LOS CABOS

LOS CABOS TOURISM OBSERVATORY

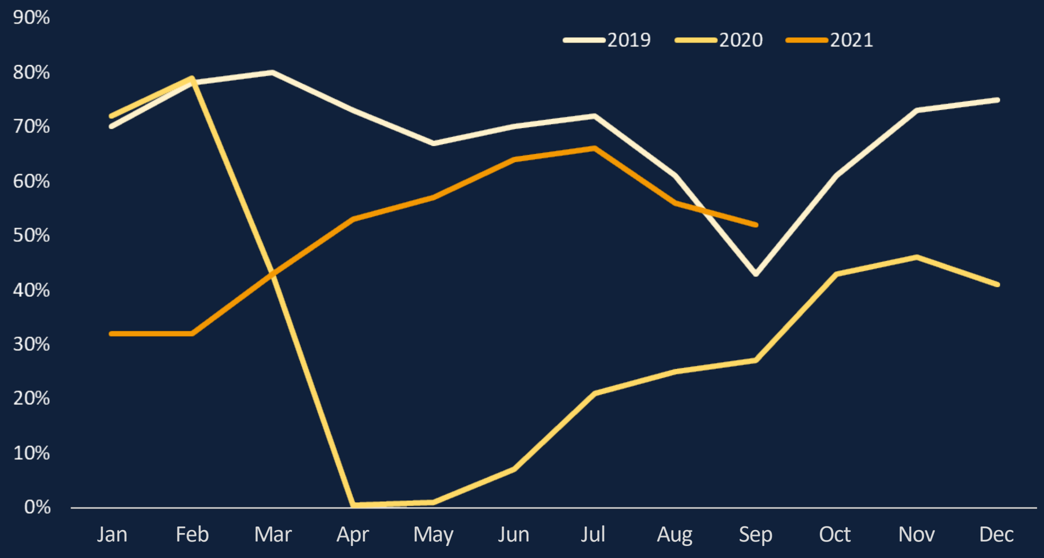
KEY PERFORMANCE INDICATORS

OCTOBER 2021

Leading indicators – Summary

Hotel Performance

Hotel Occupancy:



Hotel Occupancy (Sep-2021):
52%
+9pp
(vs. Sep-2019)

SOURCE: AHLC

Rooms Available (Aug-2021):
22,523
+1.8%
(vs. Aug-2019)

SOURCE: DATATUR

Room Nights (Aug-2021):
1,059,503
+2.1%
(vs. Aug-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers (Sep-2021, expressed in thousands):
203.45
+30.3%
(vs. Sep-2019)

National Passengers (Sep-2021, expressed in thousands):
85.7
+19.4%
(vs. Sep-2019)

International Passengers (Sep-2021, expressed in thousands):
117.75
+39.6%
(vs. Sep-2019)

SOURCE: GAP

Other indicators

Cruise Ships (Sep-2021):
1
-3 vessels
(vs. Sep-2019)

SOURCE: DATATUR

Cruise Passengers (Sep-2021):
2,782
-77.6%
(vs. Sep-2019)

SOURCE: DATATUR

Group Business Total RFPs (Sep-2021):
27
-8 RFPs
(vs. Sep-2019)

SOURCE: CVENT

Tourist Satisfaction: more than expected (Sep-2021):
64%
+19pp
(vs. Sep-2019)

SOURCE: TOURIST SURVEYS

Attendees to Congresses and Conventions (Sep-2021):
0.4%
-0.1pp
(vs. Sep-2019)

SOURCE: TOURIST SURVEYS

Tourists' Origin (Sep-2021):
66.3% foreigners
-3.7pp
(vs. Sep-2019)

SOURCE: TOURIST SURVEYS

LOS CABOS

Leading indicators – Summary

PASSENGER ARRIVALS

- In Sep-2021, Los Cabos International Airport recorded a 30.3% (+47.3 thousand) increase in the total number of passengers arriving at the destination compared to Sep-2019, adding up to a total of 203.45 thousand (when considering arrivals only).
  - Passengers on domestic flights (85.7 thousand) represent 42.1% of total arrivals. These increased by 19.4% (+13.9 thousand vs. Sep-2019).
  - Passengers on international flights (117.75 thousand) represent 57.9% of total arrivals. These increased by 39.6% (+33.4 thousand vs. Sep-2019).

FLIGHT SCHEDULES

- The domestic market has 47.6% more available seats scheduled from Oct-2021 to Mar-2022 (compared to the same period in 2019). 31.7% more seats are expected in Oct-2021.
  - Flight seats departing from CDMX, MTY, and TIJ increased by 43%, 9.9%, and 176.5%, respectively (compared to 2019). However, BJX decreased by 35.5%.
- There are 1.37 million seats scheduled for the U.S. in the next 6 months, which is 39.1% more compared to the same period in 2019.
  - LAX (+69.4%), PHX (+46%), HOU (+19.4%), DFW (+32.6%), DEN (+81.2%), and SEA (+28.3%) had the most significant increase vs. 2019. However, San Diego showed a decrease of 31.2%.
- For Oct-2021, the United States expects 55% more available seats than those scheduled for 2019.
- From Canada, 7.2% fewer seats are expected in the next 6 months. There is a 31.1% drop in Oct-2021.
  - Decreases are expected in Calgary (-13.2%) and Vancouver (-1.4%) within the next 6 months. Edmonton (+26.4%) and Toronto (+25%) grew compared to 2019.

HOTEL PERFORMANCE

- Occupancy in Sep-2021 was 52%, up 9pp from 43% in Sep-2019.
  - Occupancy in Cabo San Lucas increased by 11pp compared to Sep-2019 and is now at 56%.
  - San Jose del Cabo recorded an occupancy rate of 49% (1pp higher than in Sep-2019).
  - Los Cabos Corridor recorded an occupancy rate of 51% (an 18pp increase compared to Sep-2019).
- The number of rooms available in Los Cabos increased 1.8% between Aug-2021 and Aug-2019, reaching 22,523 this month.
- Hotels in Los Cabos recorded 208.3 thousand tourist arrivals, equivalent to an increase of 6.9% between Aug-2021 and Aug-2019.
- Domestic tourism dropped by 27.1% (-18 thousand), while international tourism increased by 22.9% (+32.3 thousand).
- There were 1.06 million occupied room nights in Aug-2021, 2.1% more compared to Aug-2019.

TOURIST SURVEYS

- In Sep-2021, 64% of tourists rated their experience in Los Cabos as better than expected (19pp more than in Sep-2019, but 17pp lower than in Aug-2021).
- During Sep-2021, security was perceived as bad or regular by 0.9% of tourists, 11.1pp better than in Sep-2019.
- Satisfaction with the airport also improved 4.2pp compared to 2019 (2.8% of tourists perceived their experience as bad or regular).
- The number of repeat tourists decreased by 4pp compared to 2019, reaching 31% in Sep-2021.
- 33% of tourists traveled with a package tour, down 19pp compared to 2019.
- The number of tourists who visited restaurants increased by 18pp this month, recording 77%.

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

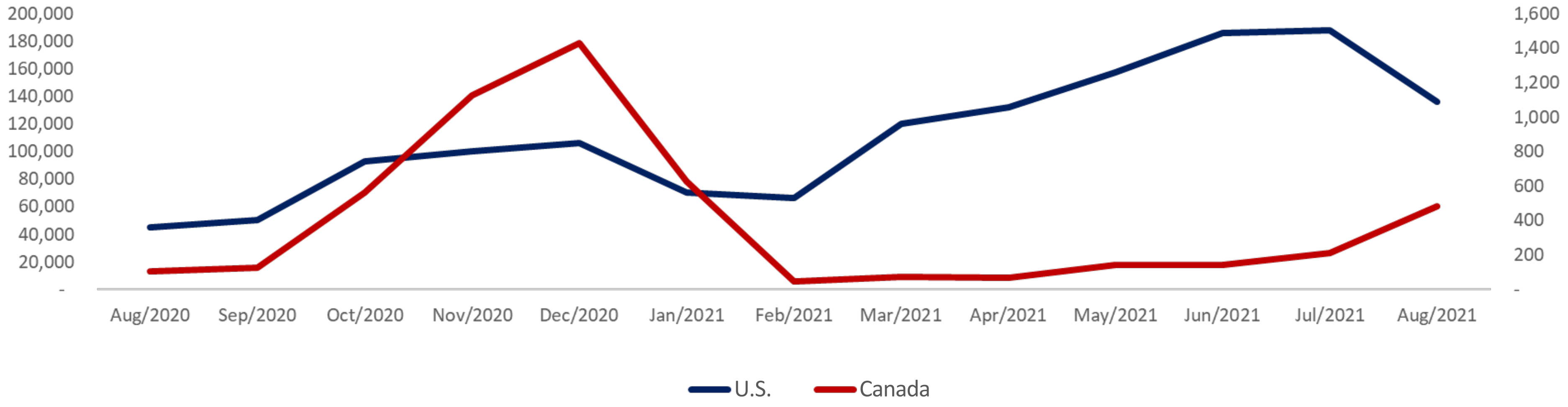
FLIGHT ACTIVITY:

Passenger arrivals by nationality

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

Regions	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Jan/2021	Feb/2021	Mar/2021	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	ΔAug 21 / Aug 19	ΔJan-Aug 21 / Jan-Aug 19
U.S.	45,112	50,077	93,069	100,320	105,991	70,454	66,275	120,361	131,784	157,649	185,830	188,099	135,769	21.8%	-4.4%
Canada	106	128	563	1,126	1,429	628	44	75	66	144	144	211	480	-89.2%	-98.3%
Europe	52	40	48	70	64	32	32	39	37	61	55	136	98	-87.0%	-93.5%
Caribbean, Central & South America	19	33	37	48	43	19	18	31	24	58	76	138	138	-31.0%	-71.1%
Rest of the world	64	71	106	127	67	12	11	38	24	48	90	163	169	-78.2%	-92.4%
Grand total	45,353	50,349	93,823	101,691	107,594	71,145	66,380	120,544	131,935	157,960	186,195	188,747	136,654	16.2%	-13.7%

Key markets	Aug/2020	Sep/2020	Oct/2020	Nov/2020	Dec/2020	Jan/2021	Feb/2021	Mar/2021	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	ΔAug 21 / Aug 19	ΔJan-Aug 21 / Jan-Aug 19
United Kingdom	19	10	9	21	18	5	16	16	8	25	15	50	48	-78.1%	-89.4%
Australia	9	18	18	42	19	3	1	4	4	4	12	18	21	-91.8%	-97.4%
South Korea	3	6	5	8	3	-	-	10	1	5	6	17	16	-80.7%	-93.4%
Total key markets	31	34	32	71	40	8	17	30	13	34	33	85	85	-84.8%	-94.1%



SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence)

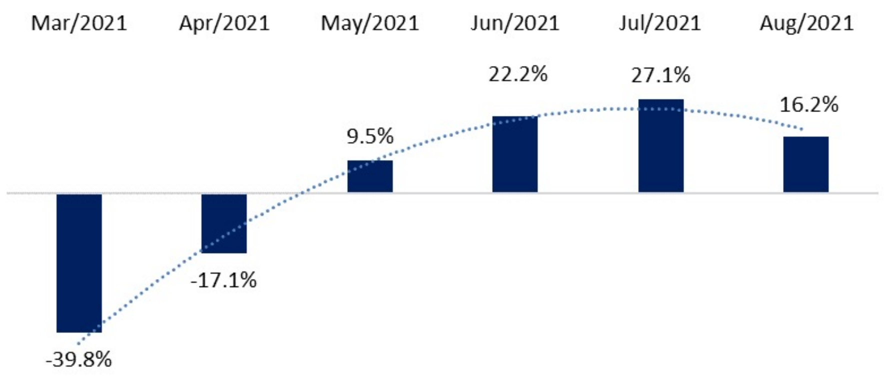
+16.2%

Aug-2021 vs. Aug-2019

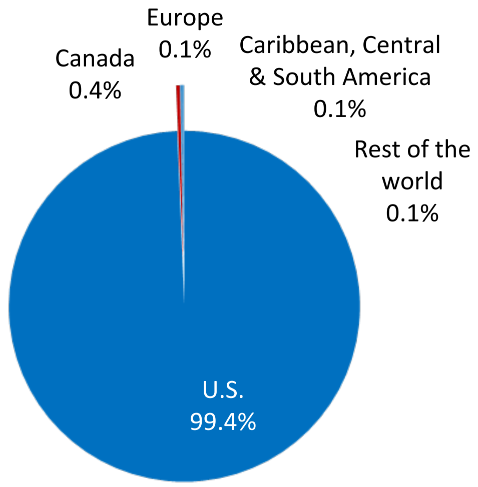
In Aug-2021, Los Cabos International Airport recorded the arrival of 136,654 international tourists, up 16.2% compared to Aug-2019.

American tourists represent 99.4% of the total.

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



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

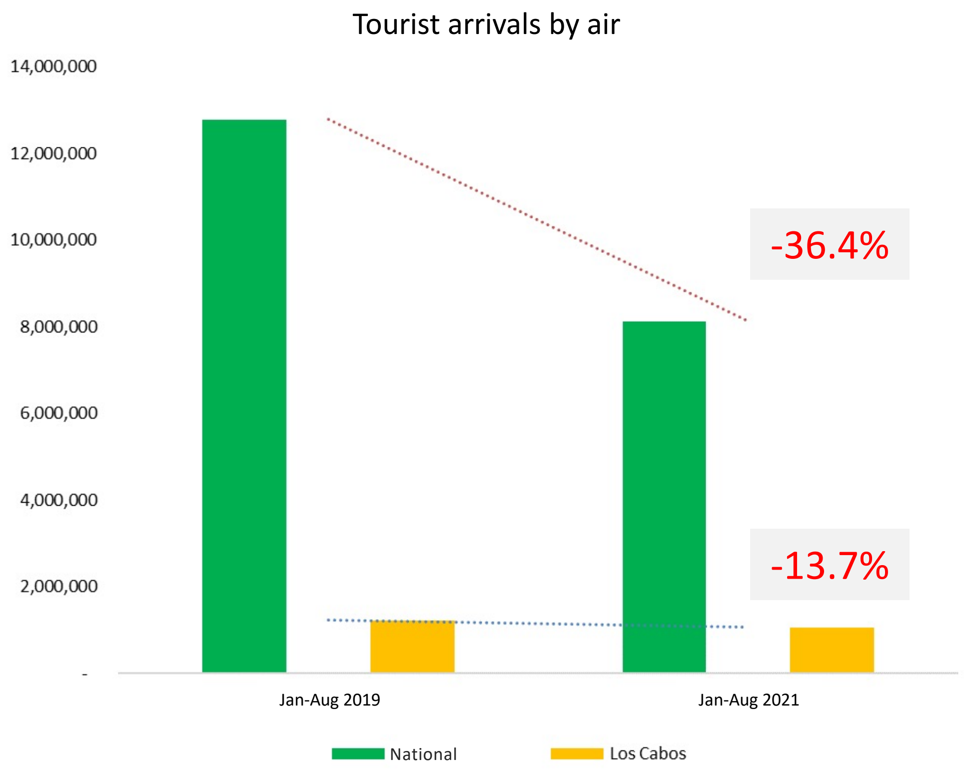


SOURCE: INM-SIOM

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

Regions	National			Los Cabos		
	Jan-Aug 2019	Jan-Aug 2021	Δ 2021/2019	Jan-Aug 2019	Jan-Aug 2021	Δ 2021/2019
U.S.	7,579,447	6,615,530	-12.7%	1,104,545	1,056,221	-4.4%
Canada	1,603,564	82,897	-94.8%	106,939	1,792	-98.3%
Europe	1,334,305	409,875	-69.3%	7,500	490	-93.5%
Caribbean, Central & South America	1,780,905	831,633	-53.3%	1,739	502	-71.1%
Rest of the world	485,870	196,315	-59.6%	7,287	555	-92.4%
Grand total	**12,784,091**	**8,136,250**	**-36.4%**	**1,228,010**	**1,059,560**	**-13.7%**

Key markets	National			Los Cabos		
	Jan-Aug 2019	Jan-Aug 2021	Δ 2021/2019	Jan-Aug 2019	Jan-Aug 2021	Δ 2021/2019
United Kingdom	391,446	33,992	-91.3%	1,731	183	-78.1%
Australia	42,603	2,331	-94.5%	2,618	67	-91.8%
South Korea	56,880	6,337	-88.9%	835	55	-80.7%
Total key markets	**490,929**	**42,660**	**-91.3%**	**2,242**	**305**	**-84.8%**



When comparing Jan-Aug-2021 vs. 2019, international tourist arrivals by air decreased 36.4% nationwide and 13.7% in Los Cabos.

- On a national level, the U.S. travel market decreased by 12.7%, whereas the Canadian travel market did so by 94.8%.
- In Los Cabos International Airport, the U.S. and Canadian travel markets decreased by 4.4% and 98.3% when comparing both periods.

SOURCE: INM-SIOM

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

FLIGHT ACTIVITY:

Air connectivity (available seats scheduled)

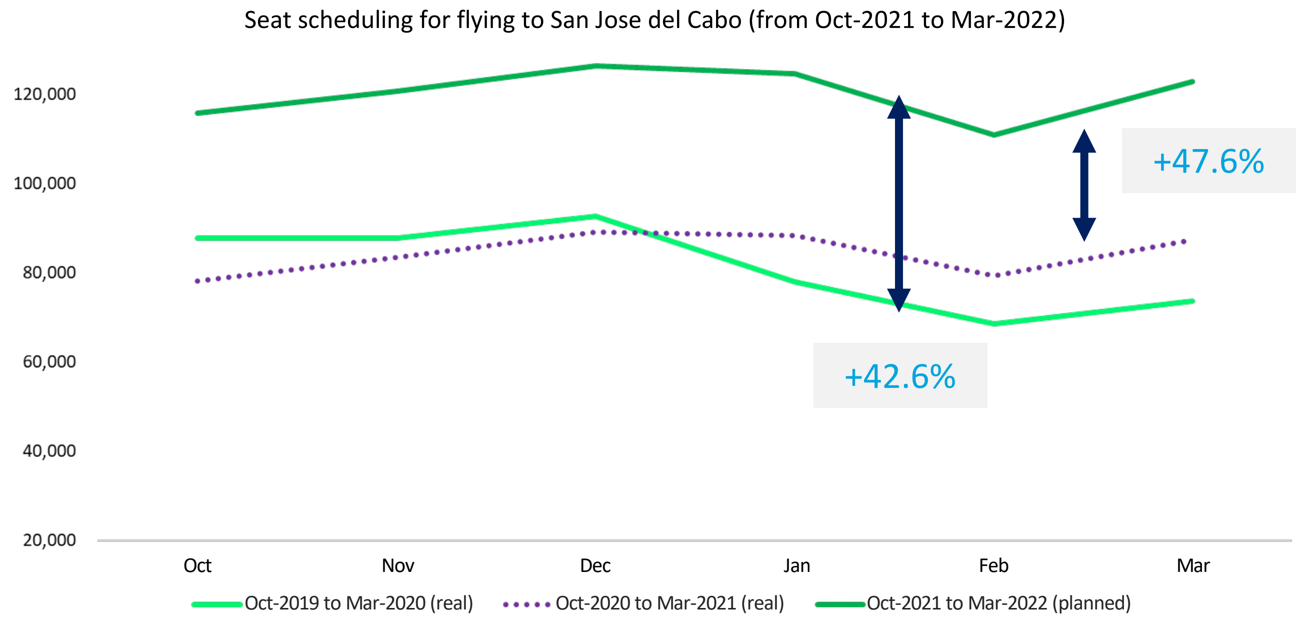
SOURCE: OAG

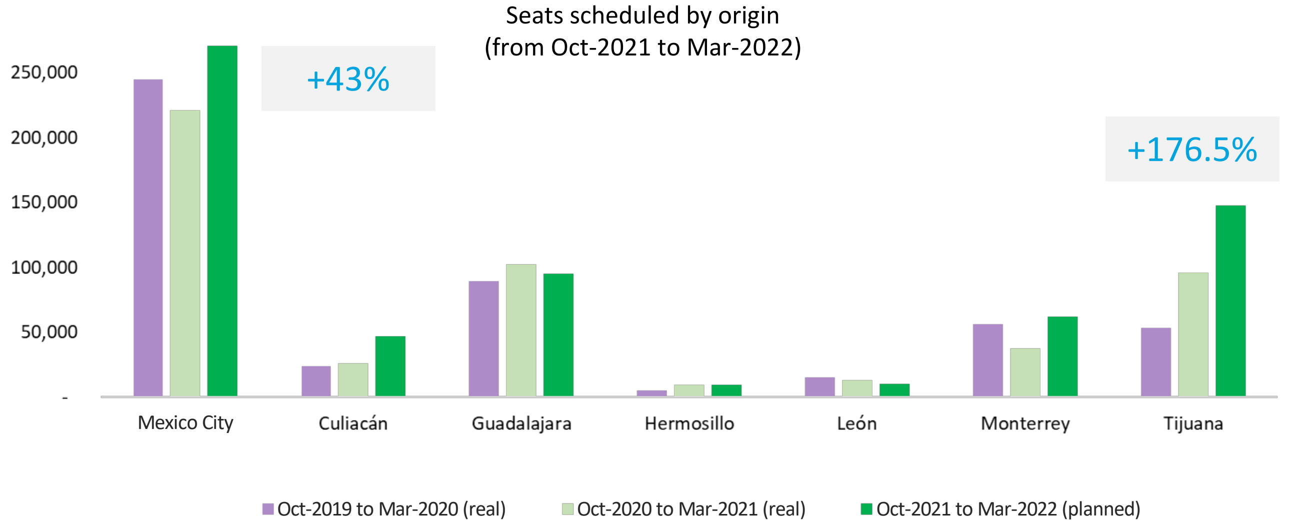
Domestic air connectivity

SEATS SCHEDULED FROM OCT-2021 TO MAR-2022

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

- **There are 721.6 thousand seats scheduled for the next 6 months, 42.6% 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 47.6% higher.**
    - **There are 31.7% more available seats expected for Oct-2021 than those scheduled for Oct-2019.**
- **Mexico City, GDL, and Tijuana are the most relevant issuing markets, having 48%, 13%, and 20% of total available seats (for the next 6 months), followed by Monterrey (9%), Culiacan (7%), Leon (2%), and Hermosillo (1%).**
    - **Seats from CDMX, MTY, and TIJ increased by 43%, 9.9%, and 176.5%, respectively (when compared against 2019). However, BJX decreased by 35.5%. Consequently, TIJ's market share grew 9pp during these 6 months, and BJX's dropped 2pp.**
- **For the next 6 months, 51% of the available seats will be provided by Volaris, followed by Viva Aerobus with 33% and Aeromexico with 16%. 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 Jul-2021 were: Aeromexico (73%) and Volaris (77%).**





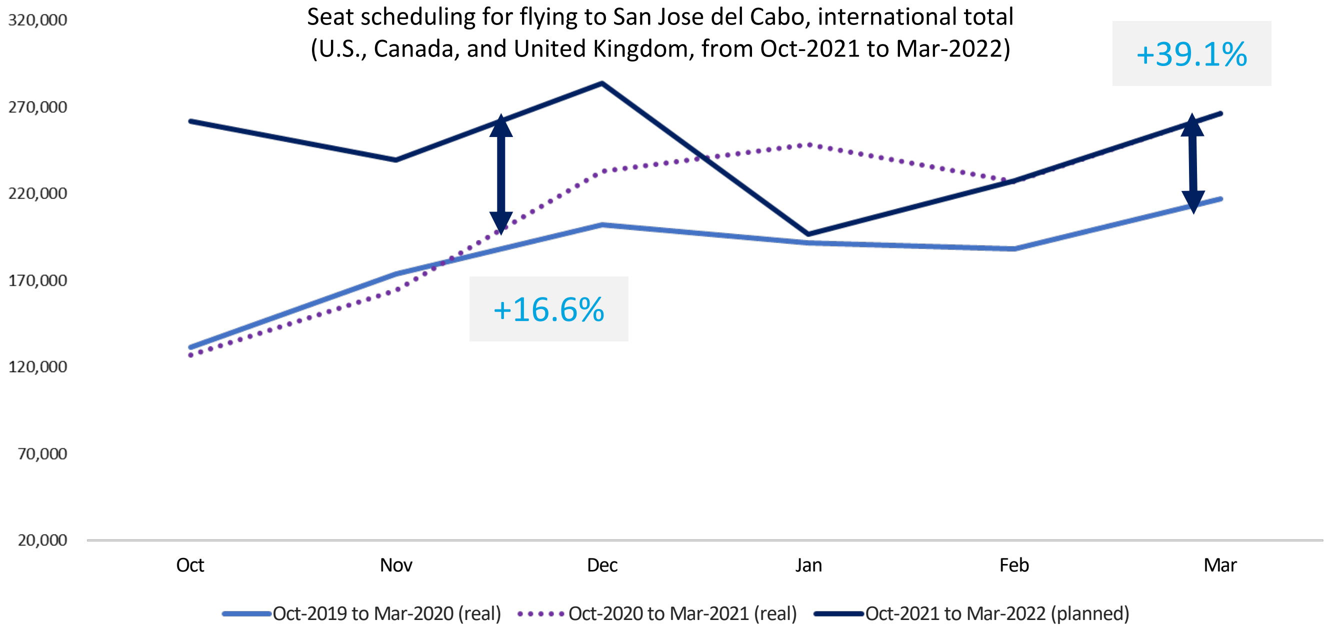
International air connectivity

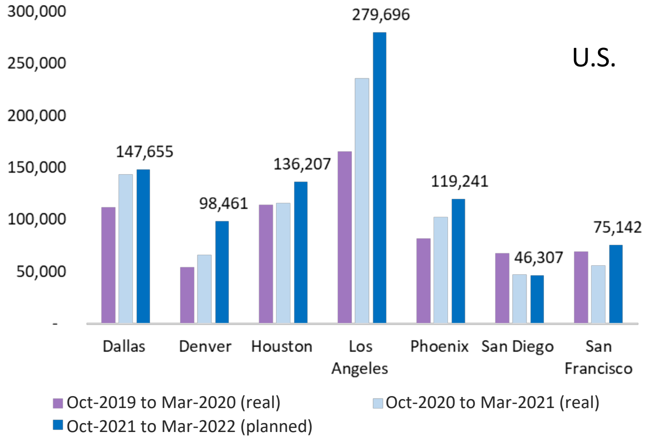
SOURCE: OAG

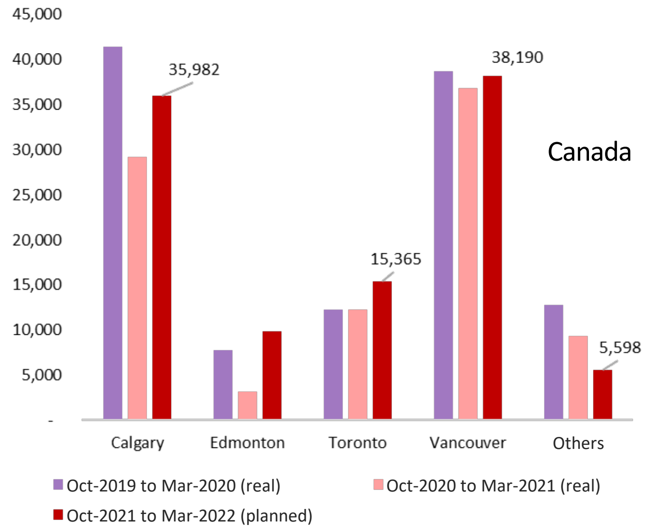
SEATS SCHEDULED FROM OCT-2021 TO MAR-2022

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

- **For the U.S., there are 1.37 million seats scheduled for the next 6 months, which is 39.1% 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 40.5% higher.**
  - **LAX (+69.4%), PHX (+46%), HOU (+19.4%), DFW (+32.6%), DEN (+81.2%), and SEA (+28.3%) have the most significant increase vs. 2019. However, a decrease of 31.2% 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 Oct-2021, the United States expects 55% more available seats than those scheduled for 2019.**
- **For Canada, there are 105 thousand seats scheduled for the next 6 months, which is 7.2% 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 15.6% higher.**
  - **There are 31.1% fewer available seats expected for Oct-2021 than those scheduled for 2019.**
  - **A decline is anticipated in Calgary (-13.2%) and Vancouver (-1.4%) within the next six months. Edmonton and Toronto are expected to increase by 26.4% and 25% compared to 2019.**
  - **During this period, Air Canada and Swoop will reduce the number of seats by 27.2% and 15.8%, respectively, while Sunwing and WestJet will increase them by 78.6% and 1.5%.**
- **Load factors of international airlines for Jul-2021 were: American (87%), Alaska (89%), Delta (83%), United (89%), and Southwest (79%).**







LOS CABOS

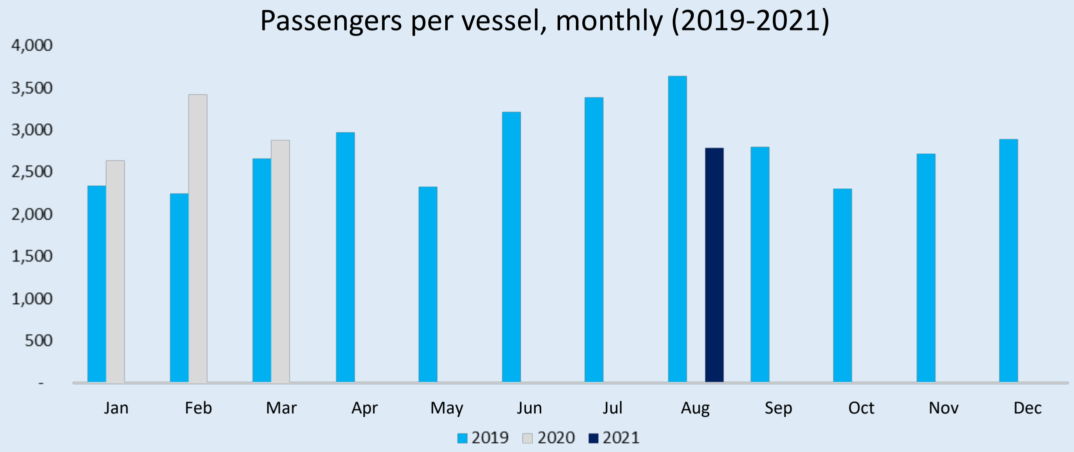
LOS CABOS TOURISM OBSERVATORY

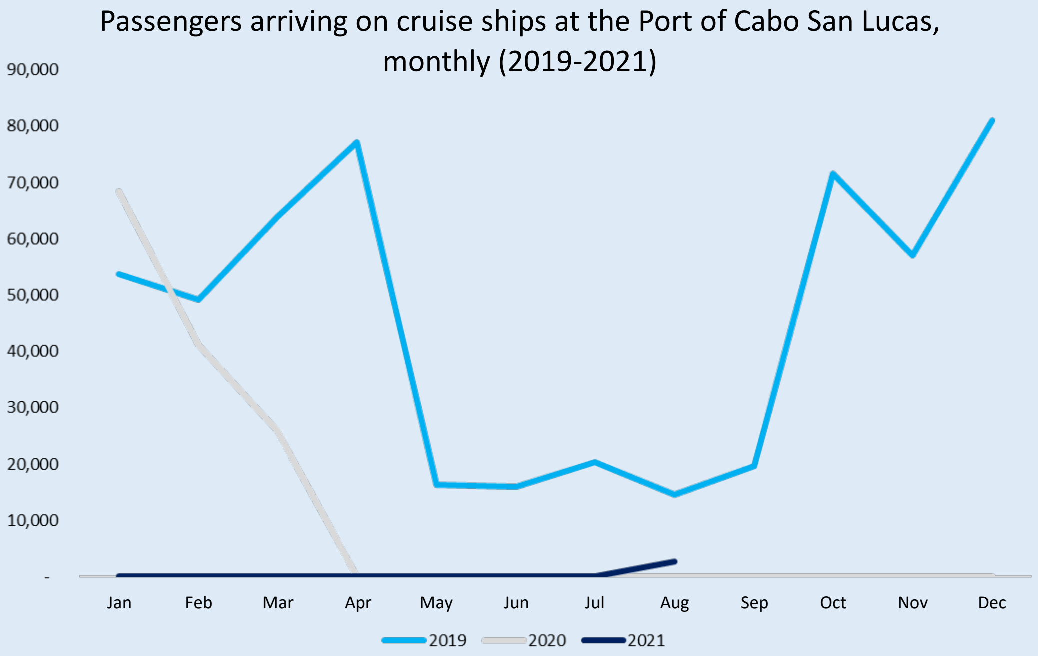
YACHT AND CRUISE SHIP ACTIVITY

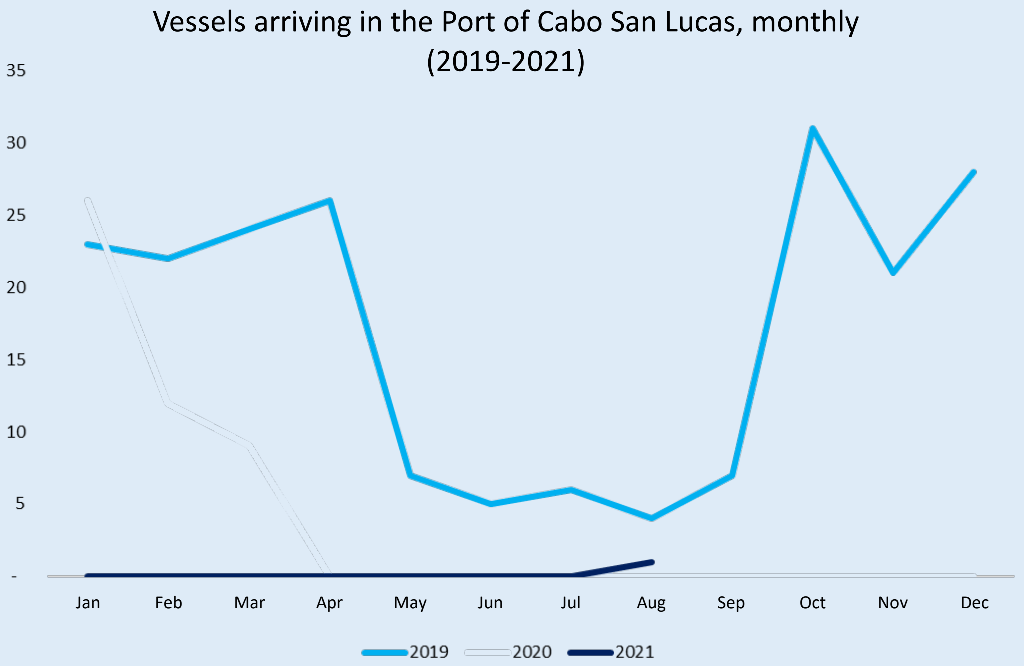
Cruise activity (Aug-2021)

In Aug-2021, cruises resumed operations in the port of Cabo San Lucas, which recorded the arrival of 1 vessel (Carnival Panorama) with 2,780 passengers.

SOURCE: DATATUR-SCT





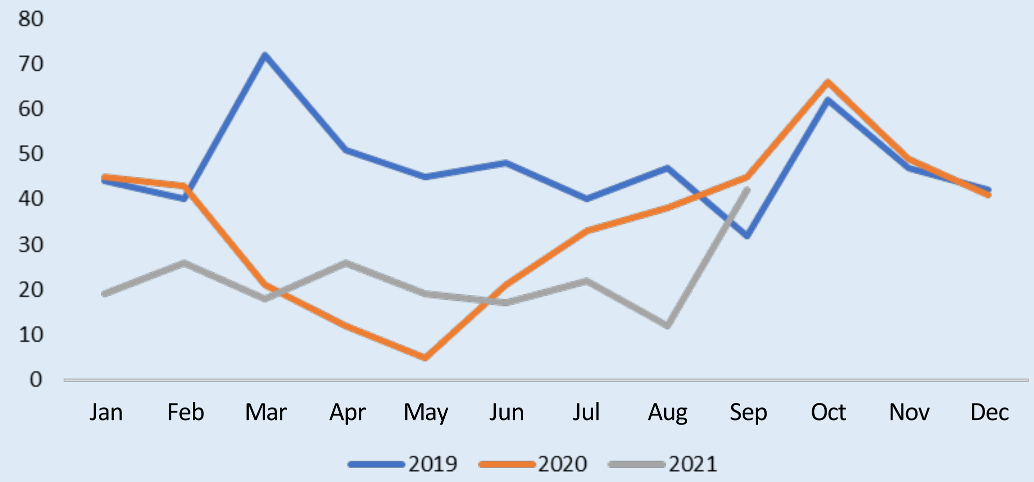


Yacht arrivals at the Port of Cabo San Lucas (Sep-2021)

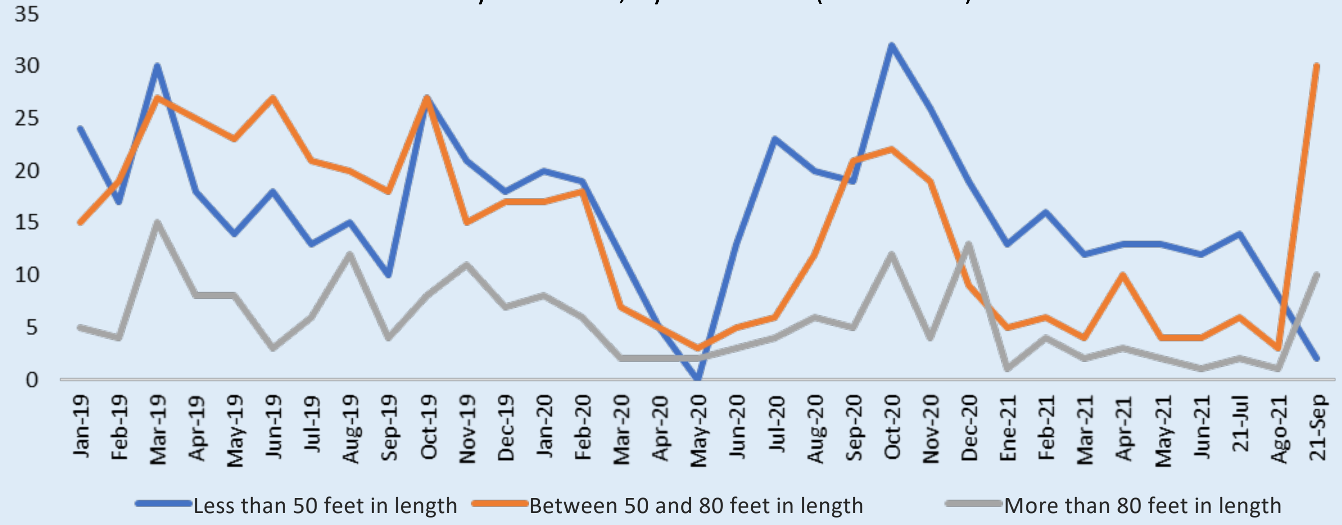
- **42 yachts arrived at the Port of Cabo San Lucas in Sep-2021. This represents an increase of 31.3% over the same period in 2019 but a 6.7% decrease compared to 2020.**
- **71% were medium-sized vessels that measured between 50 and 80 feet in length. This vessel size proportion is the highest recorded since 2019.**

SOURCE: API Cabo San Lucas

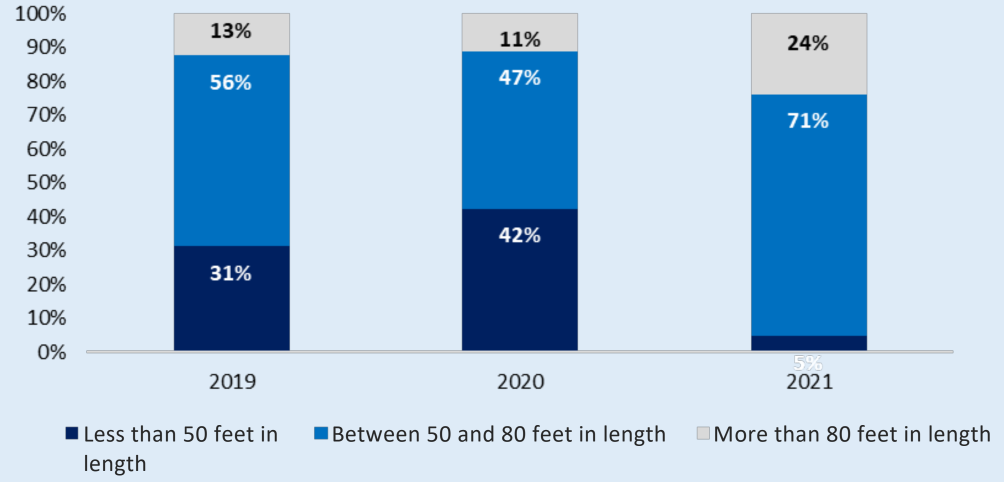
Total yacht arrivals, monthly (2019-2021)



Monthly evolution, by vessel size (2019-2021)



Arrivals distribution, by vessel size (September)



LOS CABOS

LOS CABOS TOURISM OBSERVATORY

TOURIST SURVEYS & GROUP BUSINESS

Satisfaction and other indicators (Sep-2021)

SOURCE: TOURIST SURVEYS

Repeat Tourists
(Sep-2021):
31%
-4pp (vs. Sep-2019)

Airport Satisfaction
(Bottom Two, Sep-2021):
2.8%
-4.2pp (vs. Sep-2019)

Tourist Package
(Sep-2021):
33%
-19pp (vs. Sep-2019)

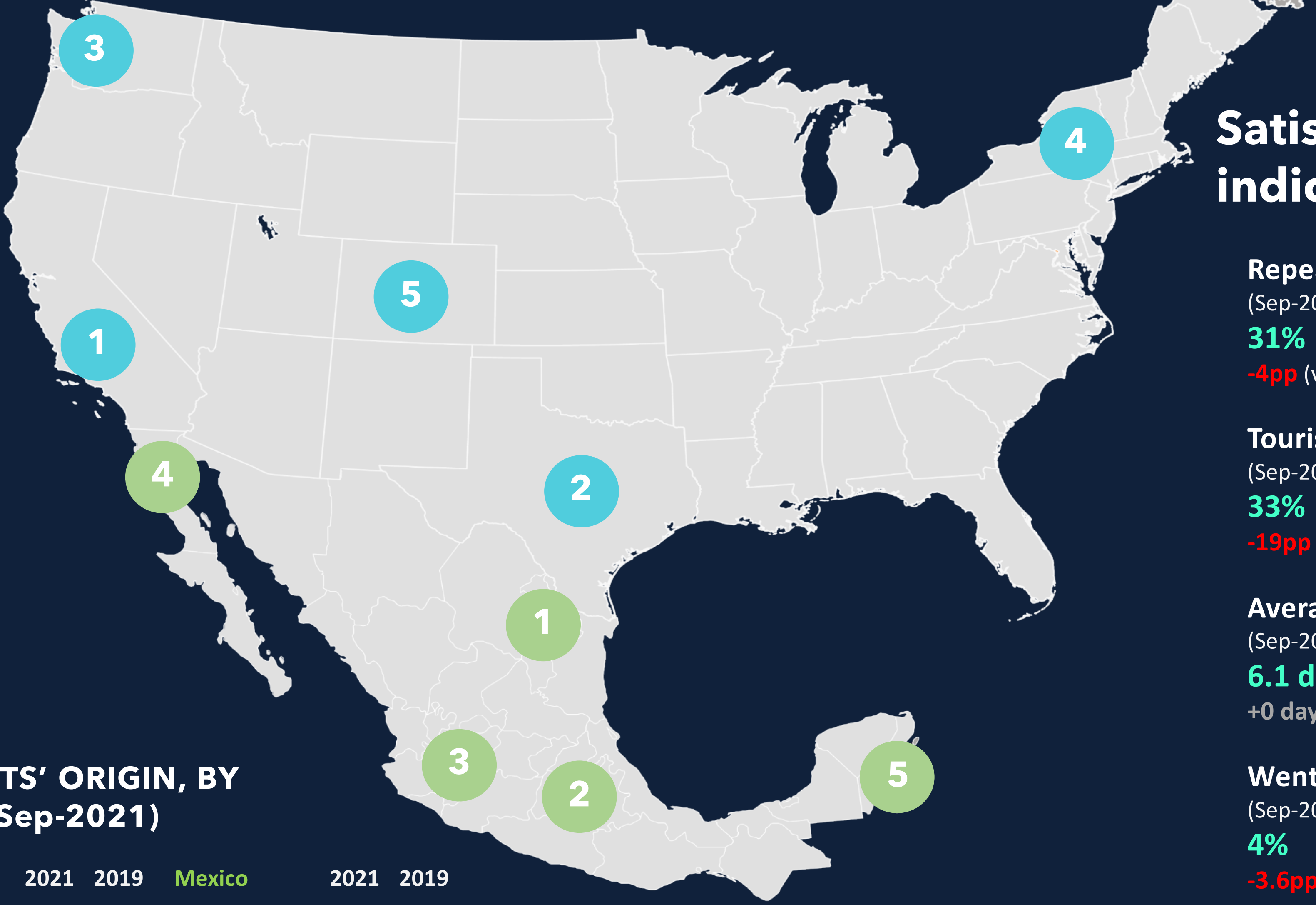
Security Satisfaction
(Bottom Two, Sep-2021):
0.9%
-11.1pp (vs. Sep-2019)

Average Stay
(Sep-2021):
6.1 days
+0 days (vs. Sep-2019)

Restaurant Visits
(Sep-2021):
77%
+18pp (vs. Sep-2019)

Went Fishing
(Sep-2021):
4%
-3.6pp (vs. Sep-2019)

Played Golf
(Sep-2021):
3%
+0.2pp (vs. Sep-2019)

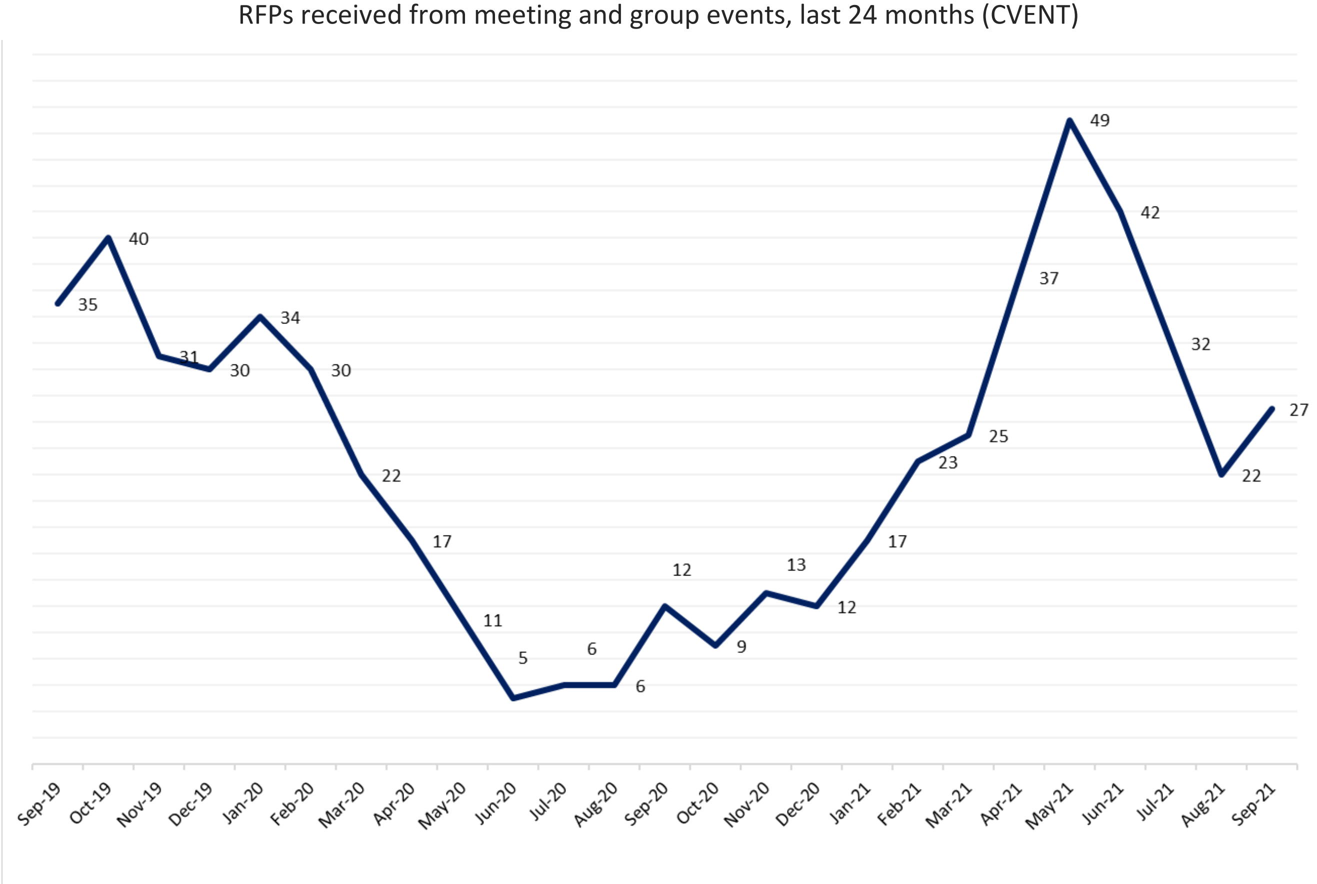


TOURISTS' ORIGIN, BY STATE (Sep-2021)

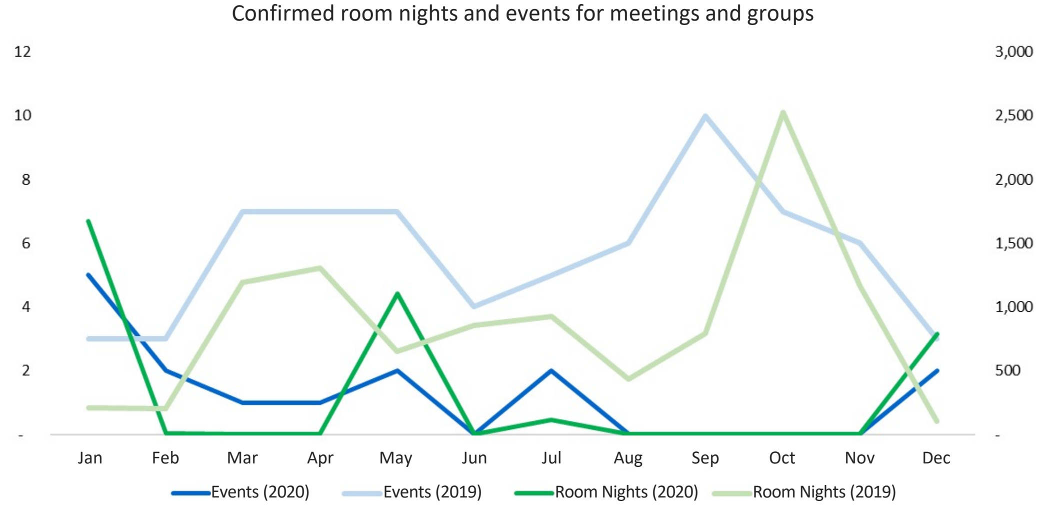
U.S.	2021	2019	Mexico	2021	2019
California	30%	39%	Nuevo Leon	23%	10%
Texas	14%	13%	CDMX	14%	20%
Washington	8%	3%	Jalisco	9%	20%
New York	7%	3%	B. California	8%	4%
Colorado	5%	3%	Quintana Roo	5%	

- The perception of security improved in Sep-2021 compared to 2019 (0.9% perceived it as bad or regular, -11.1pp than in Sep-2019).
- Satisfaction with the airport increased by 4.2pp compared to 2019 (**2.8% of tourists perceived their experience as bad or regular**).
- The number of repeat tourists decreased by 4pp compared to 2019, reaching 31% in Sep-2021.
- The number of tourists who traveled with a package tour remained low and reached 33% in Sep-2021 (-19pp).
- The number of tourists who visited restaurants increased by 18pp this month, recording 77%.

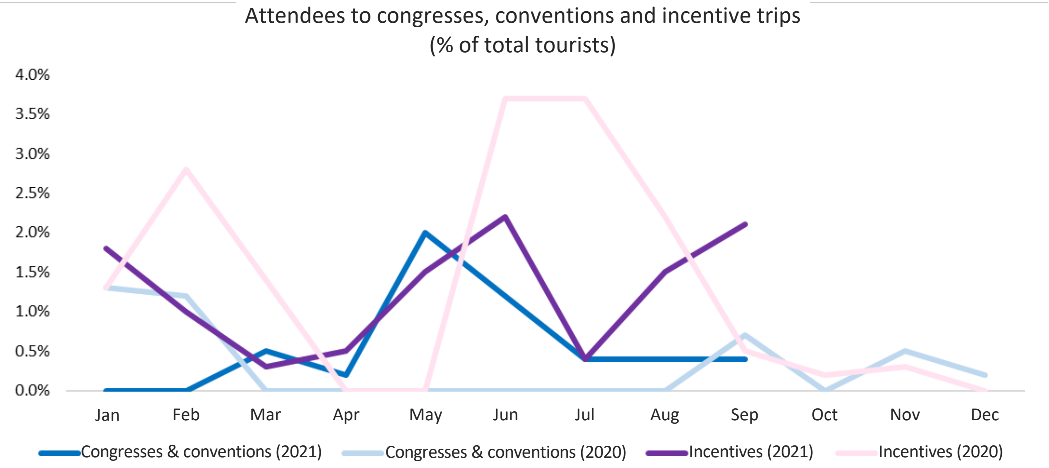
Group Business



SOURCE: CVENT

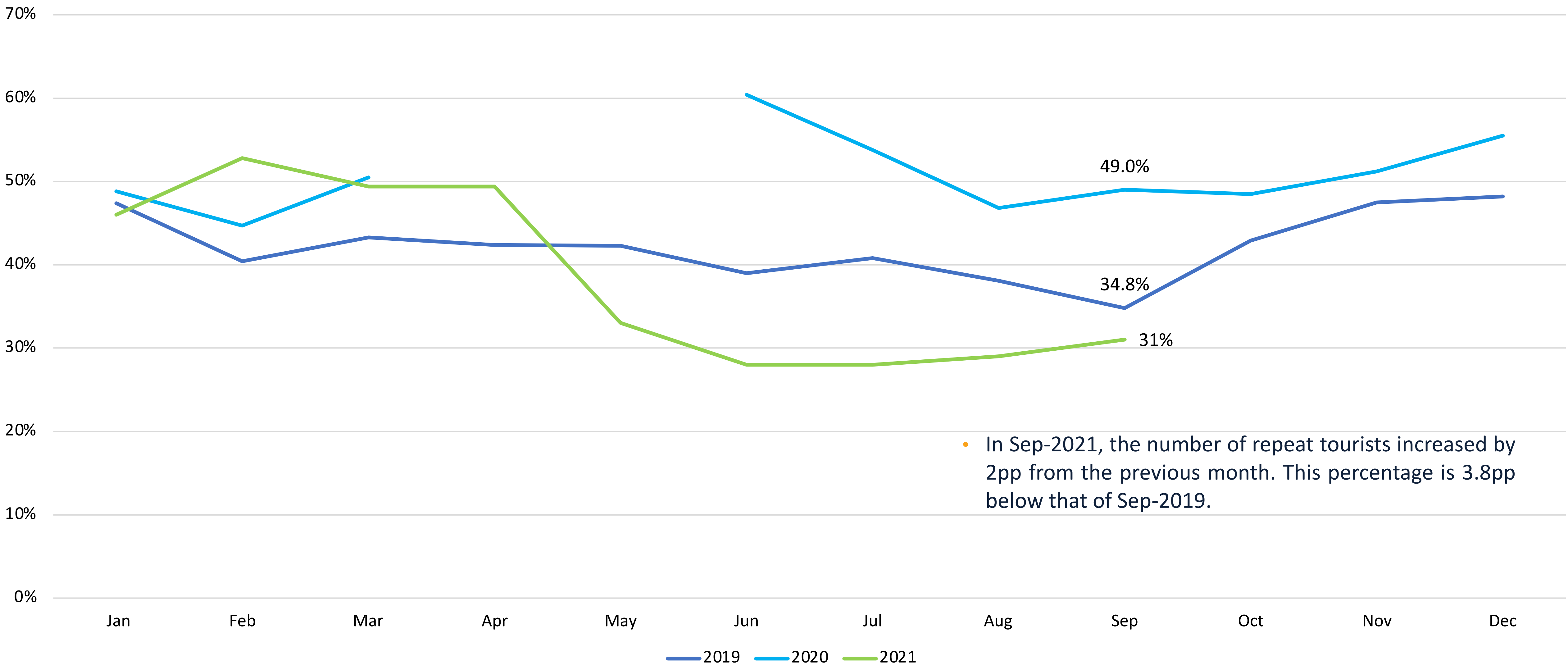


SOURCE: HELMS BRISCOE



SOURCE: TOURIST SURVEYS

Return rate to the destination

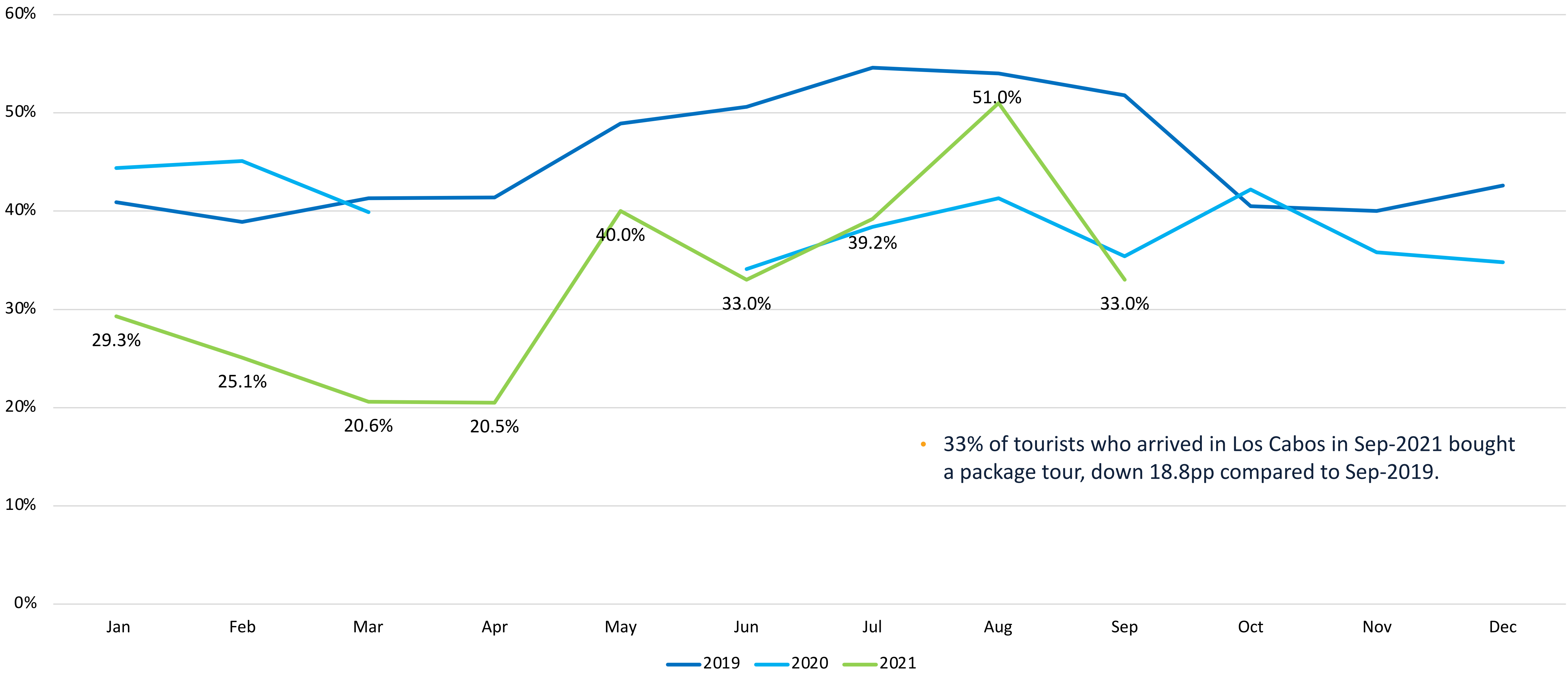


- In Sep-2021, the number of repeat tourists increased by 2pp from the previous month. This percentage is 3.8pp below that of Sep-2019.

SOURCE: TOURIST SURVEYS

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

Package tour purchases

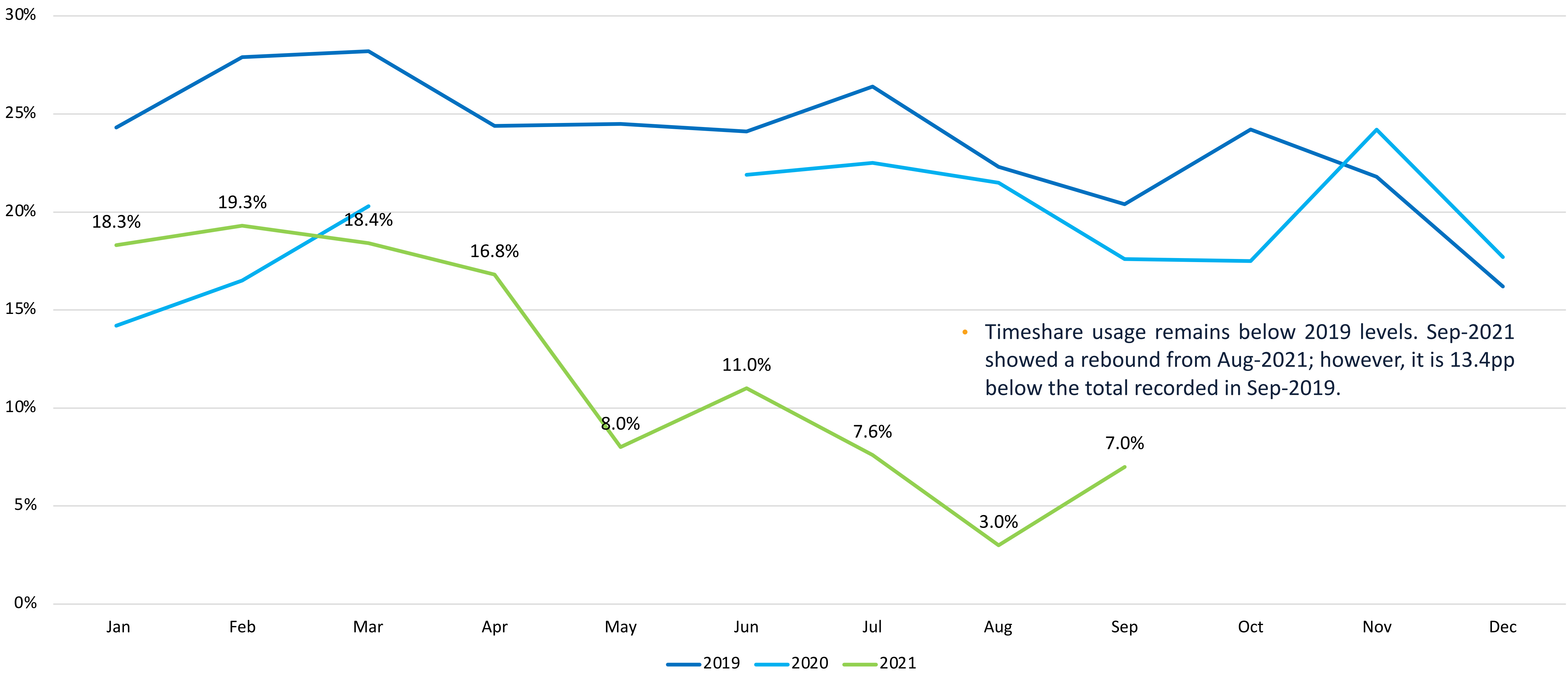


- 33% of tourists who arrived in Los Cabos in Sep-2021 bought a package tour, down 18.8pp compared to Sep-2019.

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. Sep-2021 showed a rebound from Aug-2021; however, it is 13.4pp below the total recorded in Sep-2019.

SOURCE: TOURIST SURVEYS

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

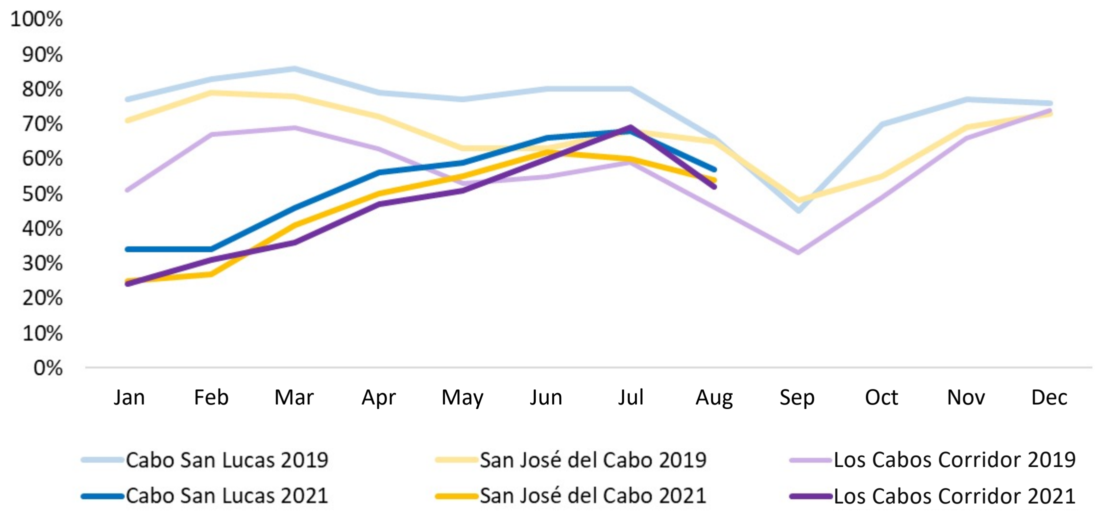
LOS CABOS TOURISM OBSERVATORY

ACCOMMODATION:

Hotel Performance

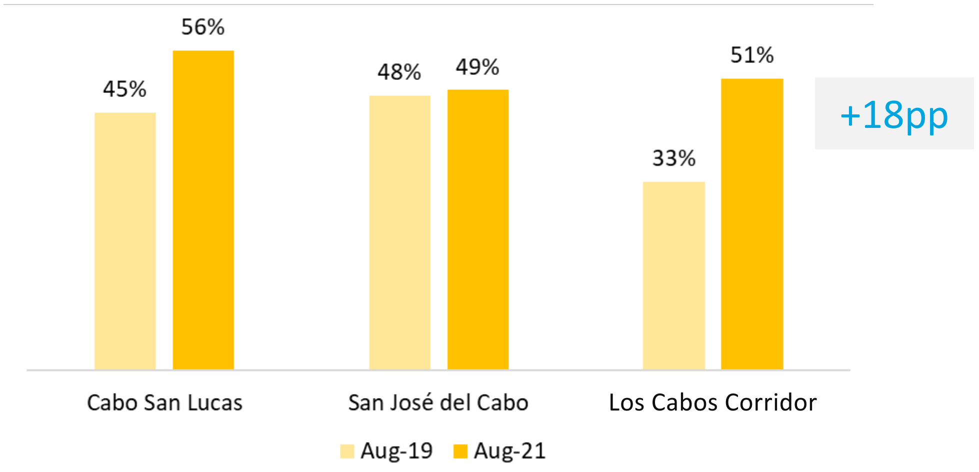
Evolution of the hotel supply in Los Cabos and sub-destinations

Monthly hotel occupancy (2019-2021)



SOURCE: AHLC

Hotel occupancy, current month (2019-2021)

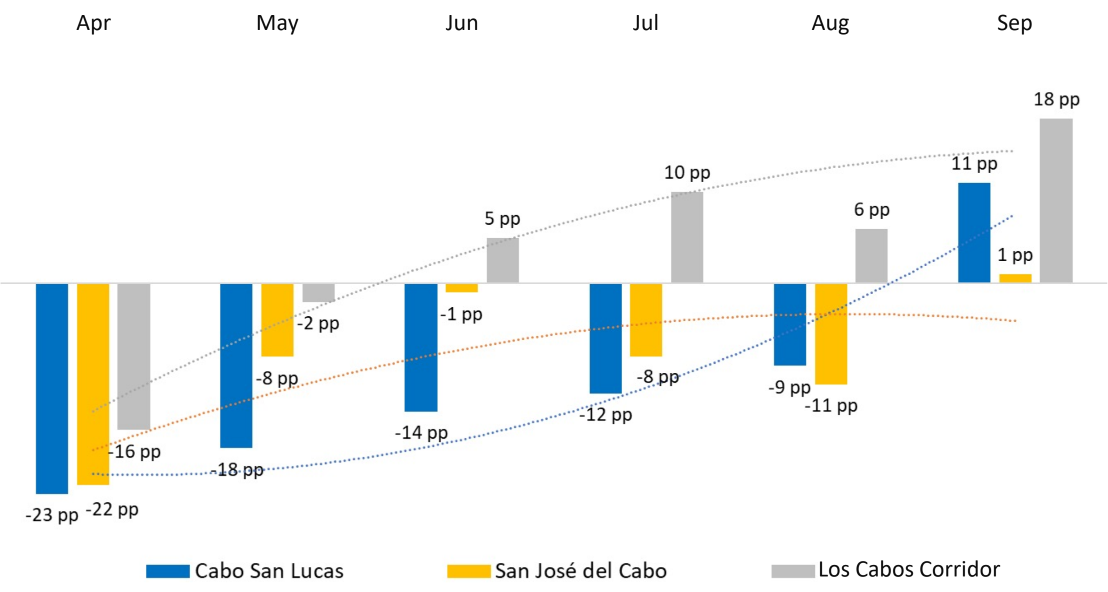


SOURCE: AHLC

- **According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 52% during Sep-2021, up 9pp compared to 2019. On a sub-destination level, Cabo San Lucas and San Jose del Cabo were at 56% and 48% (both increased by 11pp and 1pp, respectively). Furthermore, hotel occupancy in Los Cabos Corridor increased by 18pp and stood at 51%.**
- **In Jul-2021, 248,101 tourists arrived at hotels in Los Cabos, 9% fewer compared with Jul-2019. The average stay also decreased by 0.1 nights against 2019 (4.90, according to DataTur).**
  - **Domestic tourist arrivals at hotels fell 34.7% in this period, while international tourism grew 2.7%.**
  - **In Jul-2021, domestic tourism represented 22.4% of the total. A share of 32.8% was recorded in 2019.**

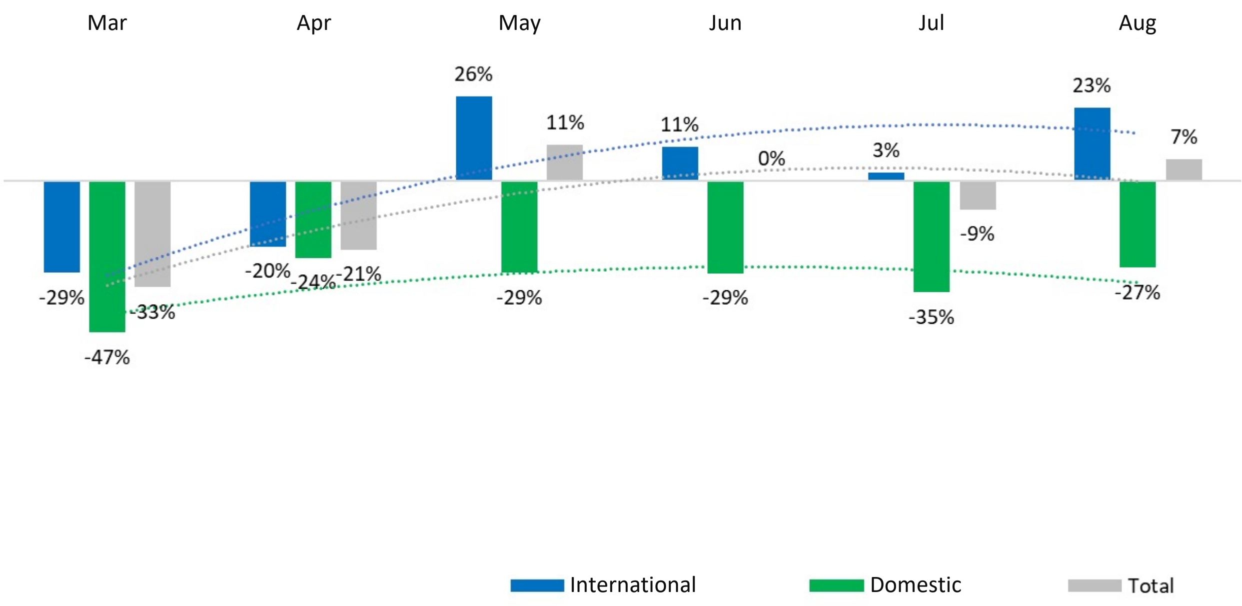
Evolution of the hotel supply in Los Cabos and sub-destinations

Annual variation in hotel occupancy, by destination
(Apr-Sep-2021 vs. 2019)



SOURCE: AHLC

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

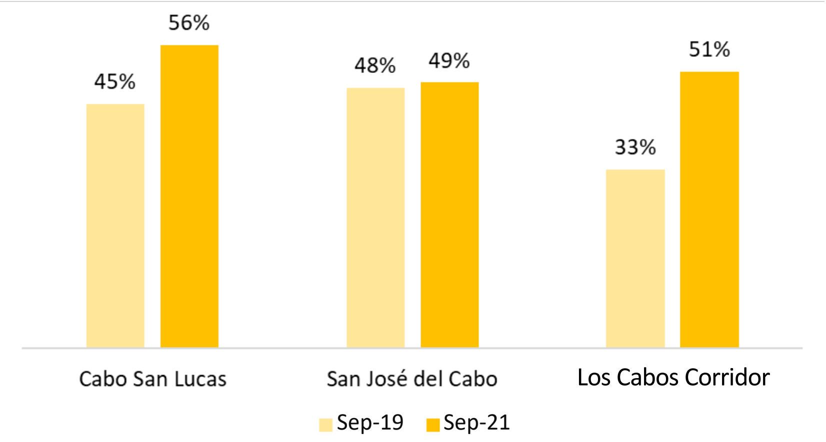


SOURCE: DATATUR

- **Compared to Sep-2019, hotel occupancy in Cabo San Lucas and San Jose del Cabo increased by 11pp and 1pp, respectively (first growth since the pandemic began).**
- **The Corridor has shown growth for four consecutive months, reaching an 18pp increase (compared to 2019).**

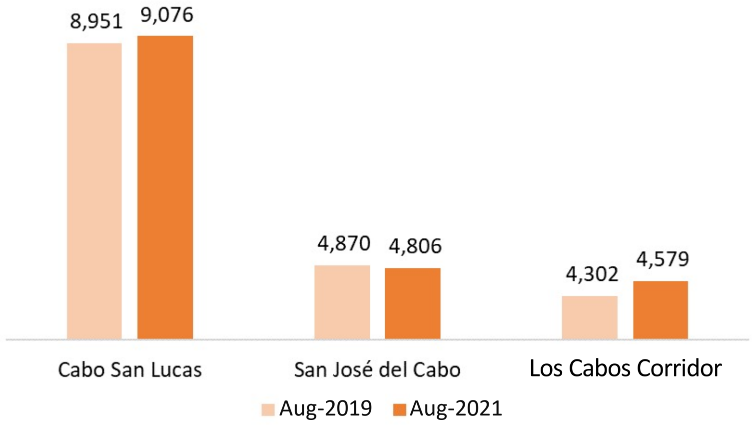
Evolution of the hotel supply in Los Cabos and sub-destinations

Hotel occupancy (September 2019-2021)



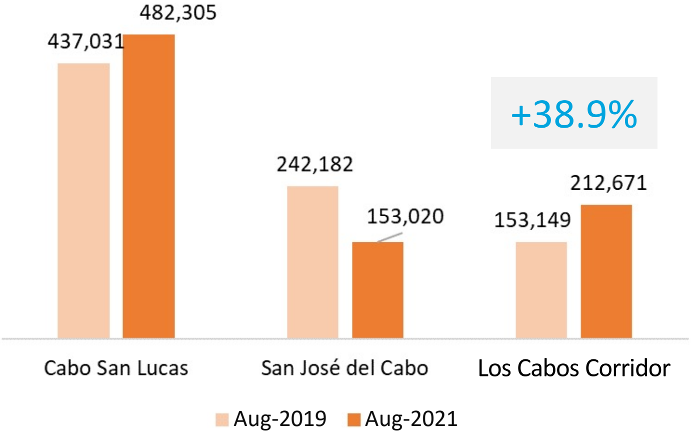
SOURCE: AHLC

Rooms available (August 2020-2021)



SOURCE: DATATUR

Room nights (August 2019-2021)



SOURCE: DATATUR

CABO SAN LUCAS

- **Hotel occupancy was at 56%, which implies an increase of 11pp (Sep-2021 vs. Sep-2019, AHLC).**
- **Its hotel supply increased 1.4% between Aug-2019 and Aug-2021, registering a total of 9.1 thousand rooms (DataTur).**
- **Occupied room nights increased 10.4% between Aug-2019 and Aug-2021 (DataTur).**

SAN JOSE DEL CABO

- **Occupancy grew 1pp (49%) when comparing Sep-2021 to Sep-2019 (AHLC).**
- **Its hotel supply decreased 1.3% between Aug-2019 and Aug-2021, registering a total of 4.8 thousand rooms (DataTur).**
- **Occupied room nights decreased 36.8% between Aug-2019 and Aug-2021 (DataTur).**

LOS CABOS CORRIDOR

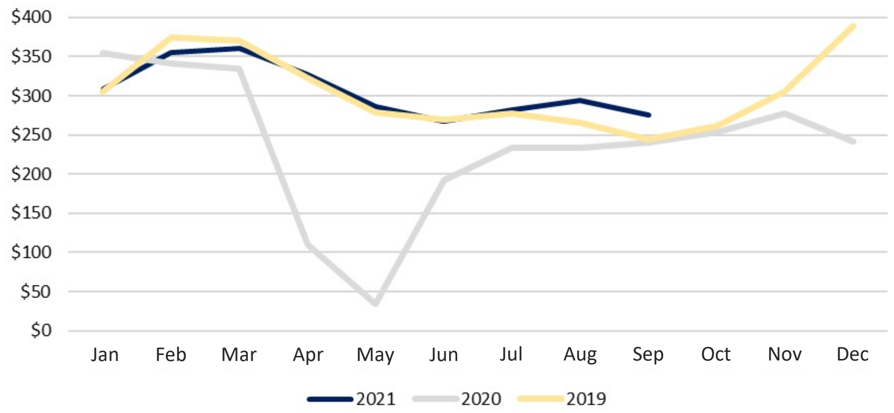
- **Occupancy was at 51% in Sep-2021, which implies an increase of 18pp (AHLC).**
- **Its hotel supply increased 6.4% between Aug-2019 and Aug-2021, registering a total of 4.6 thousand rooms (DataTur).**
- **Occupied room nights increased 38.9% between Aug-2019 and Aug-2021 (DataTur).**

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

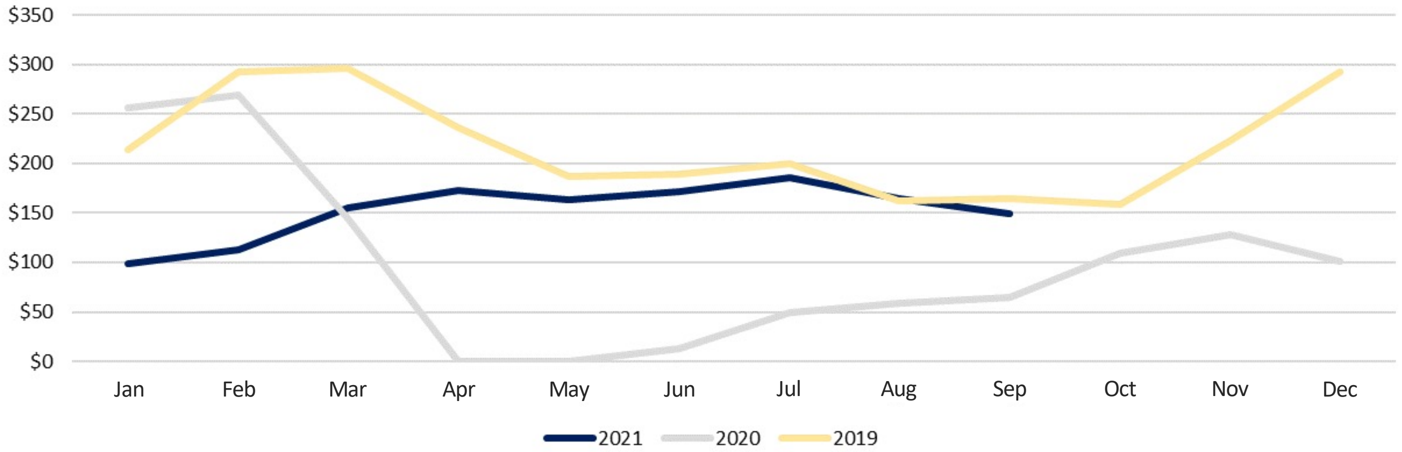
- **The average hotel rate in Los Cabos for Sep-2021 was USD 276, 18 dollars below the last 12-month average ($294) and 32 dollars above that of Sep-2019.**
  - **Cabo San Lucas recorded an increase of 5% (USD 11) and now stands at USD 229.**
  - **San Jose del Cabo increased its rate by 22.6% (USD 47) and now stands at USD 255.**
  - **Compared to 2019, the rate in Los Cabos Corridor increased 22.5% (USD 69) and recorded USD 376.**

- **The RevPAR in Sep-2021 was USD 149, down 16 dollars (-9%) compared to Sep-2019.**

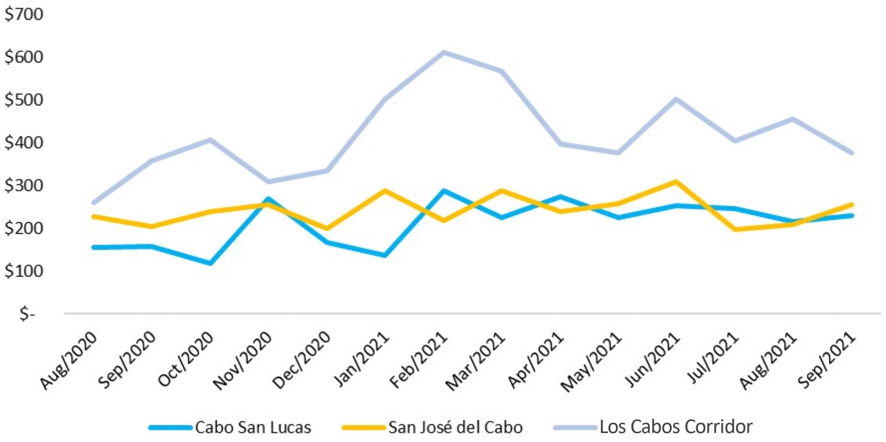
Average Hotel Rate, Los Cabos (USD, 2019-2021)



RevPAR Los Cabos (USD, 2019-2021)



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



SOURCE: AHLC

LOS CABOS

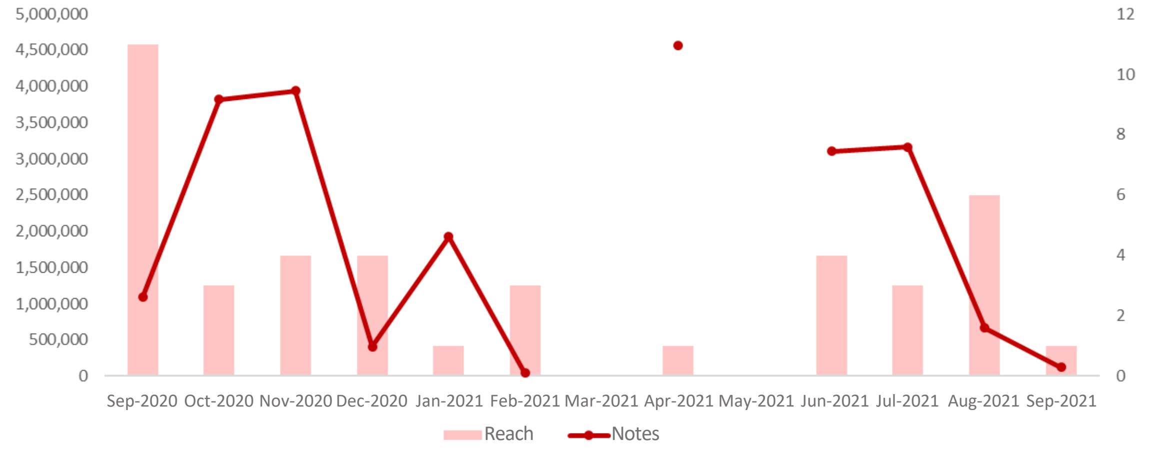
LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope

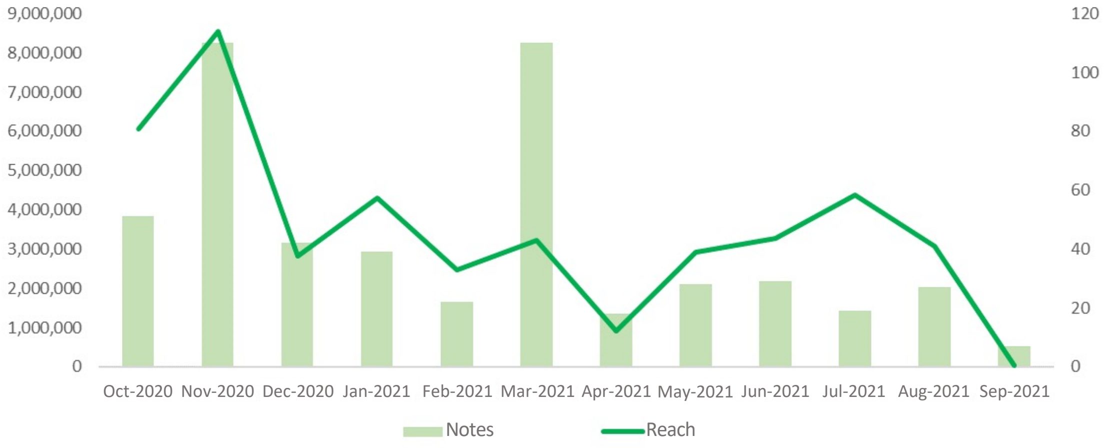
- **In the domestic market:**
  - **During Sep-2021, 7 placements were introduced, accounting for 24.8 thousand impressions. An average of 40 placements has been published monthly since the pandemic started in April 2020, with a monthly reach of 3.4 million.**
- **In the international market:**
  - **In Sep-2021, 7 placements and 35.8 million impressions were achieved in the United States. An average of 21 placements has been published monthly since the pandemic started, with a monthly reach of 695 million.**
  - **1 note was delivered to the Canadian market throughout Sep-2021, achieving 125 thousand impressions. An average of 6 placements has been published monthly since April, with a monthly reach of 4.1 million.**

NOTES MADE FOR THE CANADIAN MARKET – TOTAL & REACH



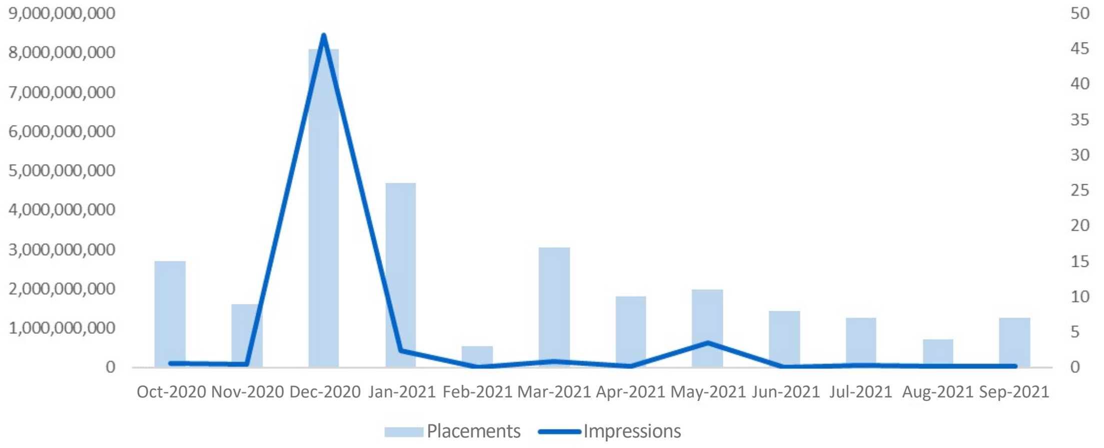
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET – TOTAL & REACH



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

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



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

LOS CABOS

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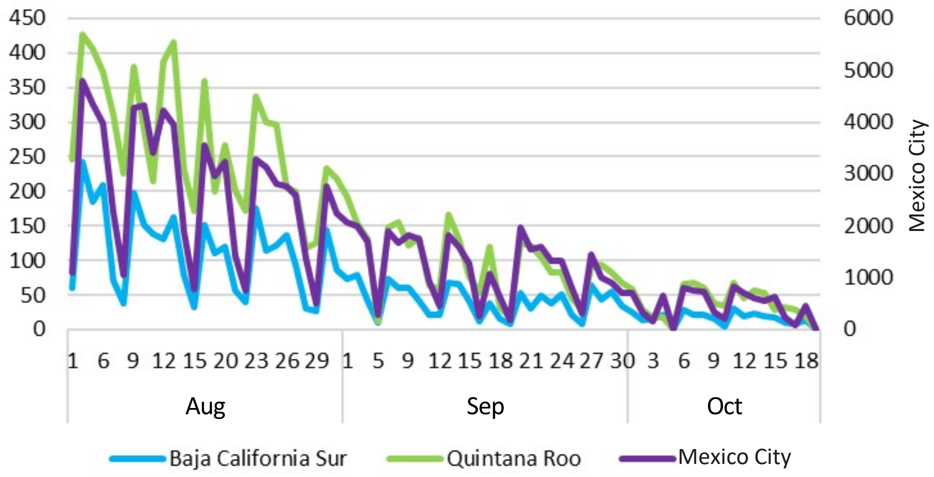
IMPACT OF COVID-19

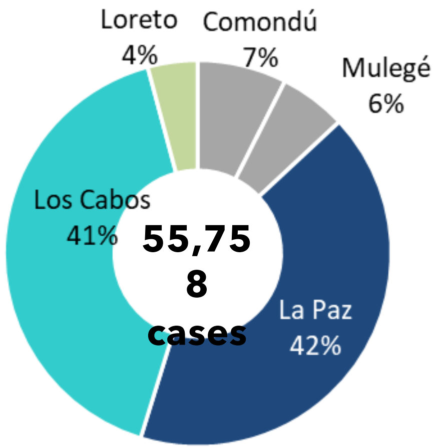
Effects of COVID-19 on Mexico’s tourism sector.

Confirmed COVID-19 cases – overview

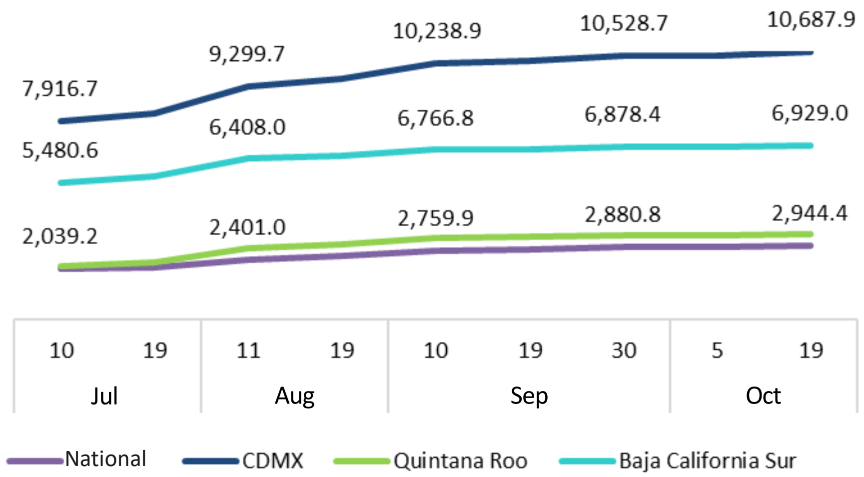
Number of daily new cases



Confirmed cases by municipalities in B.C.S.



Incidence of infection



Total confirmed cases as of October 19th, 2021

National

3.76 million

- 193 thousand more cases since September 19th.

Baja California Sur

55,758

- 1,016 more cases than those recorded by September 19th.

Quintana Roo

59,033

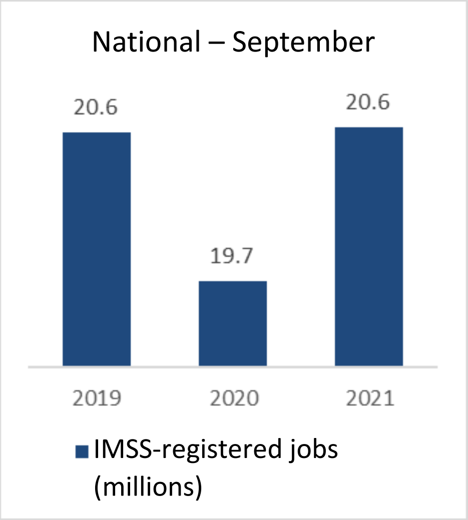
- 1,938 more cases in the same period.

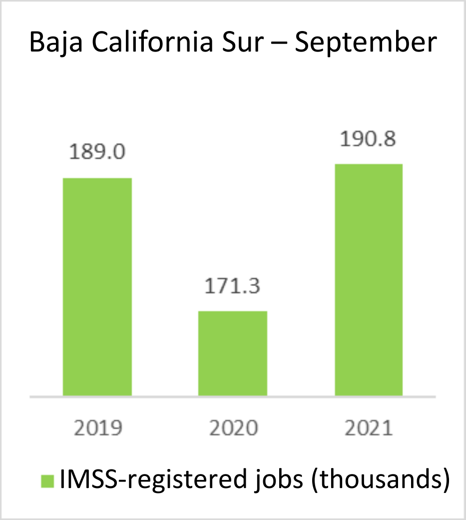
- La Paz and Los Cabos jointly account for 83% of the total confirmed cases statewide.
- Los Cabos has 160 more cases, adding up to a total of 22,715.
- La Paz has 309 more cases than those recorded as of September 19th, accumulating a total of 23,191 confirmed cases.
- Loreto accumulates 2,307 cases (21 more).

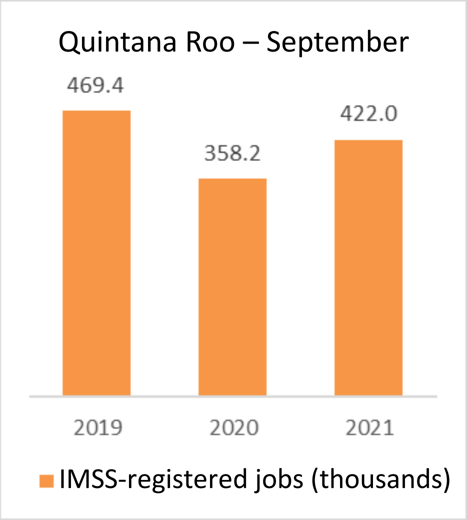
- The national average rate of infection is 2,944 cases per 100 thousand inhabitants.
- Mexico City has the highest rate of COVID-19 cases, which is above the national average of 10,687.
- Quintana Roo: 3,313.
- Baja California Sur is the second state with the highest rate: 6,929.

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

Effects on employment in Mexico







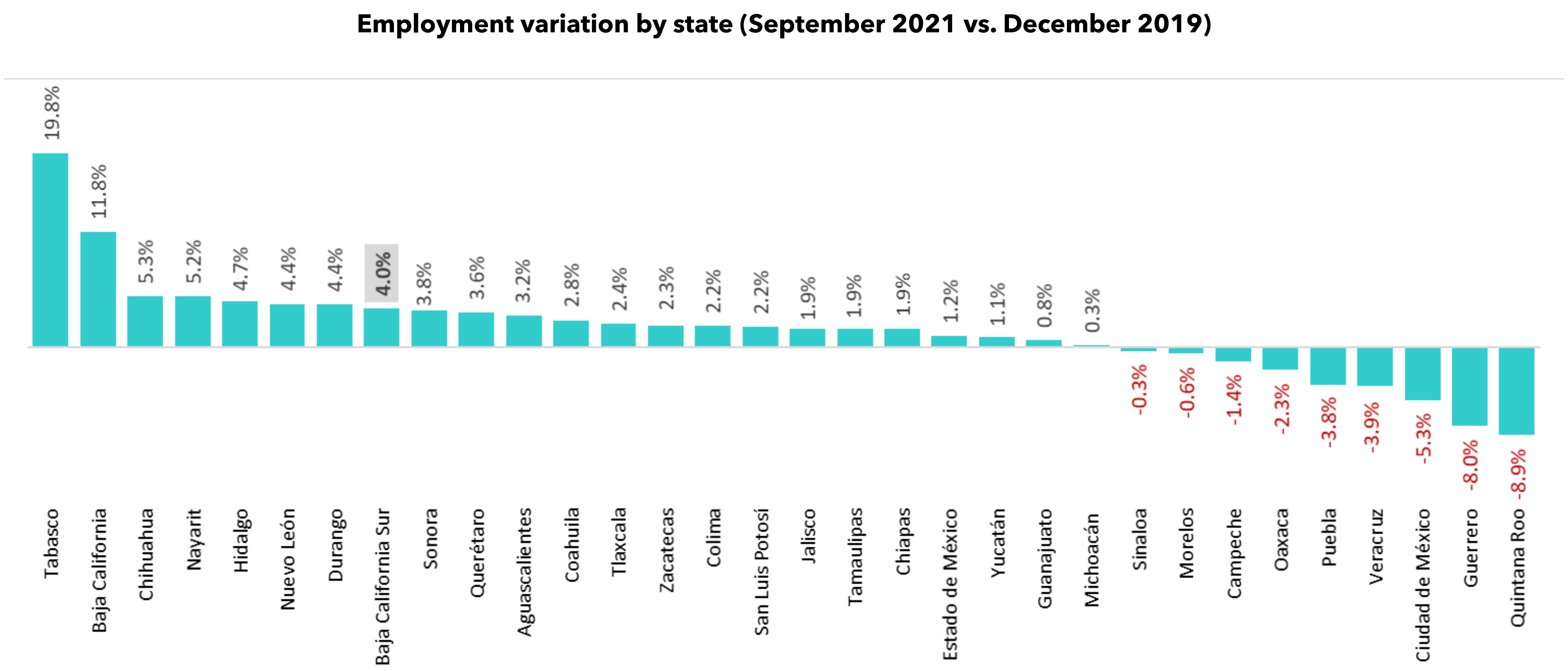
- As of September 30th, 2021, IMSS registered 20,594,919 jobs in the country, which is 0.1% more than those reported in Sep-2019.
- 821,187 more jobs were recorded compared with the end of Dec-2020.

- Baja California Sur closes Sep-2021 with 190,795 jobs, 1% more than in Sep-2019.
- 21,424 more jobs were recorded compared with the end of Dec-2020.

- Quintana Roo closes Sep-2021 with 421,962 jobs, 10.1% fewer than in Sep-2019.
- 56,179 more jobs were recorded from Dec-2020 to Aug-2021.

SOURCE: IMSS

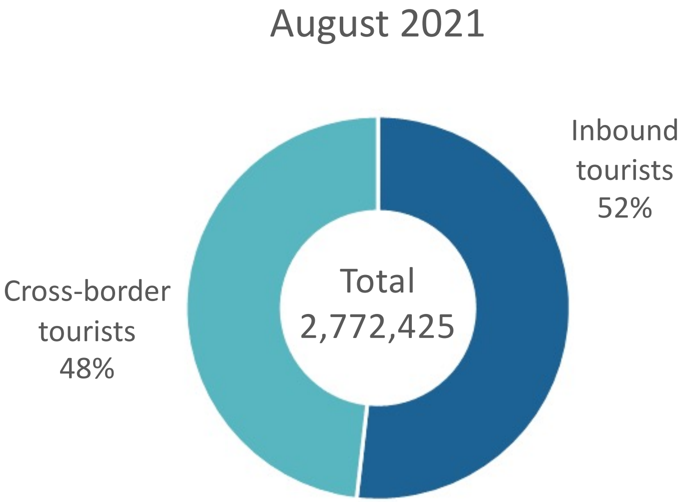
Effects on employment in Mexico



- For the second consecutive month, the number of jobs recorded in Baja California Sur has increased (+4%) compared to Dec-2019. Quintana Roo is still the most affected state.

SOURCE: IMSS

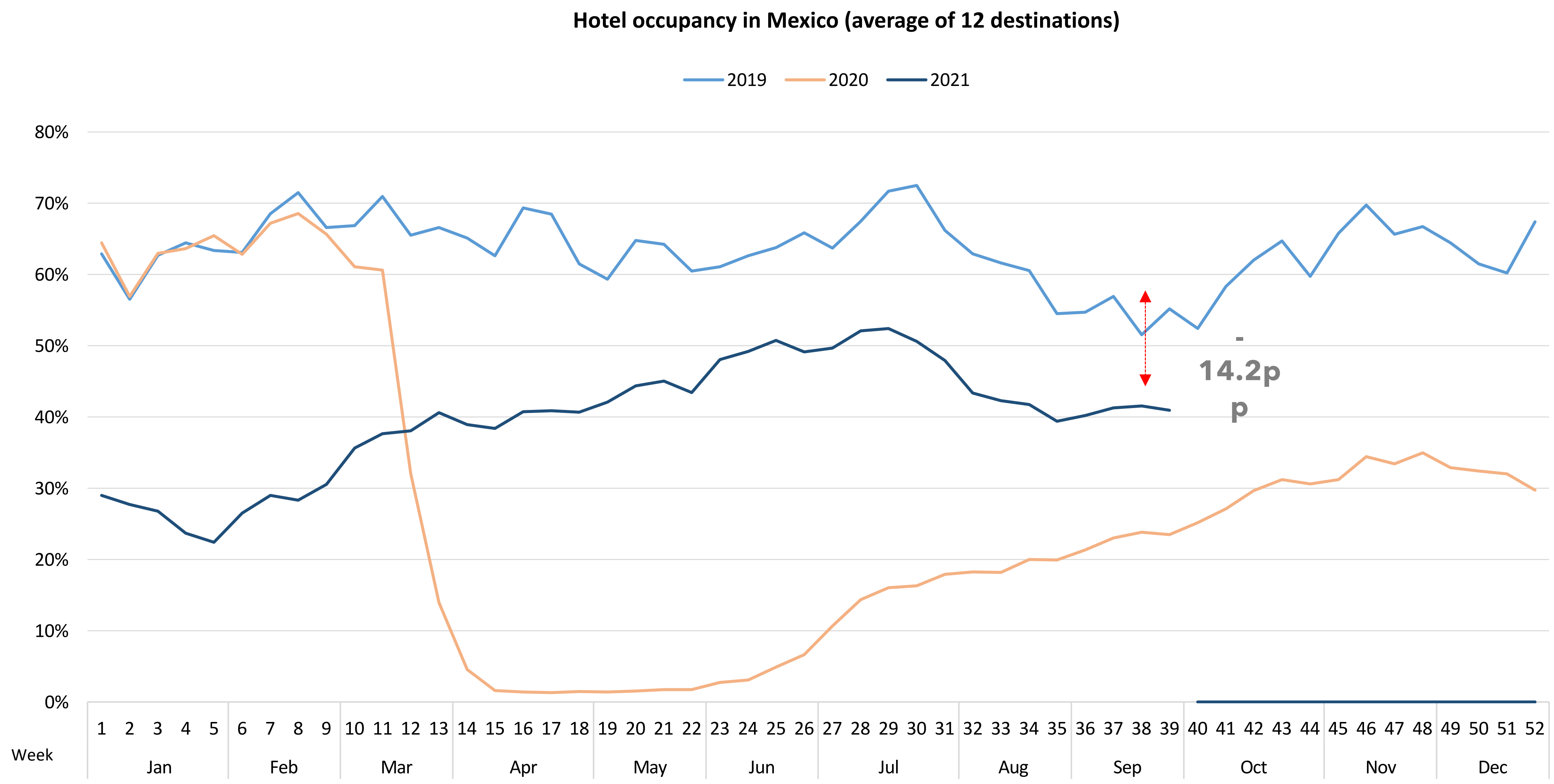
International tourist arrivals in Mexico



- In Aug-2021, 2.77 million international tourists arrived in the country (18% fewer than in Aug-2019). 52% were inbound tourists.
- The average spending of inbound tourists arriving by air was USD 1,232 ($161 more than the average spending in Aug-2019).
- In Aug-2021, the total number of inbound tourists decreased by 29% compared to the previous month.
- There is an 18% decrease in the total number of inbound tourists compared to Aug-2019.
- 85% arrived by air, and 15% did so by land.

SOURCE: INTERNATIONAL TOURIST SURVEYS, INEGI

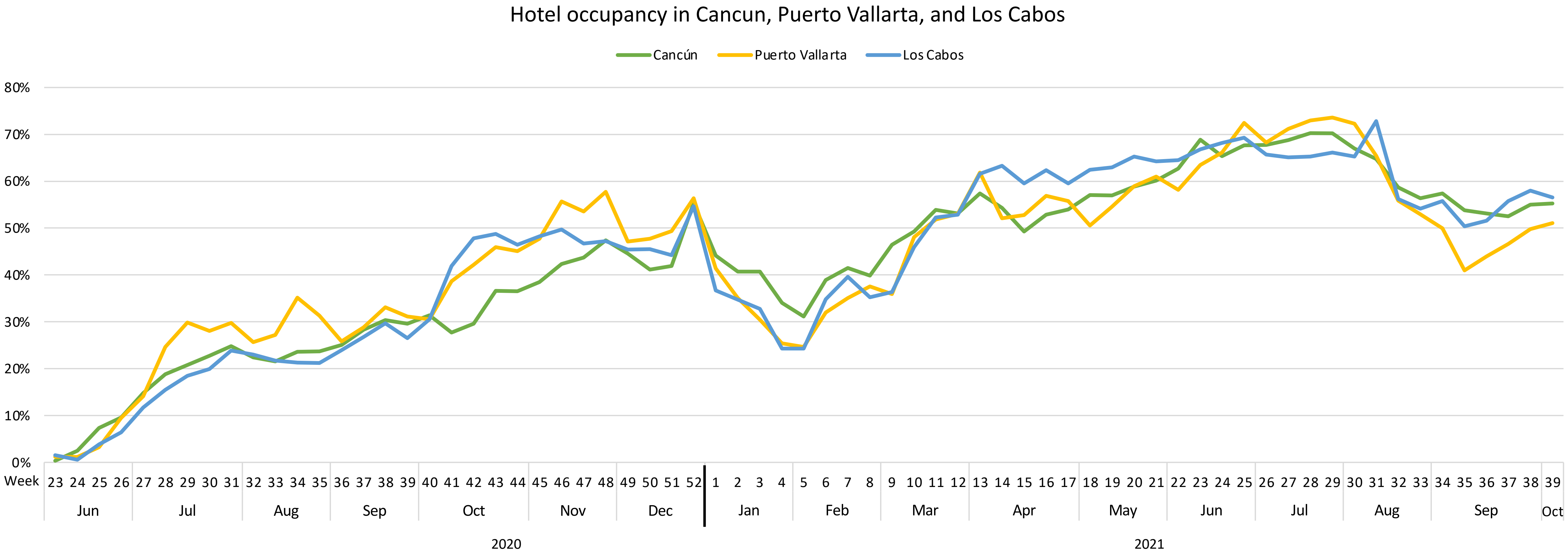
Hotel indicators in Mexico



- Hotel occupancy in Mexico remained close to 40% during Sep-2021. By the end of week 39, occupancy closed at 40.9%, down 14.2pp compared to the same week of 2019.

SOURCE: DATATUR. MONITORED DESTINATIONS: VILLAHERMOSA, 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



- In Sep-2021, Puerto Vallarta had a lower hotel occupancy than Cancun and Los Cabos.
- By the end of week 39, Los Cabos, Cancun, and Puerto Vallarta had an occupancy of 56.5%, 55.3%, and 51%, 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 = $It/\Sigma Ht$, where It equals the total room revenue and ΣHt equals the number of rooms available during a period (the multiplication of total establishment's rooms by the room nights in that period, minus the number of rooms that are not available).
- **Resident.** Individual who lives permanently or on a long-term basis in the territory of the United Mexican States.
- **Residence.** The place/country where the traveler has stayed most of the past year (12 months), or has stayed for a shorter period and plans to return within 12 months to live in that country.
- **Average daily rate.** Commonly known as ADR. It is a statistical unit that represents the average rental income per paid occupied room in a given period. Along with the occupation of the property, both are the basis of the property's financial performance. ADR is calculated dividing room revenue by the number of rooms sold. Houseguest rooms (also known as "house use") and free rooms (known as "complementary rooms") should be excluded from the denominator.
- **Tourist.** Any individual who travels outside their usual environment for less than 12 months for any reason, except those who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, or travel employees.
- **Visitor.** Any individual who travels outside their usual environment for less than 12 months for leisure, business, religious, medical, or other reasons. Exceptions include people who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, tourism employees, or people looking for a new residence or job.

LOS CABOS

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