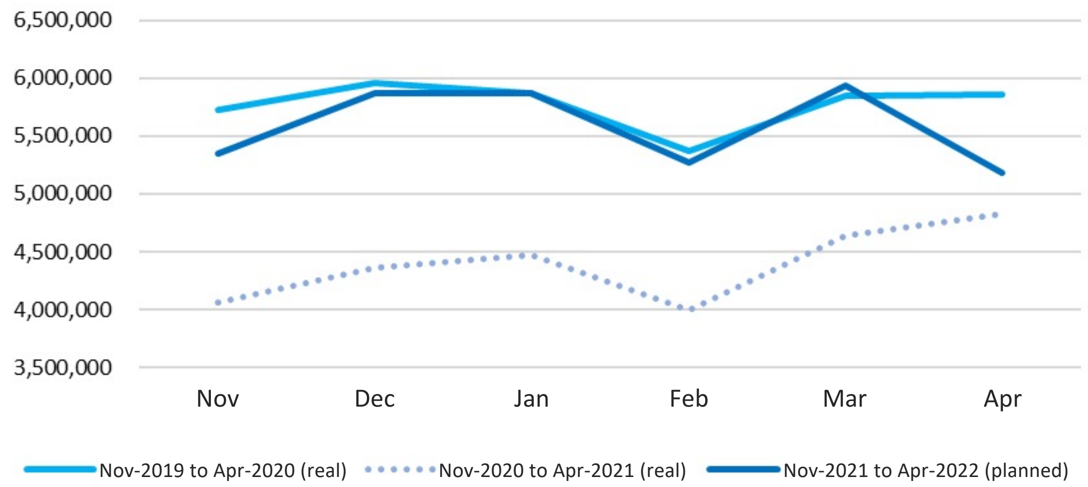
- In Oct-2021, the number of domestic passengers increased by 13.7% compared to Sep-2021.
- Passenger traffic was 5.4% lower in Oct-2021 compared to Oct-2019.

- In Oct-2021, the number of international arrivals increased by 19.7% compared to Sep-2021.
- In Oct-2021, the number of international arrivals surpassed by 6.8% that of Oct-2019.

SOURCE: ASUR, OMA, GAP *TOTAL INFORMATION FROM THE THREE AIRPORT GROUPS, CDMX'S INFORMATION NOT INCLUDED.

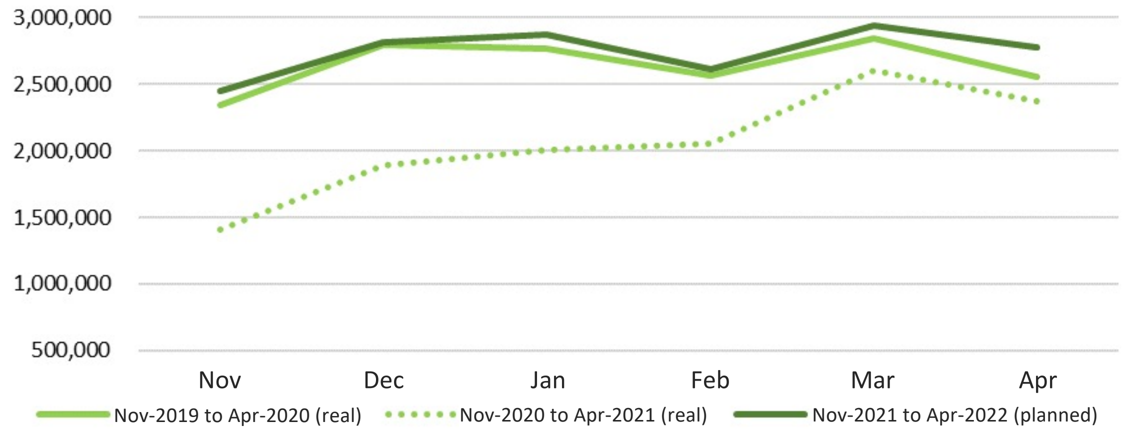
Seats scheduled for Nov-2021 and the following months for Mexico

Seating schedule for domestic flights



- A total of 7.8 million seats are scheduled nationwide for Nov-2021, -3.2% compared to the supply planned for Nov-2019. By market of origin:
  - Domestic: 5.3 million
    -6.5% (vs. Nov-2019)
  - International: 2.5 million
    +4.8% (vs. Nov-2019)
- The supply planned for Dec-2021 is 1.6% lower than that of Dec-2019.
- The number of seats planned for Mar-2022 increased by 1.4%; however, the supply for Apr-2022 is expected to be 11.5% lower than that of Apr-2020.

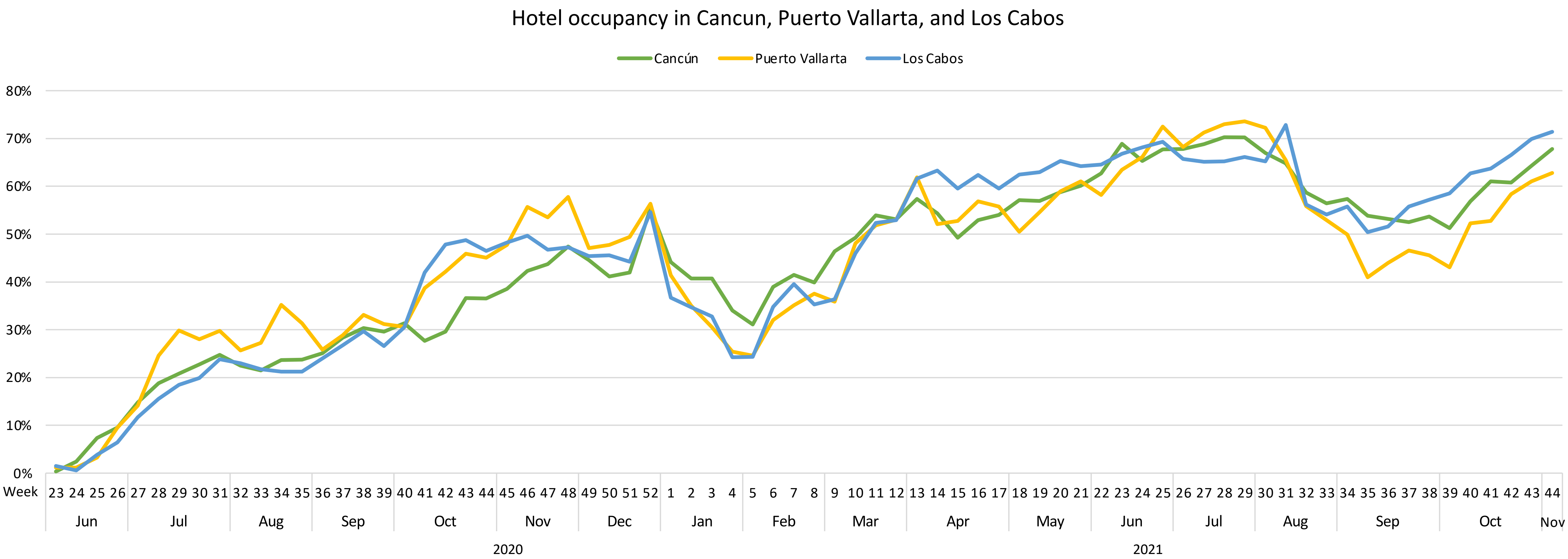
Seating schedule for international flights to Mexico



- A total of 49.9 million seats are being offered between Nov-2021 and Apr-2022, 1.1% fewer seats compared to the same period in 2019. By market of origin:
  - Domestic: 33.5 million
    -3.3%
  - International: 16.5 million
    +3.8%
- The supply of international seats is expected to increase by 1% in Dec-2021 and 3.7% in Jan-2022.
- The supply planned for Apr-2022 is 8.5% higher than that of Apr-2020.

SOURCE: OAG

Hotel indicators in Mexico



- Los Cabos maintains a higher occupancy rate than Cancun and Puerto Vallarta.
- By the end of week 44, Los Cabos, Cancun, and Puerto Vallarta had an occupancy of 71.4%, 67.8%, and 62.8%, respectively.

SOURCE: DATATUR

LOS CABOS

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.

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