LOS CABOS

LOS CABOS
TOURISM OBSERVATORY

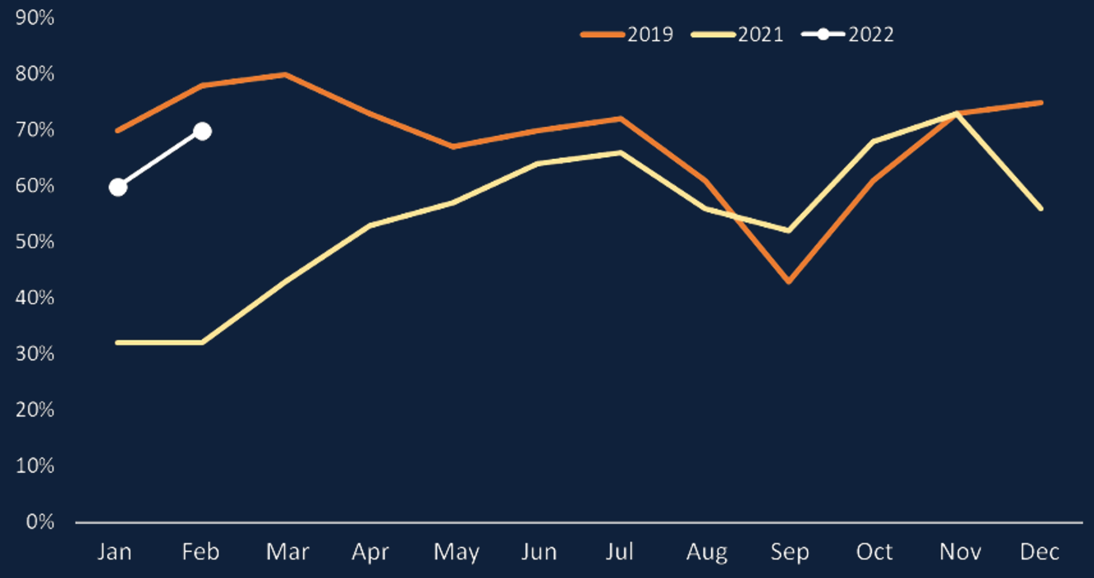
KEY PERFORMANCE INDICATORS

APRIL 2022 - BULLETIN 39

Leading indicators – Summary (Feb-2022)

Hotel Performance

Hotel Occupancy:



Hotel Occupancy (Feb-2022):
70%
-8pp
(vs. Feb-2019)
SOURCE: AHLC

Rooms Available (Feb-2022):
22,210
+9.9%
(vs. Feb-2019)
SOURCE: DATATUR

Room Nights (Feb-2022):
1,017,170
-5.6%
(vs. Feb-2019)
SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers (Feb-2022, in thousands):
249.6
+13.7%
(vs. Feb-2019)

National Passengers (Feb-2022, in thousands):
78.5
+31.7%
(vs. Feb-2019)

International Passengers (Feb-2022, in thousands):
171.1
+7%
(vs. Feb-2019)

SOURCE: GAP

Other indicators

Cruise Ships (Feb-2022):
20
-2 vessels
(vs. Feb-2019)
SOURCE: DATATUR

Cruise Passengers (Feb-2022):
34,044
-30.9%
(vs. Feb-2019)
SOURCE: DATATUR

Group Business Total RFPs (Feb-2022):
49
+29 RFPs
(vs. Feb-2019)
SOURCE: CVENT

Tourist Satisfaction: More than expected (Feb-2022):
62%
+28.8pp
(vs. Feb-2019)
SOURCE: TOURIST SURVEYS

Attendees to Congresses and Conventions (Feb-2022):
3.6%
+2.9pp
(vs. Feb-2019)
SOURCE: TOURIST SURVEYS

Tourists' origin (Feb-2022):
70% foreigners
-1.6pp
(vs. Feb-2019)
SOURCE: TOURIST SURVEYS

In this section, the destination results are presented until February 2022. However, in certain cases there is more current information available, depending on the date of publication of each source. To verify the latest information available, refer to the corresponding sections.

Leading indicators – Summary (Feb-2022)

PASSENGER ARRIVALS

- In Feb-2022, Los Cabos International Airport recorded a 13.7% (+30.1 thousand) increase in the total number of passengers arriving at the destination compared to 2019, adding up to a total of 249.6 thousand (when considering arrivals only).
  - Passengers on domestic flights (78.5 thousand) represent 31.5% of total arrivals. These increased by 31.7% (+18.9 thousand vs. Feb-2019).
  - Passengers on international flights (171.1 thousand) represent 68.5% of total arrivals. These increased by 7% (+11.2 thousand vs. Feb-2019).

FLIGHT SCHEDULES

- The domestic market has 31.8% more available seats scheduled for the period from Apr-Sept 2022 (compared to the same period in 2019). In Apr-2022, 32.8% more is expected.
  - Mexico City, Guadalajara, and Tijuana are the most relevant issuing markets, having 49%, 16%, and 20% of total available seats, respectively (for the next six months).
- There are 1.2 million seats scheduled for the U.S. in the next six months, which is 41.2% more than the same period in 2019.
  - The following airports had the most significant increase in service vs. 2019: LAX (+24%), PHX (+50%), HOU (+33%), DFW (22%), DEN (+96%), CHI (160%) and SEA (+544%). However, San Diego showed a decrease of 45%.
- For Apr-2022, the United States expects 31.9% more available seats than those scheduled for 2019.
- For Canada, 8.2% fewer seats are expected in the next six months. There was a 10.4% drop in Apr-2022.
  - Decreases are expected in Calgary (-9%), Edmonton (-40%), and Toronto (-24.7%) within the next six months. Vancouver showed an increase of 11.5% compared to 2019.

HOTEL PERFORMANCE

- Occupancy in Feb-2022 was at 70%, down 8pp compared to Feb-2019.
  - Occupancy in Cabo San Lucas dropped 10pp compared to Feb-2019 and is now at 73%.
  - San Jose del Cabo recorded an occupancy rate of 67% (12pp lower than in Feb-2019).
  - Los Cabos Corridor recorded an occupancy rate of 65% (a 2pp decrease compared to Feb-2019).
- The number of rooms available in Los Cabos increased 9.9% between Feb-2022 and 2019, reaching 22,210 this month.

LOS CABOS

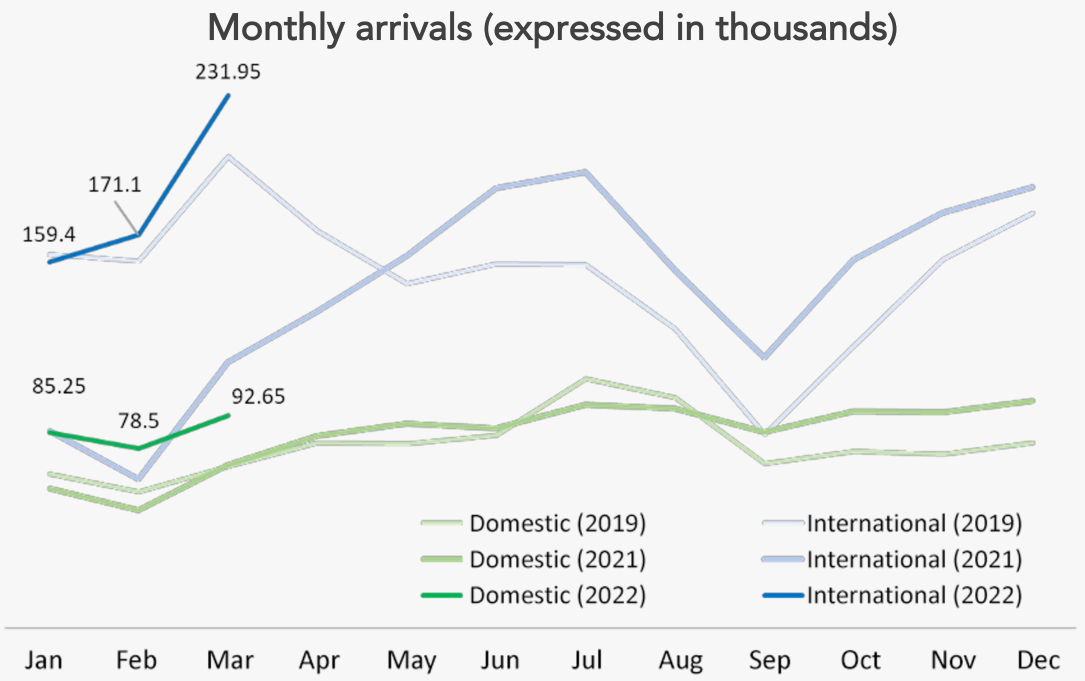
LOS CABOS
TOURISM OBSERVATORY

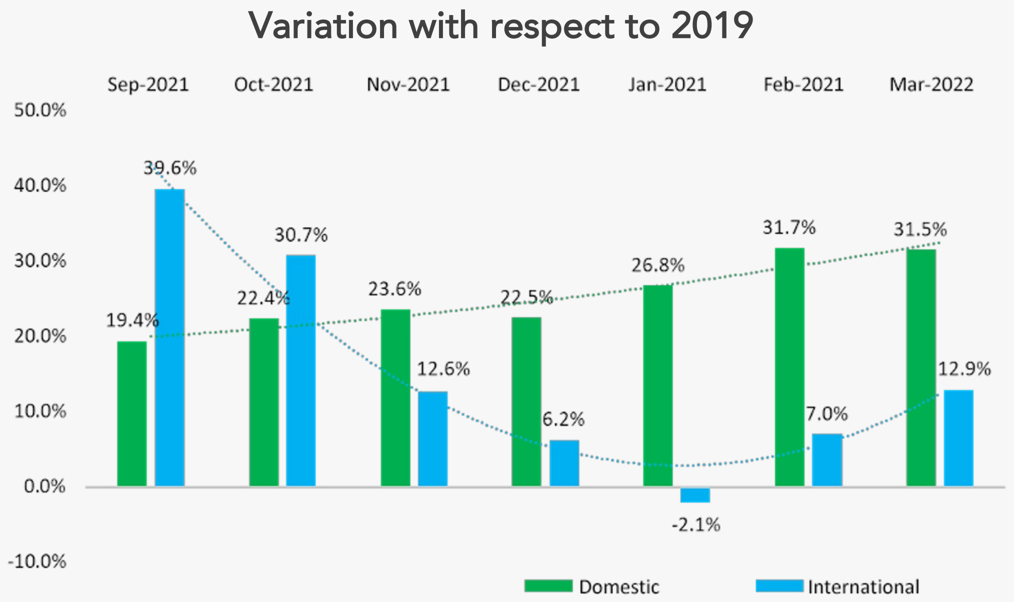
PASSENGER ARRIVALS

Passenger arrivals at Los Cabos International Airport, 2019-2022

- In Mar-2022, 324.6 thousand passengers arrived at Los Cabos International Airport, which represents a 17.7% increase compared to the same period in 2019.
- It represents an average growth rate of 4.7% over the last 12 months.
    - Passengers on domestic flights (92.65 thousand) represent 28.5% of total arrivals and increased by 31.5% compared to Feb-2019.
        - TMAC of 2.2% between Mar-2021 and Mar-2022.
    - Passengers on international flights (231.95 thousand) represent 71.5% of total arrivals and increased by 12.9%.
        - TMAC of 5.9% between Mar-2021 and Mar-2022

SOURCE: GAP





LOS CABOS

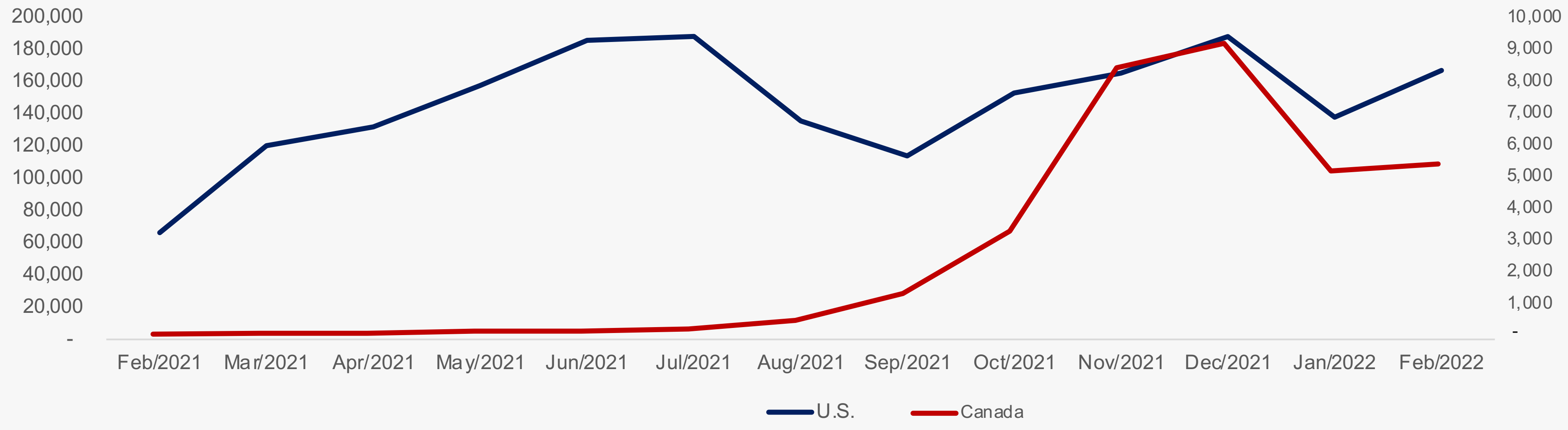
LOS CABOS
TOURISM OBSERVATORY

PASSENGER ARRIVAL
By Nationality

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

Regions	Feb/2021	Mar/2022	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	Sep/2021	Oct/2021	Nov/2021	Dec/2021	Jan/2022	Feb/2022	∆ Feb-22/ Feb-19	∆ Jan-Feb-22/ Jan-Feb-19
U.S.	66,275	120,361	131,784	157,649	185,830	188,099	135,769	114,095	153,027	165,218	187,942	137,967	166,842	25.5%	119.4%
Canada	44	75	66	144	144	211	480	1,316	3,280	8,420	9,190	5,176	5,388	-75.7%	22.7%
Europe	32	39	37	61	55	136	98	62	94	299	431	255	189	-82.7%	23.8%
Caribbean, Central & South America	18	31	24	58	76	138	138	107	130	116	155	82	76	-54.8%	34.1%
Rest of the world	11	38	24	48	90	163	169	108	187	352	337	150	150	-78.5%	17.1%
Grand total	66,380	120,544	131,953	157,960	188,747	188,747	136,654	115,688	156,718	174,405	198,055	143,630	172,645	9.9%	104.1%

Key Markets	Feb/2021	Mar/2022	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	Sep/2021	Oct/2021	Nov/2021	Dec/2021	Jan/2022	Feb/2022	∆ Feb-22/ Feb-19	∆ Jan-Feb-22/ Jan-Feb-19
United Kingdom	16	16	8	25	15	50	48	7	27	81	146	98	66	-74.5%	33.1%
Australia	1	4	4	4	12	18	21	15	19	41	44	44	43	-75.7%	11.7%
South Korea	-	10	1	5	6	17	16	10	11	45	15	15	-	-100.0%	1.3%
Key markets total	17	30	13	34	33	85	85	32	57	167	205	205	109	-80.8%	17.6%



SOURCE: INM- SIOM

International tourist arrivals by air, by origin (residence)

+9.9%

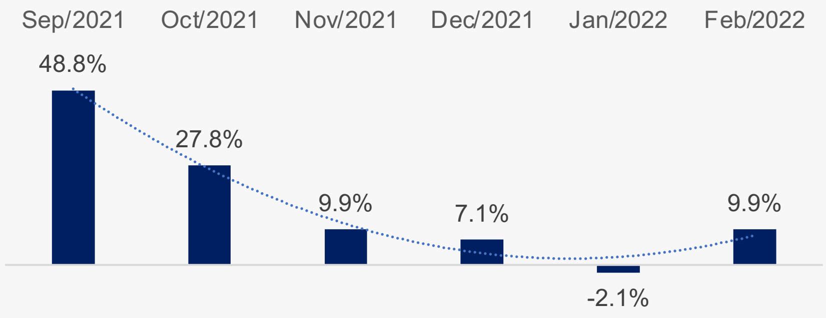
Feb-2022 vs Feb-2019

In Feb-2022, Los Cabos International Airport recorded the arrival of 172,645 international tourists by air. This meant a 9.9% increase compared to 2019.

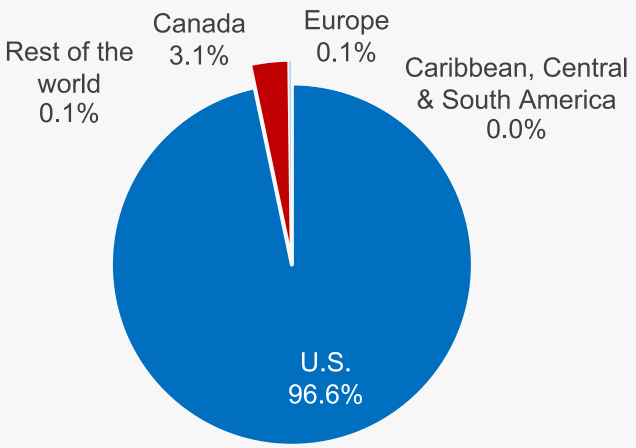
However, this was driven by growth in inbound American tourists (+25.5 vs 2019). All other regions show decreases.

American tourists represent 96.1% of the total.

Annual variation of international tourist arrivals by air to Los Cabos International Airport (Sept-2021 to Feb-2022 versus 2019)



Share of international tourist arrivals by air to Los Cabos International Airport (Feb-2022)

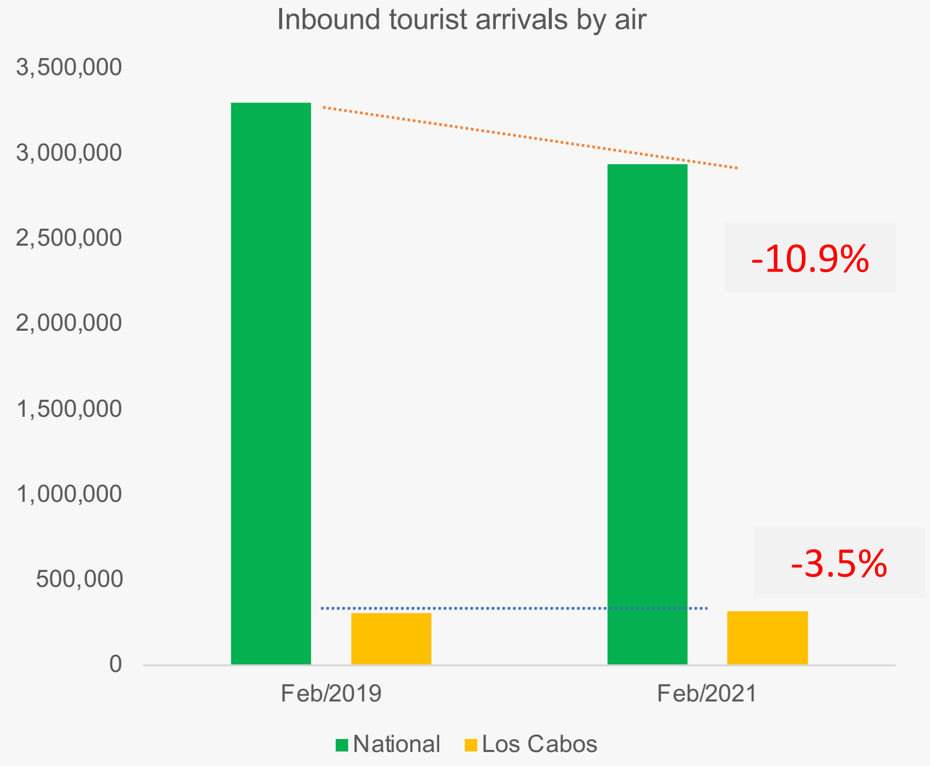


SOURCE: INM- SIOM

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

Regions	National			Los Cabos		
	Feb/2019	Feb/2022	△ 2022/2019	Feb/2019	Feb/2022	△ 2022/2019
United States	1,715,398	1,917,772	11.8%	255,296	304,809	12.8%
Canada	704,711	278,928	-60.0%	46,500	10,564	-78.7%
Europe	316,177	302,544	-4.3%	1,864	444	-69.7%
Caribbean, Central & South America	434,314	353,466	-18.6%	463	158	-72.2%
Rest of the world	128,519	87,802	-31.7%	1,750	300	-85.8%
Grand total	**3,299,119**	**2,940,512**	**-10.9%**	**305,873**	**316,275**	**-3.5%**

Key Markets	National			Los Cabos		
	Feb/2019	Feb/2022	△ 2022/2019	Feb/2019	Feb/2022	△ 2022/2019
United Kingdom	64,316	61,635	-4.2%	495	164	-58.5%
Australia	11,993	2,223	-81.5%	665	78	-92.8%
South Korea	16,779	2,792	-83.4%	235	3	-97.1%
Key markets total	**93,088**	**66,650**	**-28.4%**	**1,395**	**245**	**-83.6%**



When comparing Jan-2022 to 2019, international tourist arrivals by air decreased 13.7% nationwide and 3.5% in Los Cabos.

- On a national level, the U.S. travel market increased by 7.9%, whereas the Canadian travel market decreased by 64.6%.
- In Los Cabos International Airport, the U.S. travel market grew by 12.8%, while the Canadian travel market decreased by 78.7% when comparing both periods.

SOURCE: INM- SIOM

LOS CABOS

LOS CABOS
TOURISM OBSERVATORY

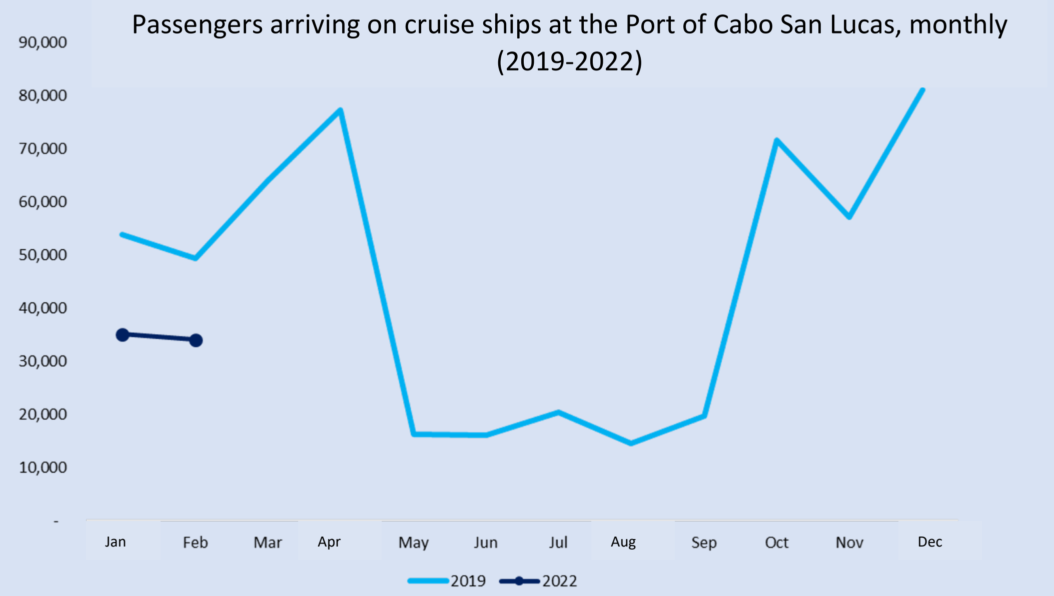
YACHT AND CRUISE SHIP ACTIVITY

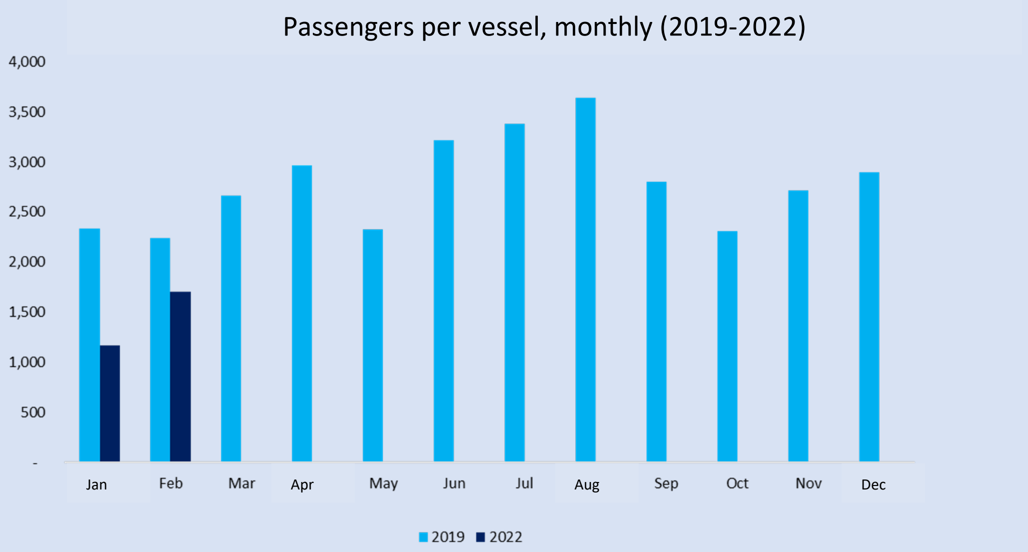
Cruise activity (Feb-2022)

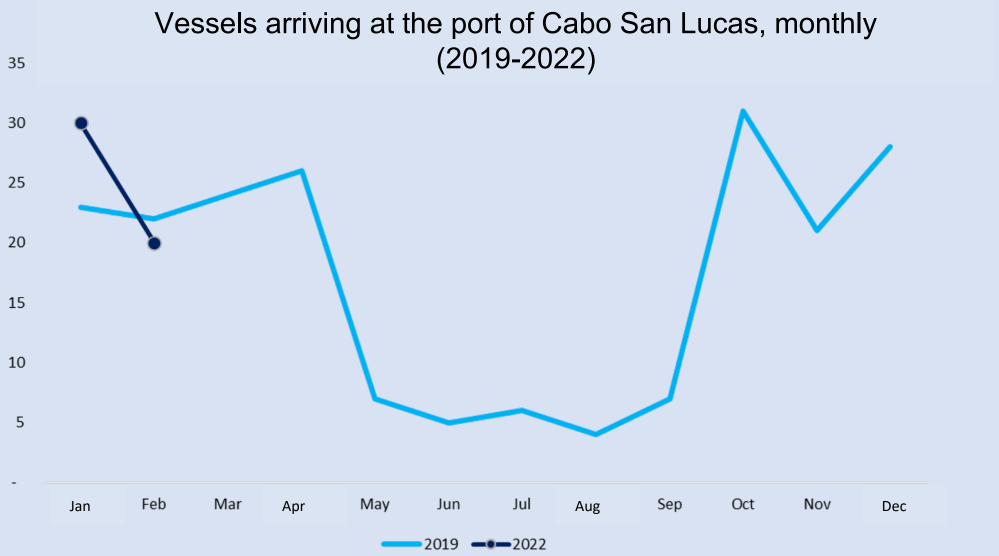
Cruise operations continued to improve significantly in Feb-2022, with 20 **vessels arriving at the port of Cabo San Lucas carrying a total of 34,044 passengers.** However, when compared to Jan-2019 it translates into a decrease of 30.9%.

This month, there are 1,702 passengers per vessel, 24% less than in 2019.

SOURCE: DATATUR-SCT



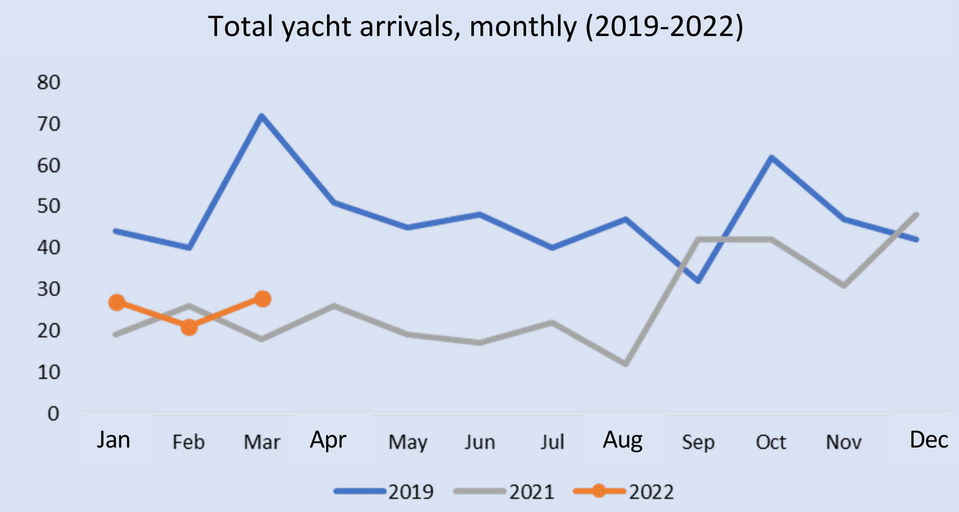


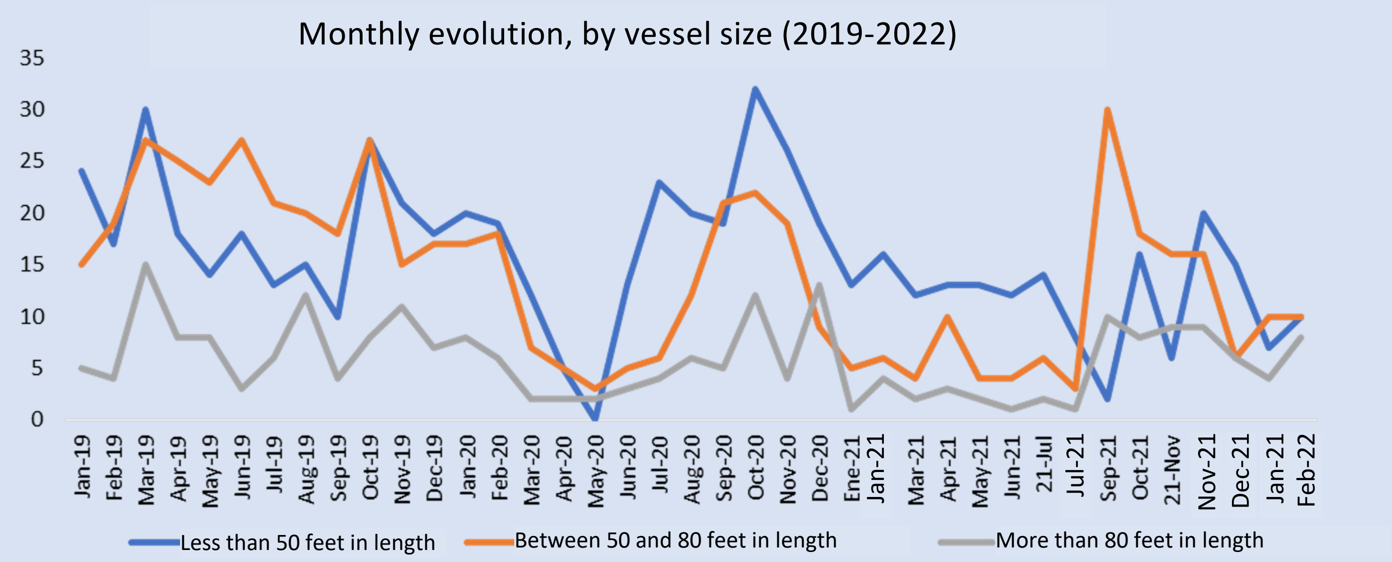


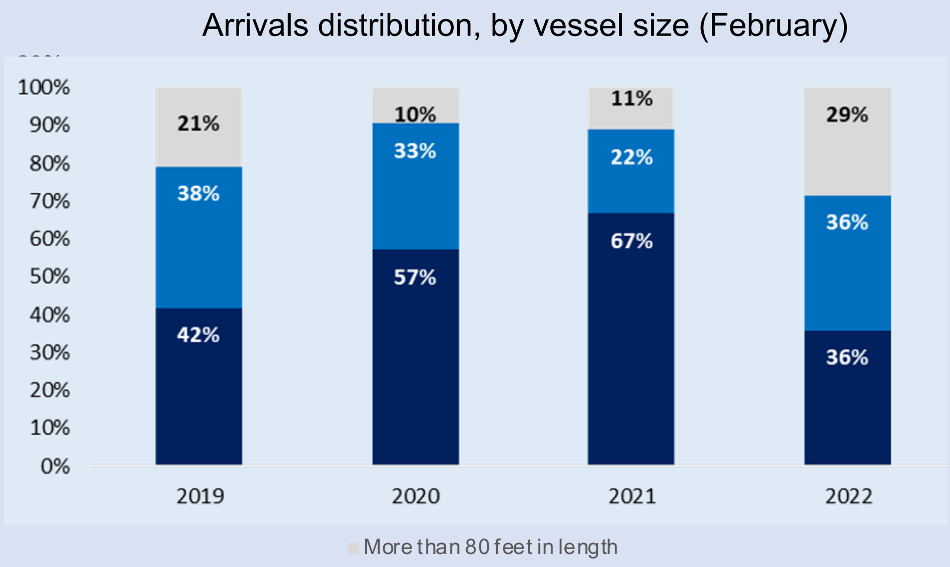
Yacht arrivals at the Port of Cabo San Lucas (Feb-2022)

- 21 yachts arrived at the Port of Cabo San Lucas in Feb-2022. This represents a decrease of 48% compared to the same period in 2019.
  - 72% were medium-sized vessels that measured more than 50 feet in length and less than 80.

SOURCE: API Cabo San Lucas





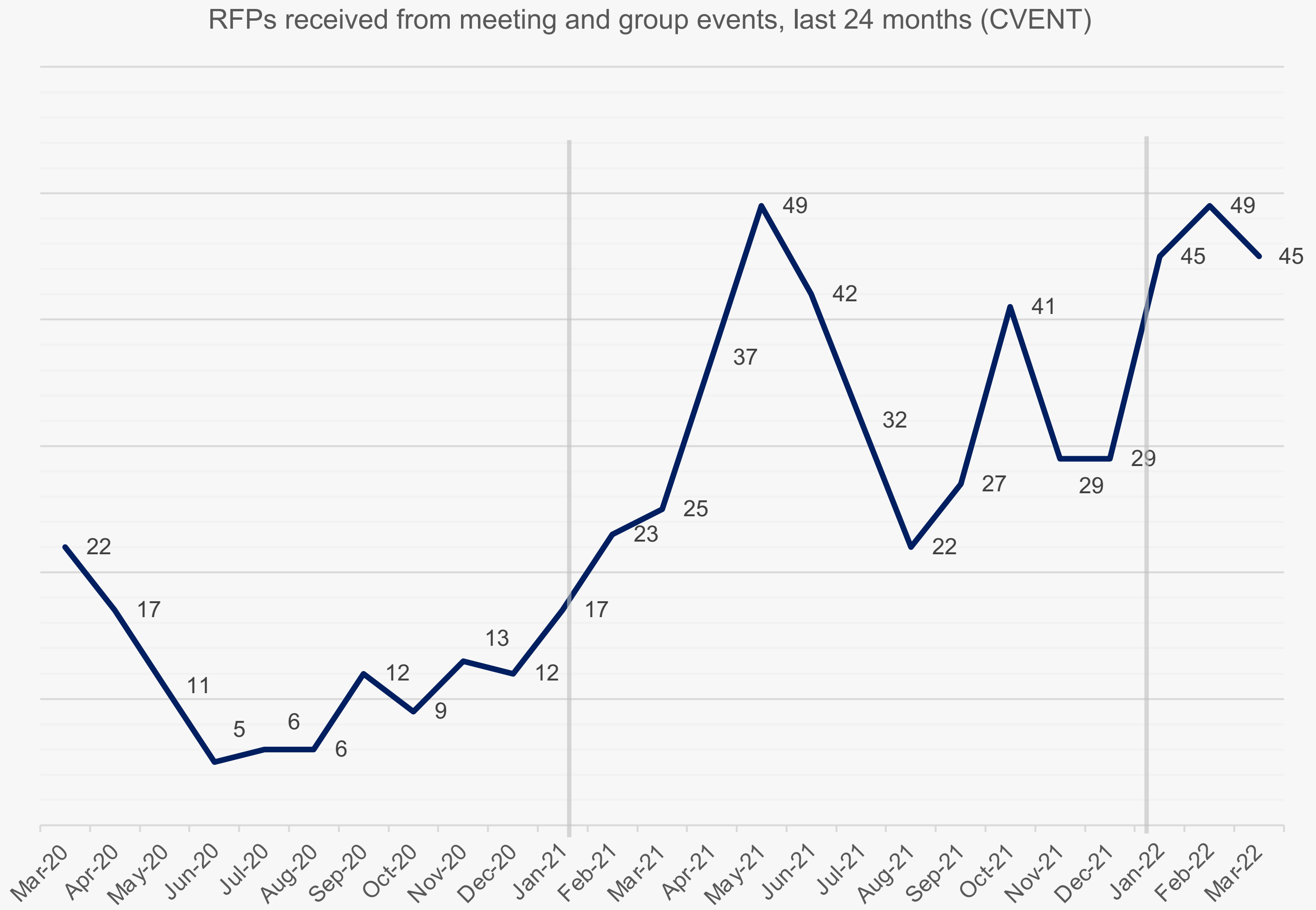


LOS CABOS

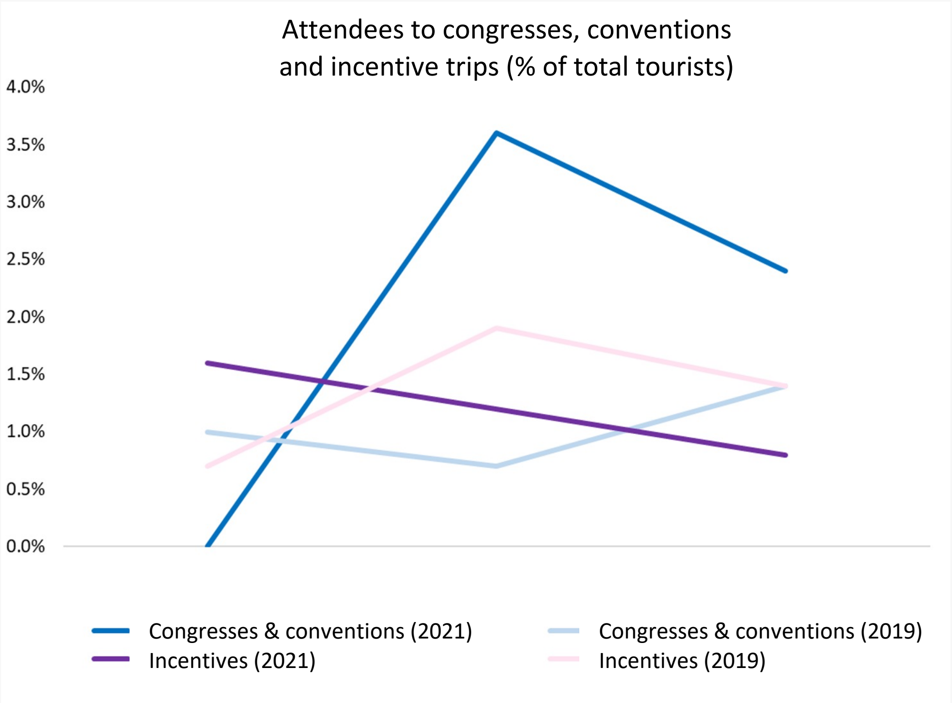
LOS CABOS
TOURISM OBSERVATORY

TOURIST & GROUP BUSINESS SURVEYS

Group Business

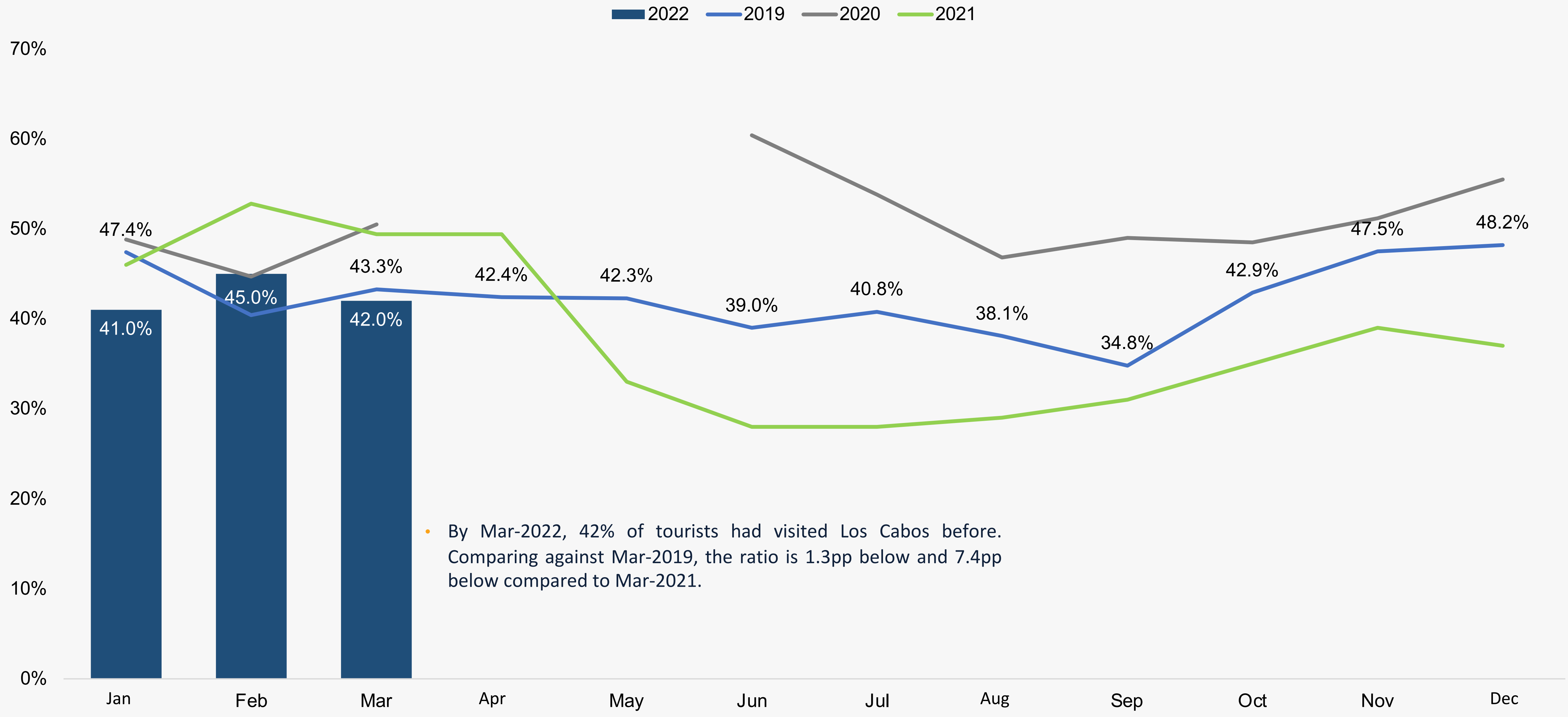


SOURCE: CVENT



SOURCE: Tourist Surveys

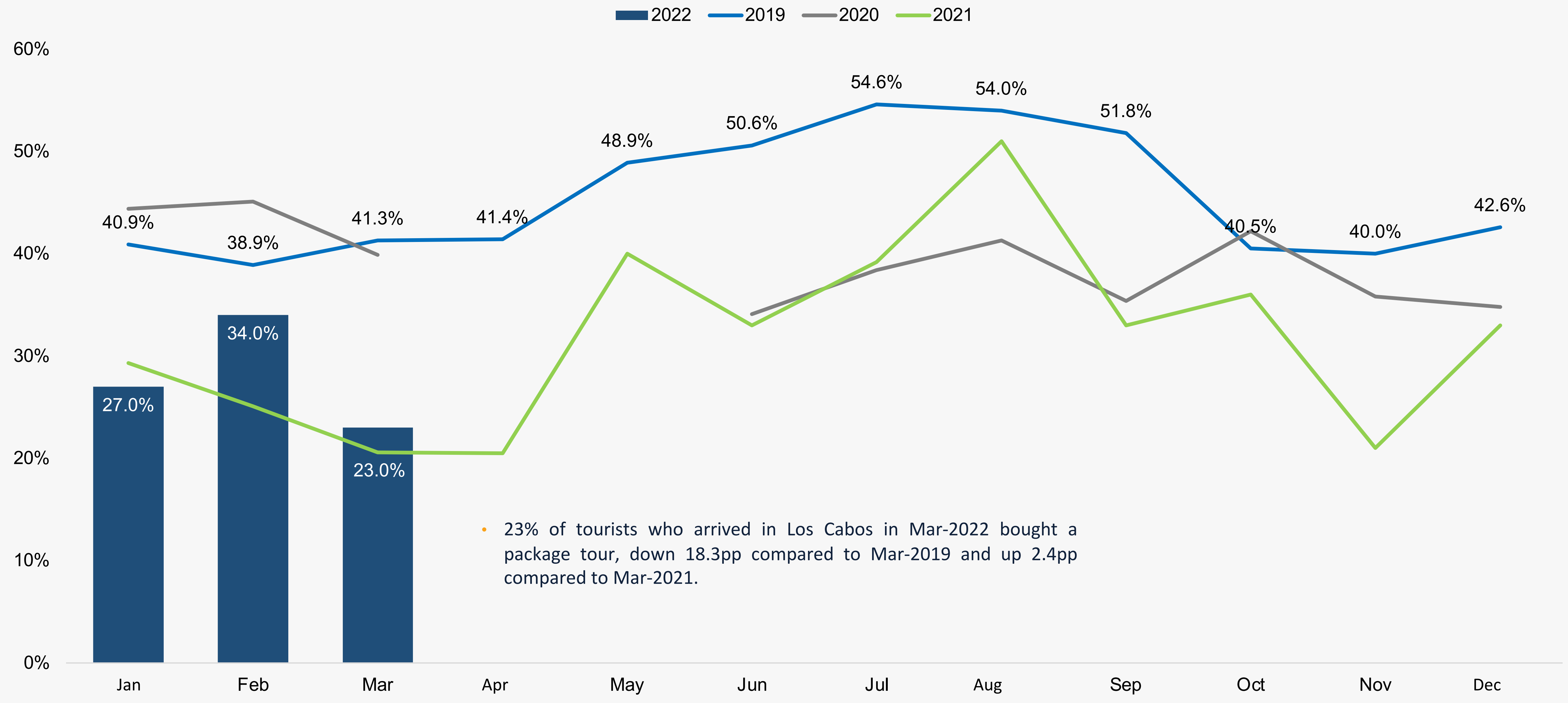
Return rate to the destination



- By Mar-2022, 42% of tourists had visited Los Cabos before. Comparing against Mar-2019, the ratio is 1.3pp below and 7.4pp below compared to Mar-2021.

SOURCE: TOURIST SURVEYS

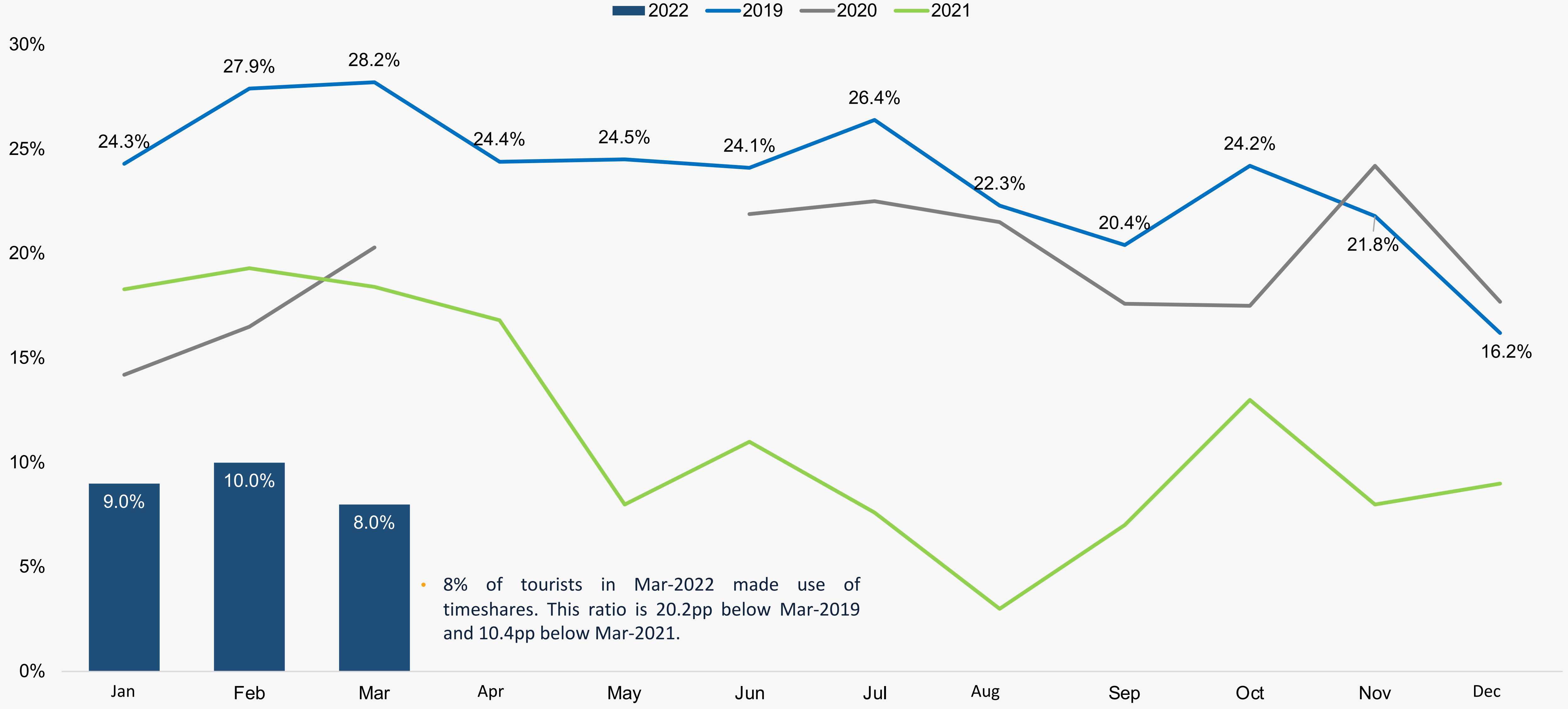
Package tour purchases



- 23% of tourists who arrived in Los Cabos in Mar-2022 bought a package tour, down 18.3pp compared to Mar-2019 and up 2.4pp compared to Mar-2021.

SOURCE: TOURIST SURVEYS

Timeshares



- 8% of tourists in Mar-2022 made use of timeshares. This ratio is 20.2pp below Mar-2019 and 10.4pp below Mar-2021.

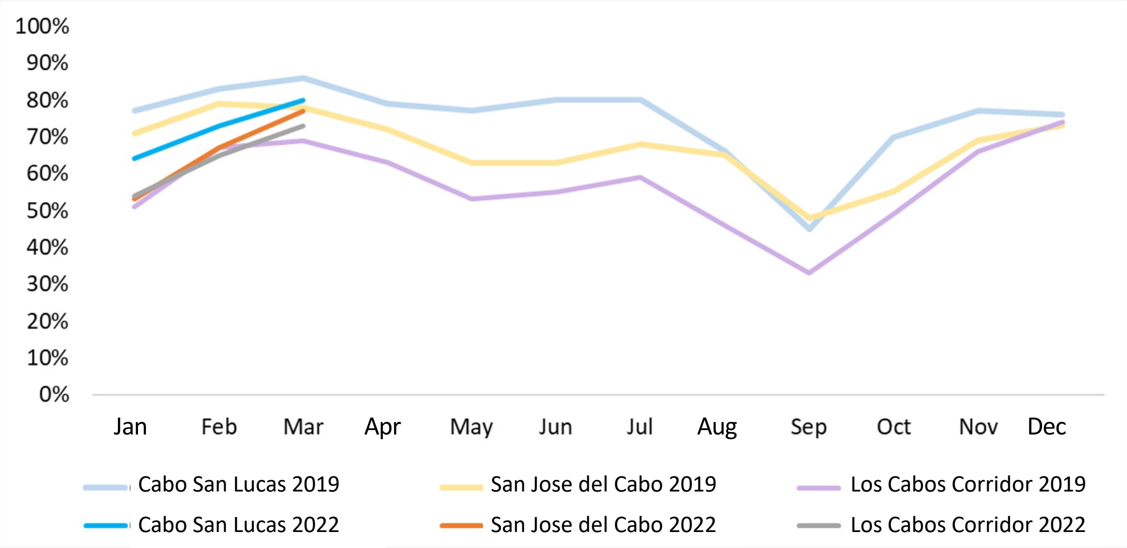
SOURCE: TOURIST SURVEYS

LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Hotel Performance

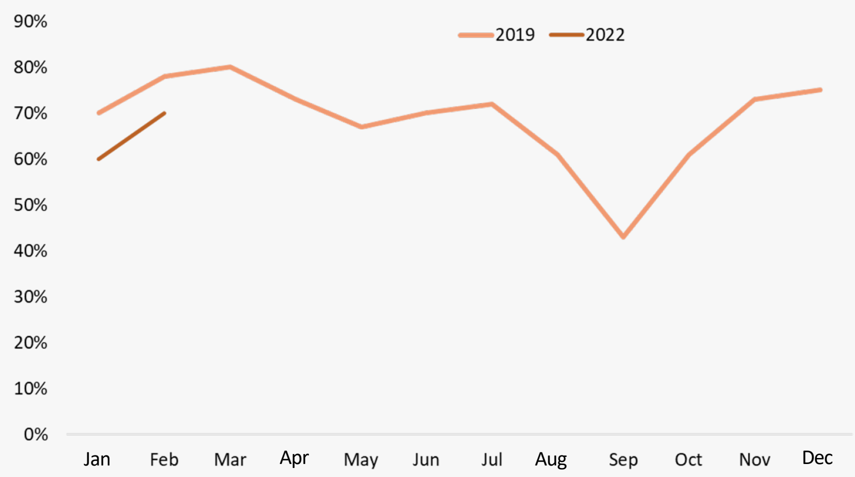
Evolution of the hotel supply in Los Cabos and sub-destinations

Monthly hotel occupancy (2019-2021)



SOURCE: AHLC

Hotel occupancy, current month (2019-2022)



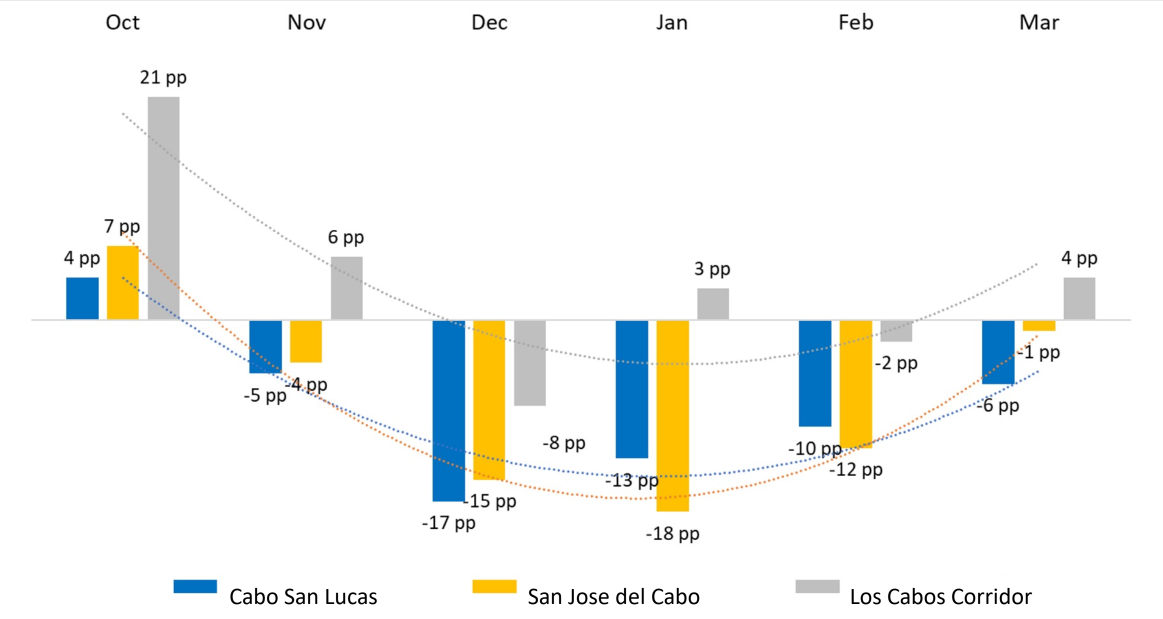
SOURCE: AHLC

- According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 78% during Mar-2022, down 2pp compared to 2019.
- In Feb-2022, 214,328 tourists arrived at hotels in Los Cabos, 0.8% more than in 2019. Meanwhile, the average stay decreased by 0.44 nights (4.75, according to DataTur).
  - The number of domestic and international tourist arrivals at hotels increased by 3.4% and 3.2% during this period, respectively.
  - In Feb-2022, domestic tourism represented 23.3% of the total. A share of 20.4% was recorded in 2019.

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

Annual variation in hotel occupancy, by destination

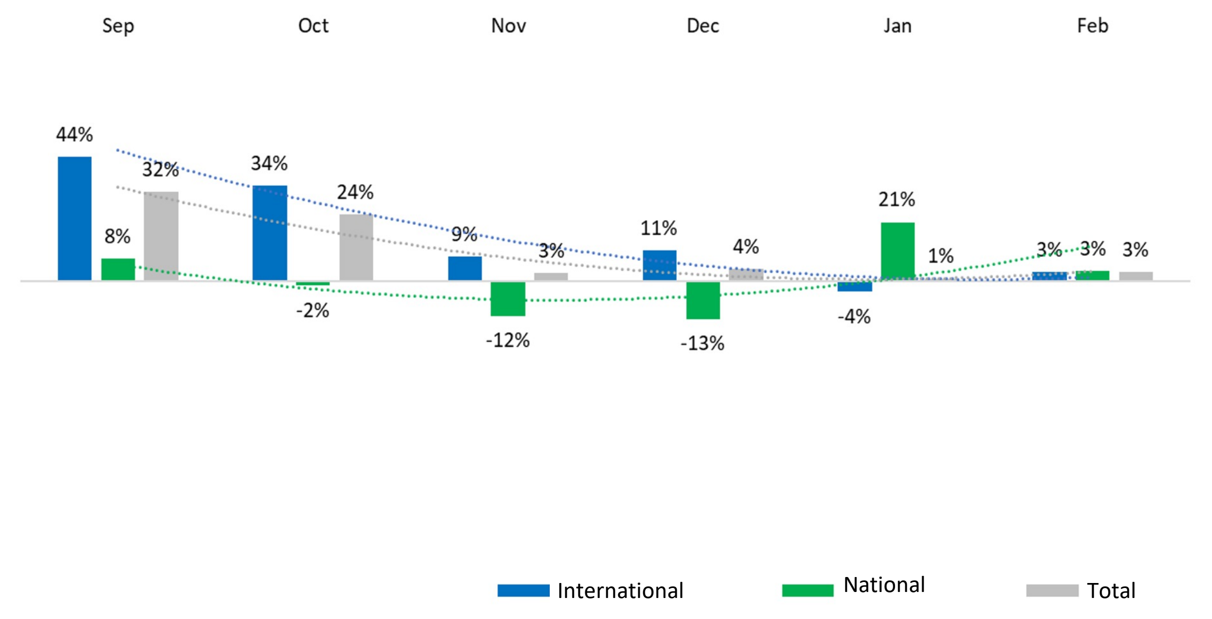
(Oct-2021 – Mar-2022 vs 2019)



SOURCE: AHLC

Annual variation of tourist arrivals at hotels, by origin

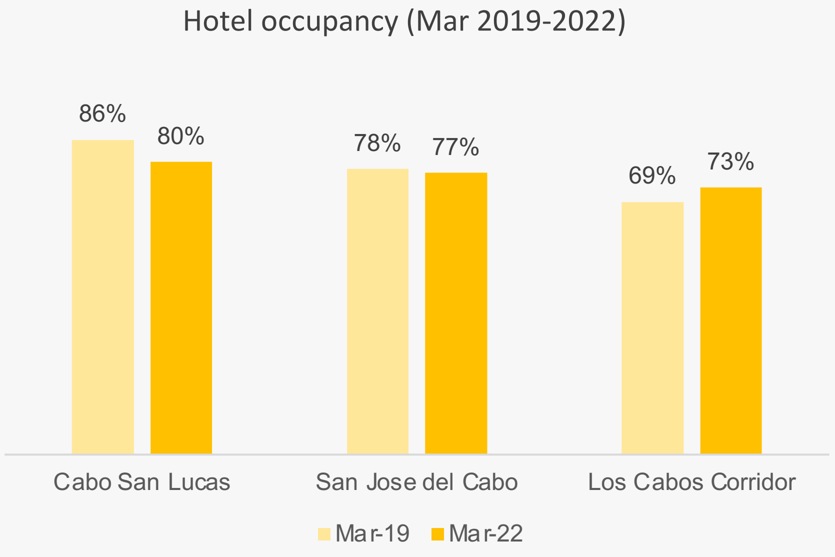
(Sept-2021 – Feb-2022 vs. 2019)



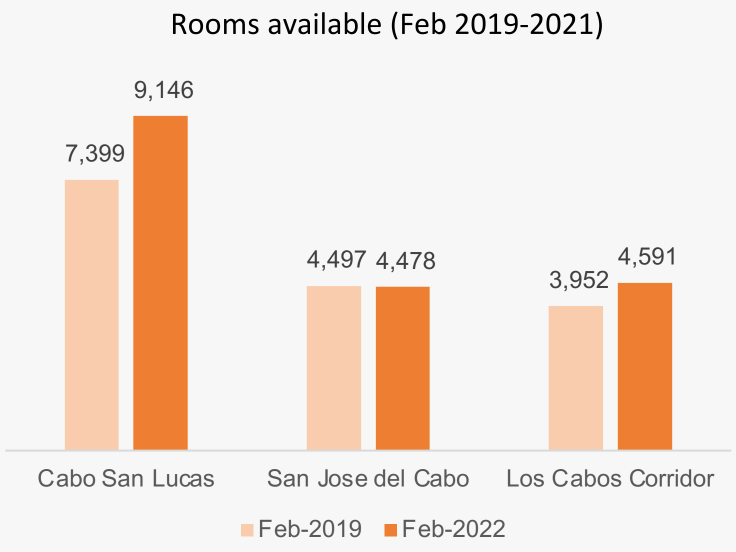
SOURCE: DATATUR

- Compared to Mar-2019, hotel occupancy in Cabo San Lucas and San Jose del Cabo decreased by 6pp and 1pp, respectively.
- However, the Los Cabos Corridor showed an increase of 4pp.

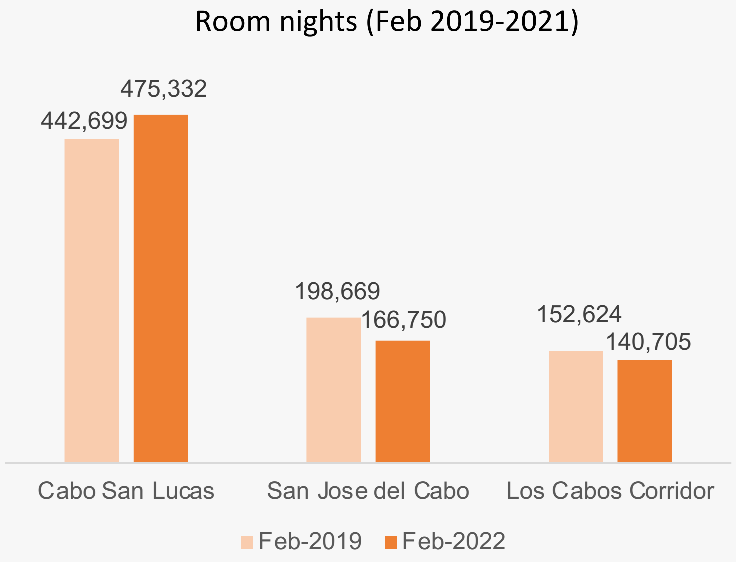
Evolution of the hotel supply in Los Cabos and sub-destinations



SOURCE: AHLC



SOURCE: DATATUR



SOURCE: DATATUR

CABO SAN LUCAS

- Hotel occupancy was at 80%, which implies a decrease of 6pp (Mar-2022 vs. 2019, AHLC).
- Its hotel supply increased 23.6% between Feb-2022 and 2019, registering a total of 9.1 thousand rooms (DataTur).
- Occupied room nights increased 7.4% between Feb-2019 and 2022 (DataTur).

SAN JOSE DEL CABO

- Occupancy was down 1pp when comparing Mar-2022 to 2019 (AHLC): 77%.
- Its hotel supply decreased 0.4% between Feb-2022 and 2019, registering a total of 4.5 thousand rooms (DataTur).
- Occupied **room nights decreased 16.1%** between Feb-2019 and 2022 (DataTur).

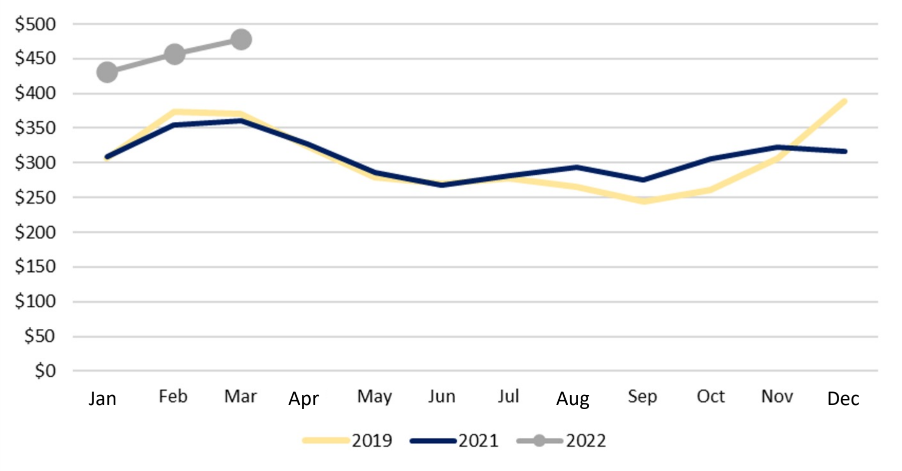
LOS CABOS CORRIDOR

- Occupancy was at 73% in Mar-2022, implying an increase of 4pp (AHLC).
- Its hotel supply increased 16.2% between Feb-2022 and 2019, registering a total of 4.6 thousand rooms (DataTur).
- Occupied room nights **decreased 7.8%** between Feb-2019 and 2022 (DataTur).

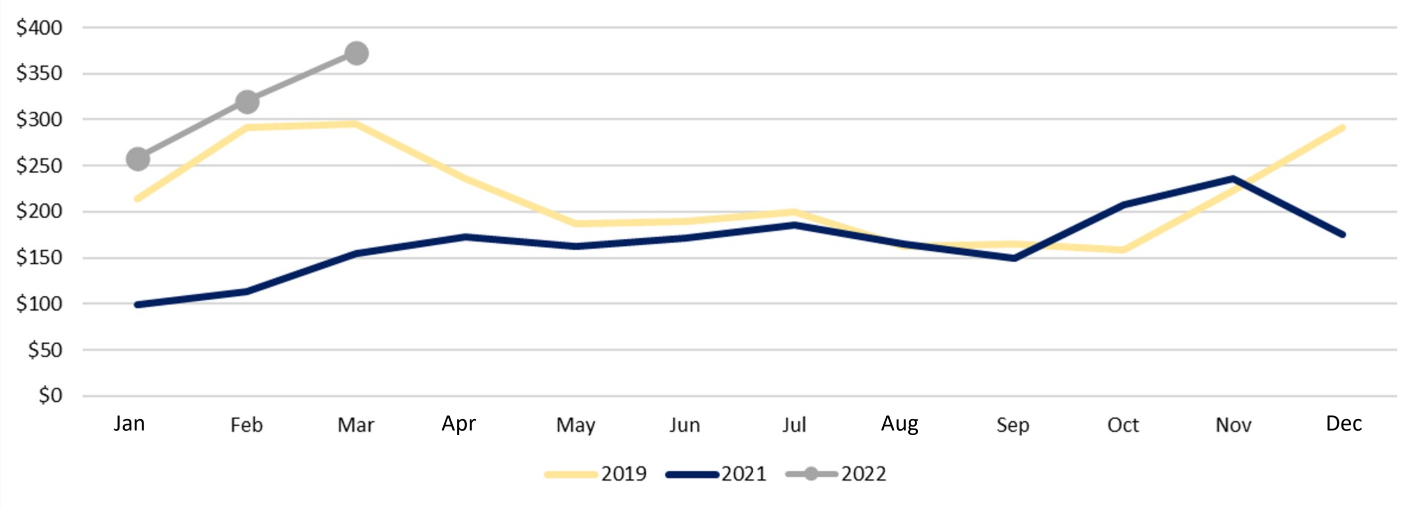
Evolution of the RevPAR and the average hotel rate in Los Cabos & sub-destinations

- The average hotel rate in Los Cabos for Mar-2022 was USD 478, 141 dollars above the last 12-month average ($337) and 108 dollars above that of Mar-2019.
    - Cabo San Lucas recorded a decrease of 3% (USD 10) compared to 2019, and now stands at USD 322.
    - San Jose del Cabo increased its rate by 0.8% (USD 2) and now stands at USD 267.
    - Compared to 2019, the rate in Los Cabos Corridor increased by 21.4% (USD 110) and recorded USD 623.
- The RevPAR in Mar-2022 was USD 373, up 77 dollars (+26%) compared to Mar-2019.

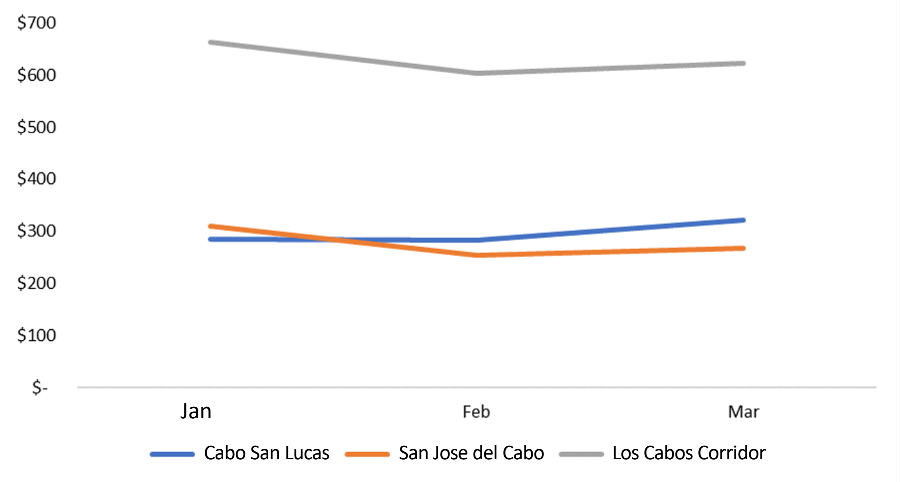
Average Hotel Rate, Los Cabos (USD, 2019-2022)



RevPAR Los Cabos (USD, 2019-2022)



Average Hotel Rate, Sub-destinations (USD, monthly, 2022)



SOURCE: AHLC

LOS CABOS

LOS CABOS
TOURISM OBSERVATORY

SUPPLY INDICATORS
Air Connectivity

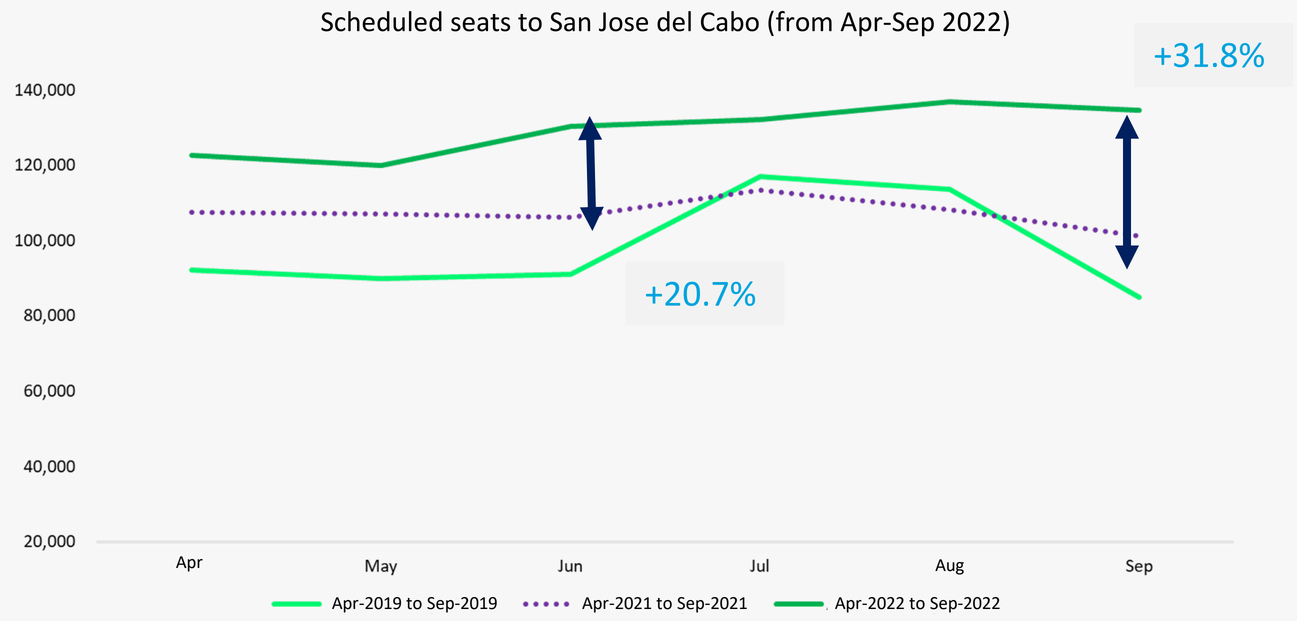
SOURCE: OAG

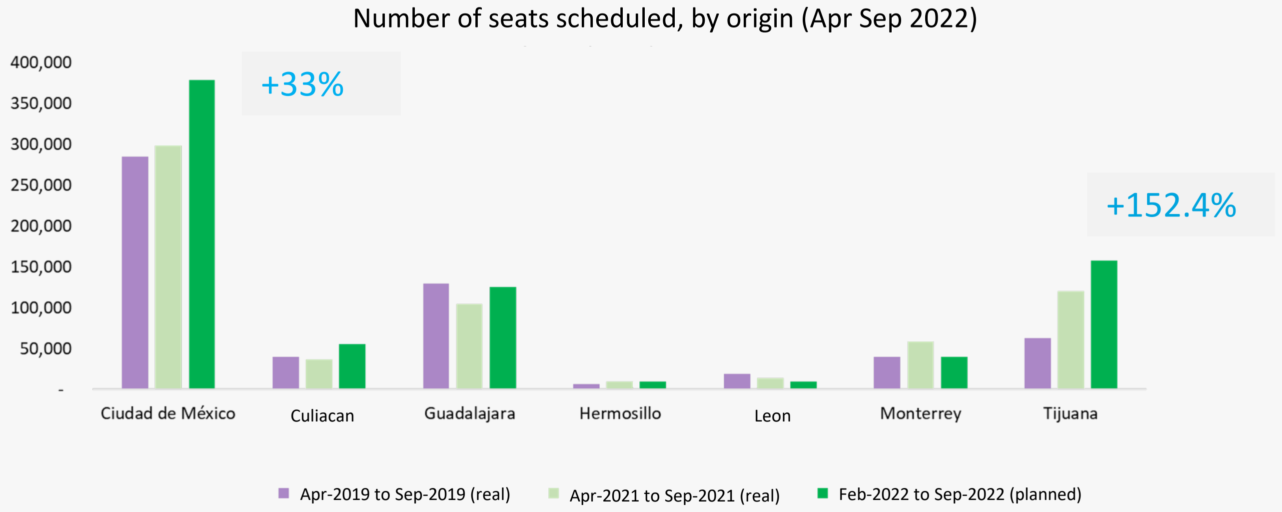
Domestic air connectivity

SEATS SCHEDULED FROM APR-2022 TO SEPT-2022

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

- There are 776 thousand seats scheduled for the next six months, 31.8% more compared to the same period in 2019.
  - When comparing the seats scheduled for the next six months against the 2021 schedule, the volume of programmed seats is 20.7% higher.
  - 32.8% more available seats are expected in Apr-2022 than those scheduled for 2019.
- Mexico City, Guadalajara, and Tijuana are the most relevant issuing markets, having 49%, 16%, and 20% of total available seats, respectively (for the next six months). Followed by Monterrey (5%), Culiacan (7%), Leon (1%) and Hermosillo (1%).
  - Flight seats departing from CDMX and TIJ increased by 33% and 152.4%, respectively (when compared to 2019). However, BJX decreased by 49.3%. GDL and MTY also have decreases (3.2% and 1.8%). Consequently, TIJ's market share grew 9pp during these six months, and BJX's dropped 2pp.
- For the next six months, 53% of the available seats will be provided by Volaris, followed by Viva Aerobus with 29% and Aeromexico with 19%. Interjet exited the market.
- Load factors of domestic airlines for Jan-2022 were: Aeromexico (68%), Viva Aerobus (72%), and Volaris (75%).





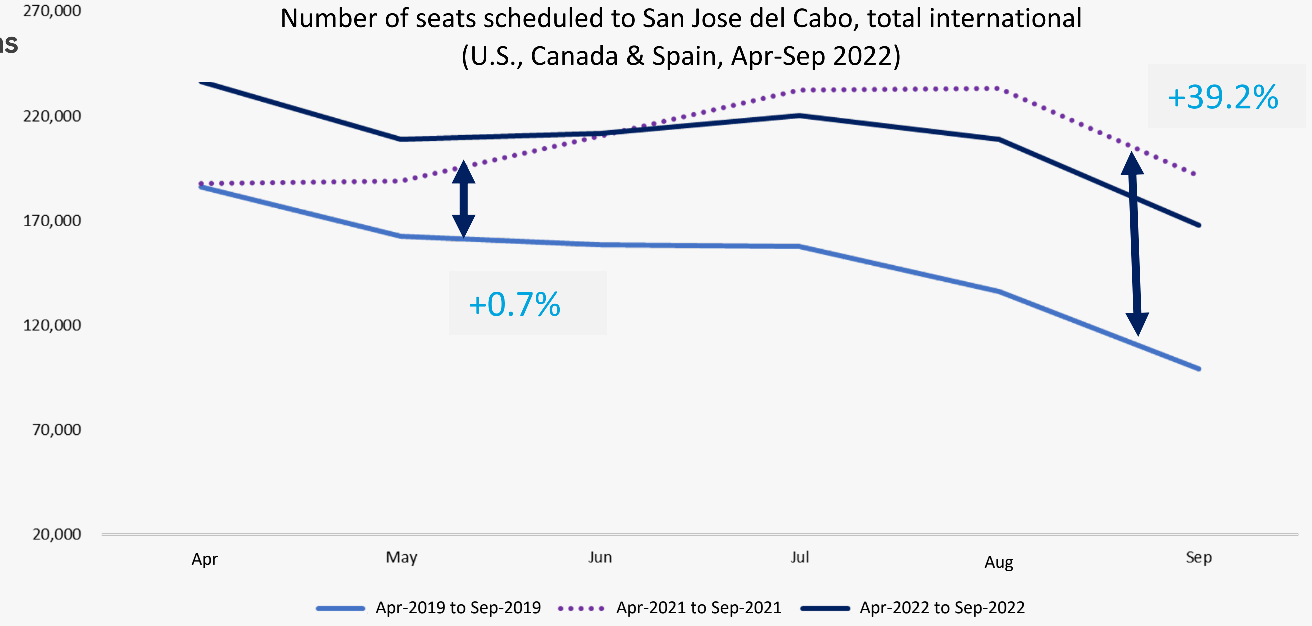
SOURCE: OAG

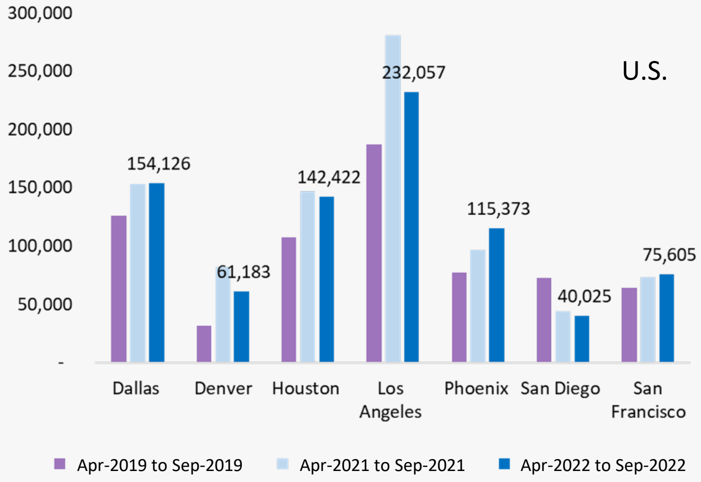
International air connectivity

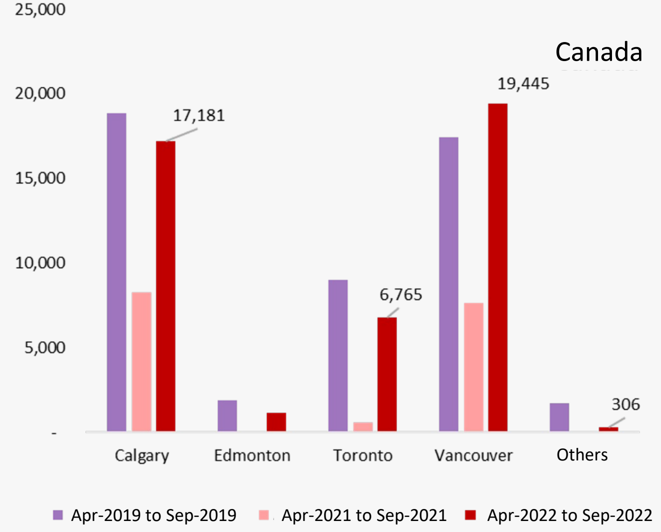
SEATS SCHEDULED FROM APR-2022 TO SEPT-2022

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

- There are 1.2 million seats scheduled for the U.S. in the next six months, which is 41.2% more than the same period in 2019.
  - However, when comparing the seats scheduled for the next six months against the 2021 schedule, the volume is 2.1% less.
  - The following airports had the most significant increase in service vs. 2019: LAX (+24%), PHX (+50%), HOU (+33%), DFW (22%), DEN (+96%), CHI (160%) and SEA (+544%). However, San Diego showed a decrease of 45%.
  - Los Angeles is the main issuing market in the U.S. (19% of the market), followed by DFW (13%), Houston (12%), and Phoenix (10%).
  - American, Alaska, Delta, Southwest, and United Airlines are the most relevant (90% as a whole).
  - 31.9% more available seats are expected in Apr-2022 than those scheduled for 2019.
- There are 19.9 thousand seats scheduled for Canada in the next six months, which is 8.2% fewer seats compared to the same period in 2019.
  - When comparing the seats scheduled for the next six months against the 2021 schedule, the volume of scheduled seats is 172.2% higher.
  - There are 10.4% fewer seats expected for Apr-2022 than those scheduled for 2019.
  - Decreases are expected in Calgary (-9%), Edmonton (-40%), and Toronto (-24.7%) within the next six months. Vancouver showed an increase of 11.5% compared to 2019.
  - During this period, Air Canada and Sunwing reduced the number of seats by 21.2% and 55.3%, respectively. On the other hand, Westjet grew 9.6% and Swoop and Flair Airlines added 4.9 and 6 thousand seats, respectively.
- Load factors of international airlines for Jan-22 were: American 59%, Alaska 64%, Delta 55%, United 57%, Southwest 62%, Sunwing 26%, Westjet 60%, Air Canada 58%.







LOS CABOS

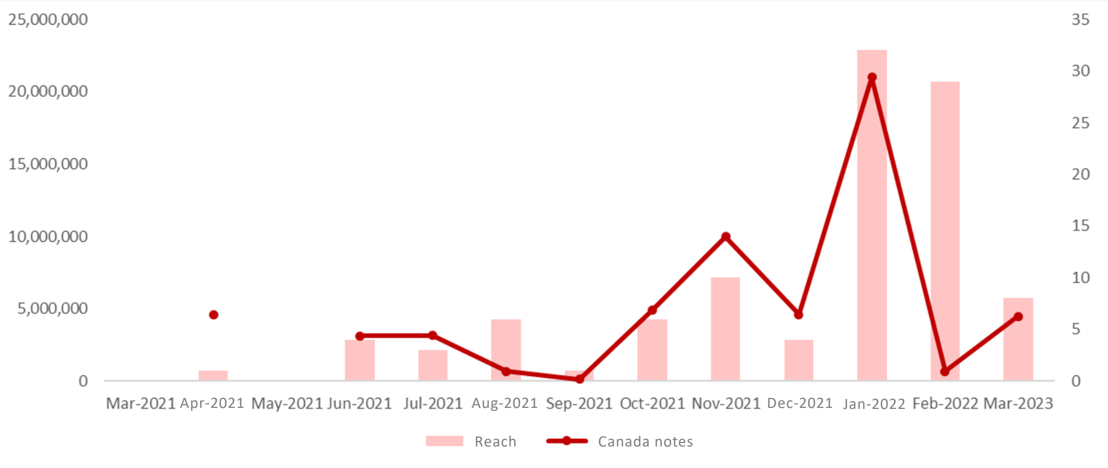
LOS CABOS
TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope

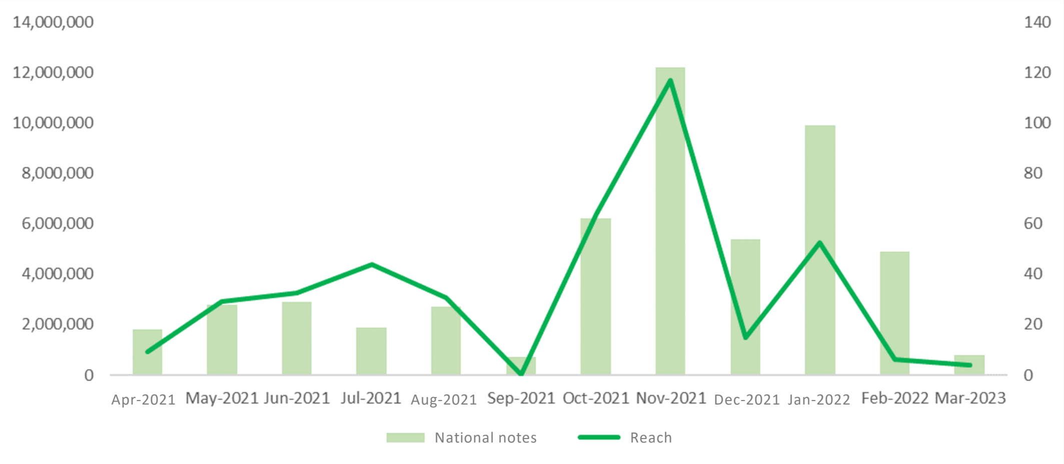
- In the domestic market:
  - During Mar-2021, 8 placements were introduced, accounting for 406 thousand impressions. An average of 48 placements has been published monthly since the pandemic started in April 2020, with a monthly reach of 3.6 million.
- In the international market:
  - In Feb-2022, 7 placements and 8 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 607 million.
  - 8 notes were delivered to the Canadian market throughout Mar-2022, achieving 4,470 thousand impressions. An average of 8 placements has been published monthly since April, with a monthly reach of 4.8 million.

NOTES MADE FOR THE CANADIAN MARKET – TOTAL & REACH



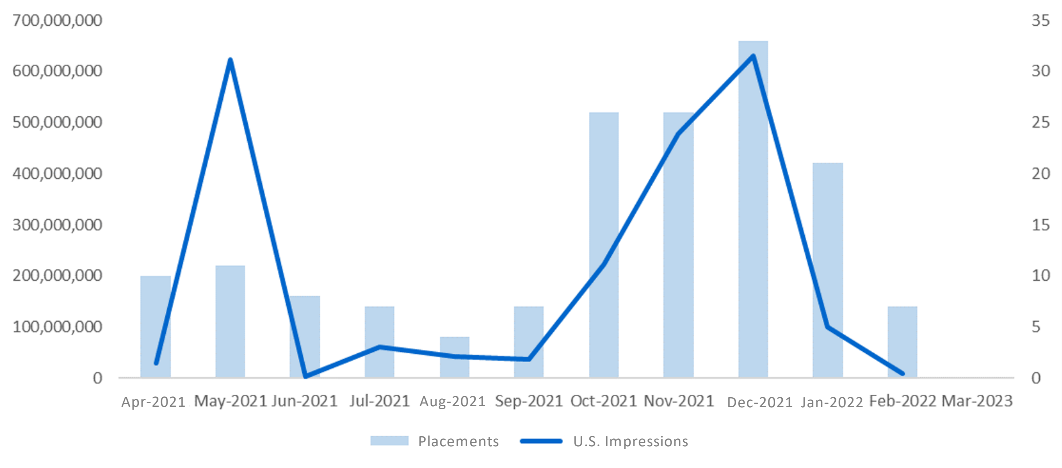
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET – TOTAL & REACH



SOURCE: GAUDELLI (Feb-18 to Jan-19), LLORENTE & CUENCA (Feb-19 to Mar-22)

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



SOURCE: NJF (Feb-18 to Jan-19), OGILVY (Feb-19 to Mar-22)

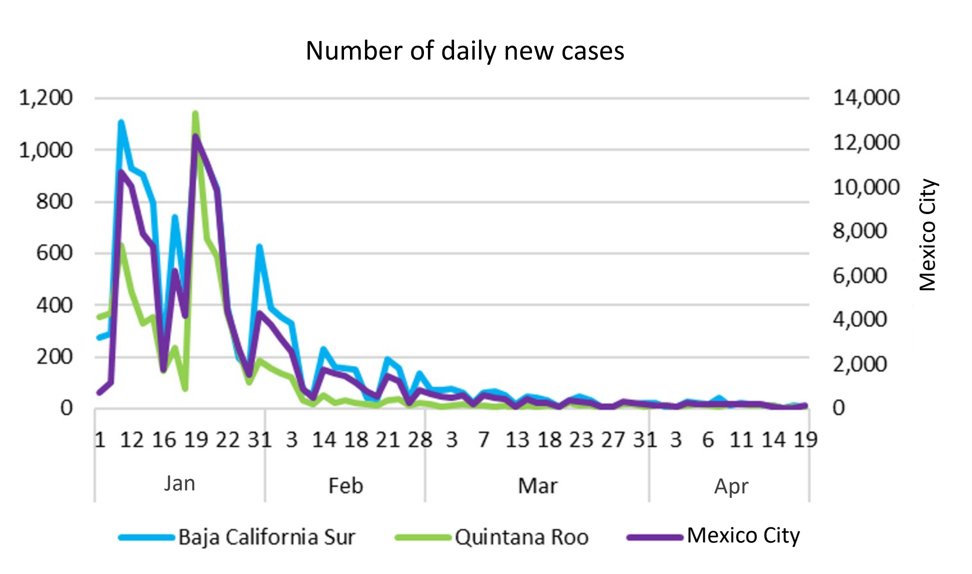
LOS CABOS

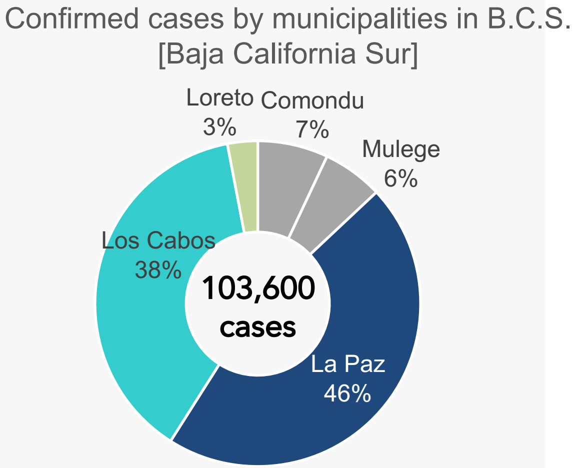
LOS CABOS
TOURISM OBSERVATORY

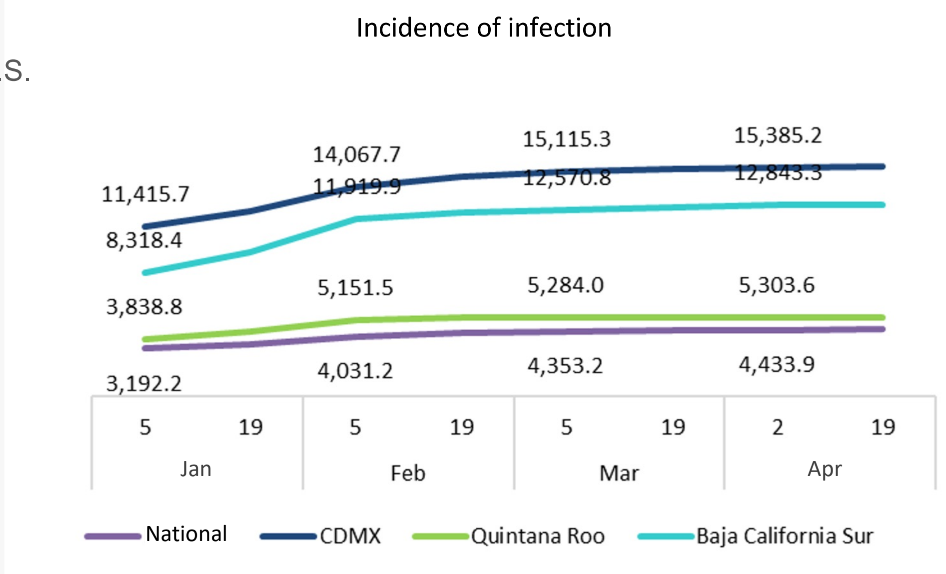
IMPACT OF COVID-19

Effects of COVID-19
on Mexico’s tourism sector

Confirmed COVID-19 cases – overview







Total confirmed cases as of April 19, 2022

National

6.01 million

- 102 thousand more cases since March 19th.

Baja California Sur

103,600

- 1,270 more cases than those recorded by March 19th.

Quintana Roo

91,784

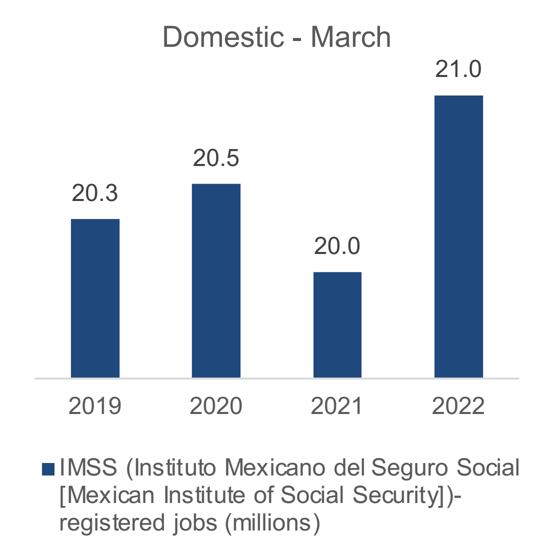
- 545 more cases in the same period.

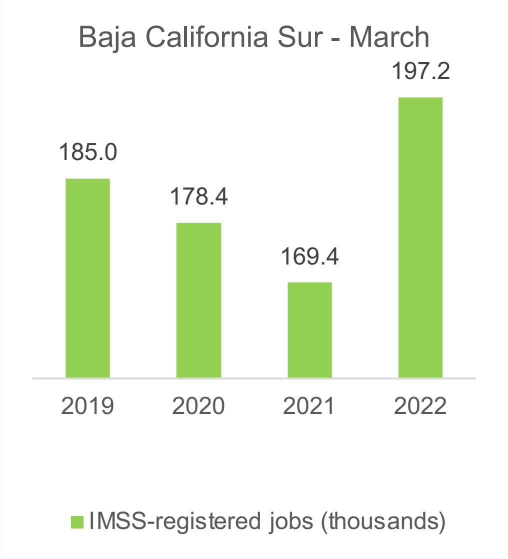
- La Paz and Los Cabos jointly account for 84% of the total confirmed cases statewide.
- In Los Cabos, 1% more cases were recorded compared to March 19, 2022, adding 39,082 cases.
- La Paz has 2% more cases in the same period, accumulating a total of 47,072 confirmed cases.
- Loreto accumulates 3,522 cases (0.3% more).

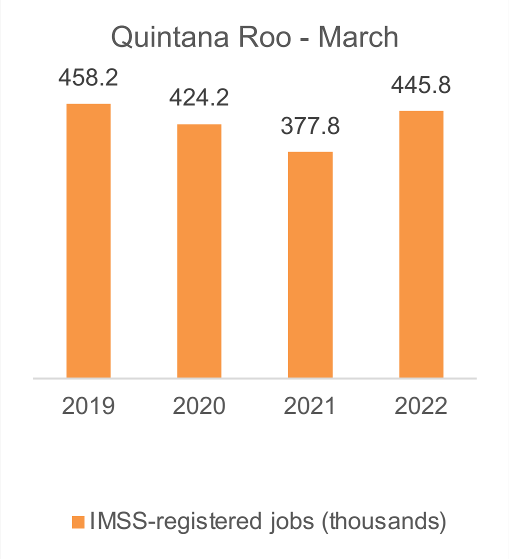
- The national average rate of infection is 4,484.9 cases per 100 thousand inhabitants.
- Mexico City recorded the highest rate of COVID-19 cases, which is above the national average: 15,464.6
- Quintana Roo: 5,326.8
- Baja California Sur is the second state with the highest rate: 12,875.2

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx). FIGURES UPDATED AS OF APRIL 22, 2022.

Effects on employment in Mexico







- Mexico has 3.2% more jobs in Mar-2022 compared to Mar-2019.
- As of March 31, 2022, IMSS had registered 21,005,852 jobs in the country, which is 2.9% more than those reported in Dec-2019.

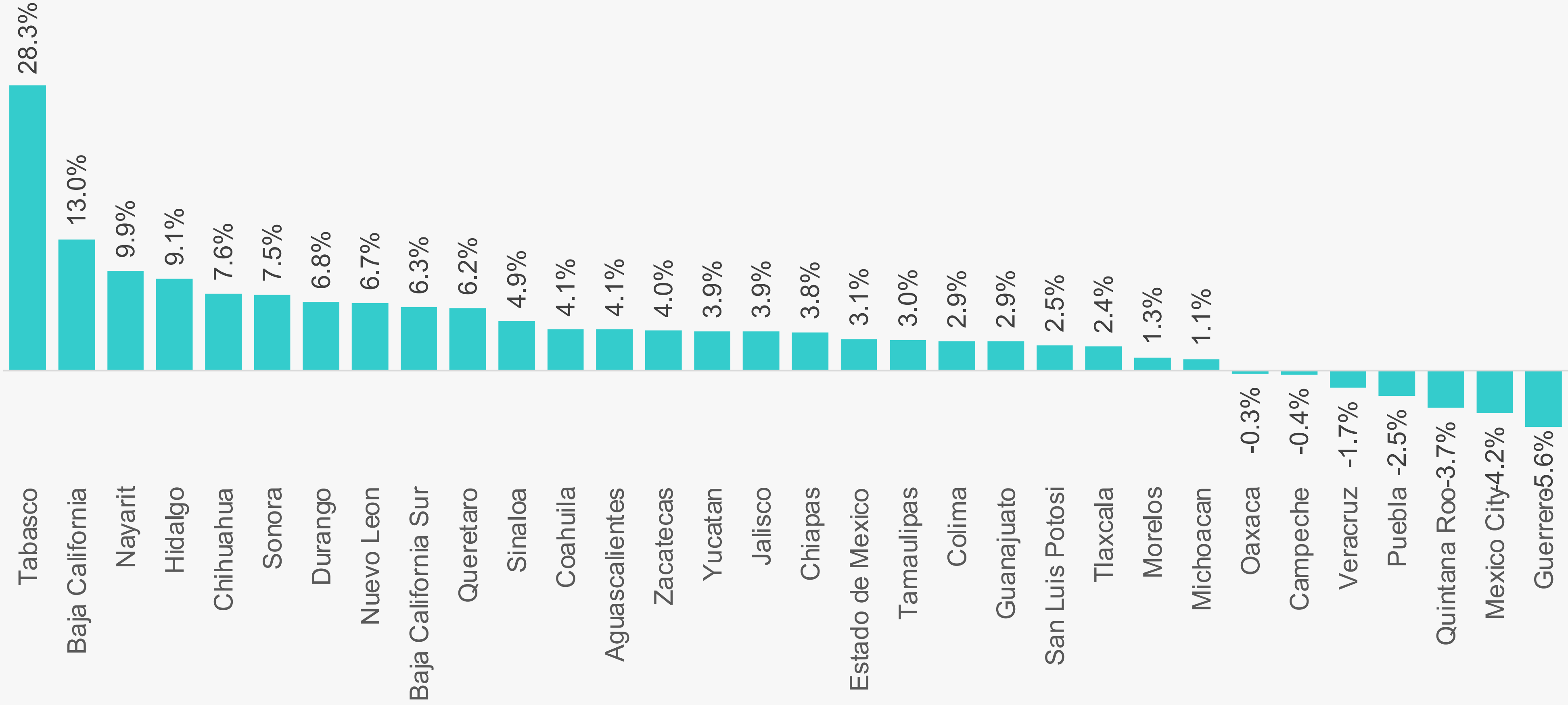
- There are 6.6% more jobs in Mar-2022 than Mar-2019.
- Baja California Sur closed Mar-2022 with 197,167 jobs, 7.5% more than in Dec-2019.

- In the case of Quintana Roo, in Mar-2022 there were 2.7% fewer jobs than those recorded in Mar-2019.
- Mar-2022 closed with 445,823 jobs, 3.7% less than in Dec-2019.

SOURCE: IMSS

Effects on employment in Mexico

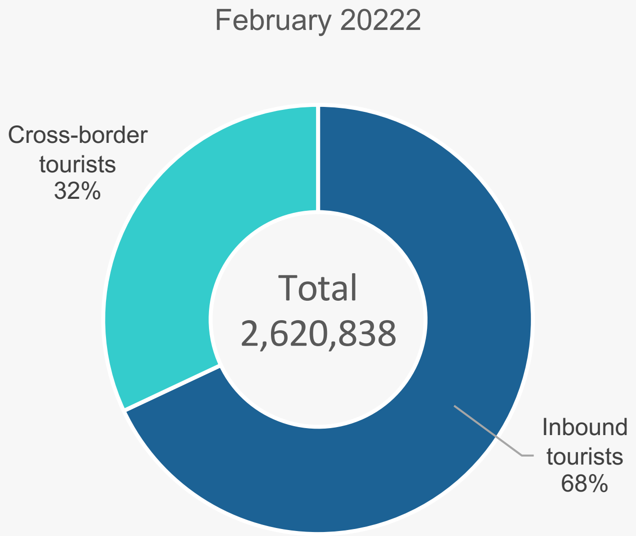
% Employment variation by state (Mar-2022 vs. Dec-2019)

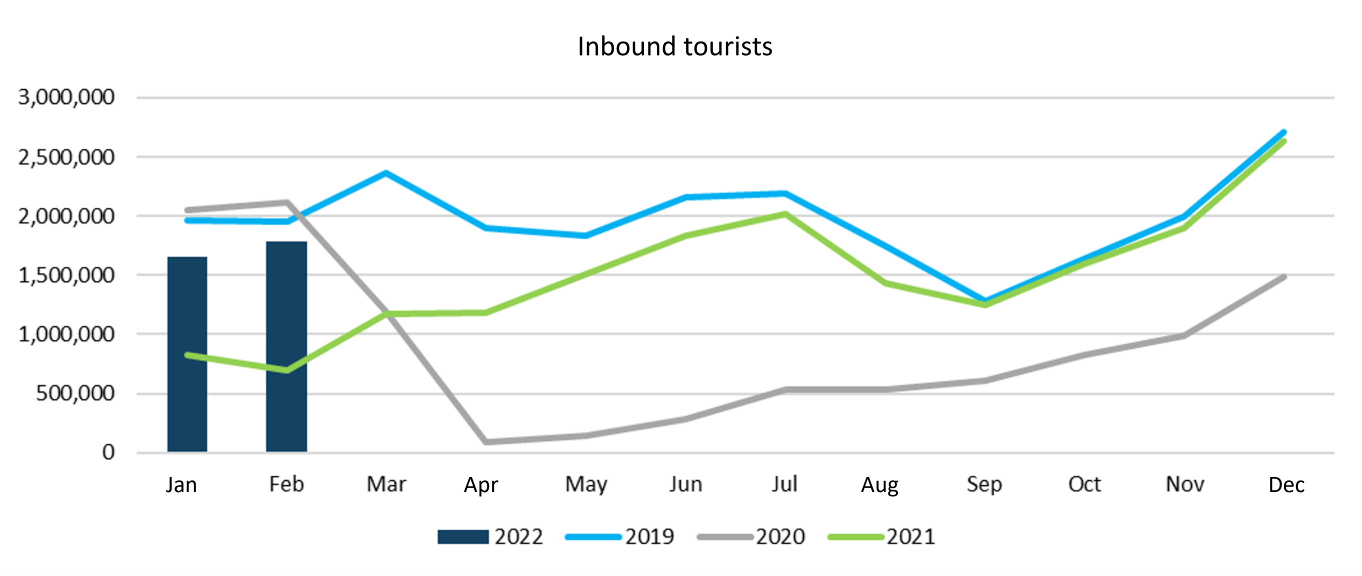


- Baja California Sur ended Mar-2022 with 7.5% more jobs than at the end of Dec-2019. Quintana Roo had a 3.7% decrease in the volume of jobs compared to the 2019 figures.

SOURCE: IMSS

International tourist arrivals in Mexico





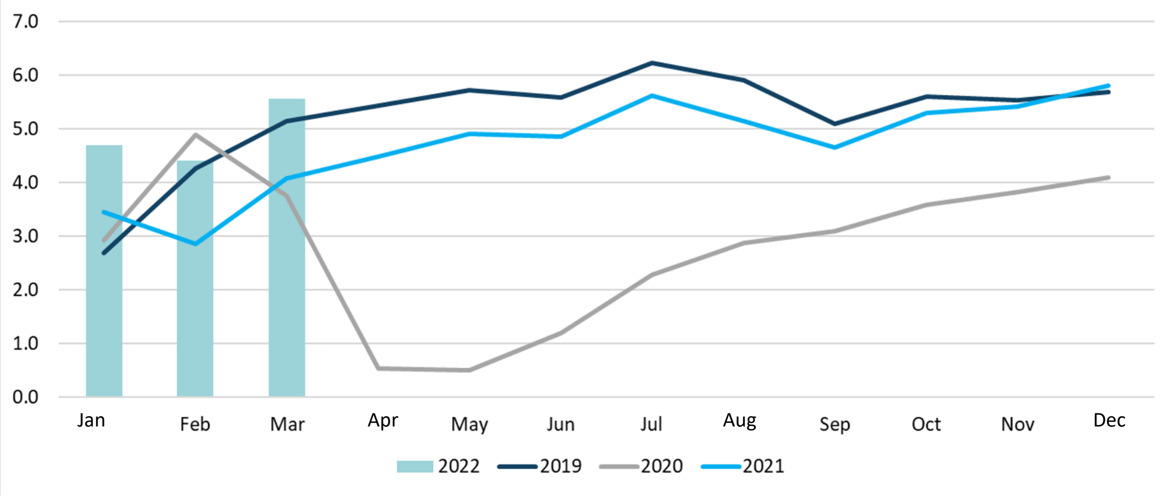
- In Feb-2022, 2.62 million international tourists arrived in the country (22.4% fewer than in Feb-2019). 68% were inbound tourists.
- The average spending of inbound tourists arriving by air was USD 1,171 (9.9% more than the average spending in Feb-2019).

- There is an 8.8% drop in the total number of inbound tourists compared to Feb-2019.
- 89% arrived by air, and 11% did so by land.

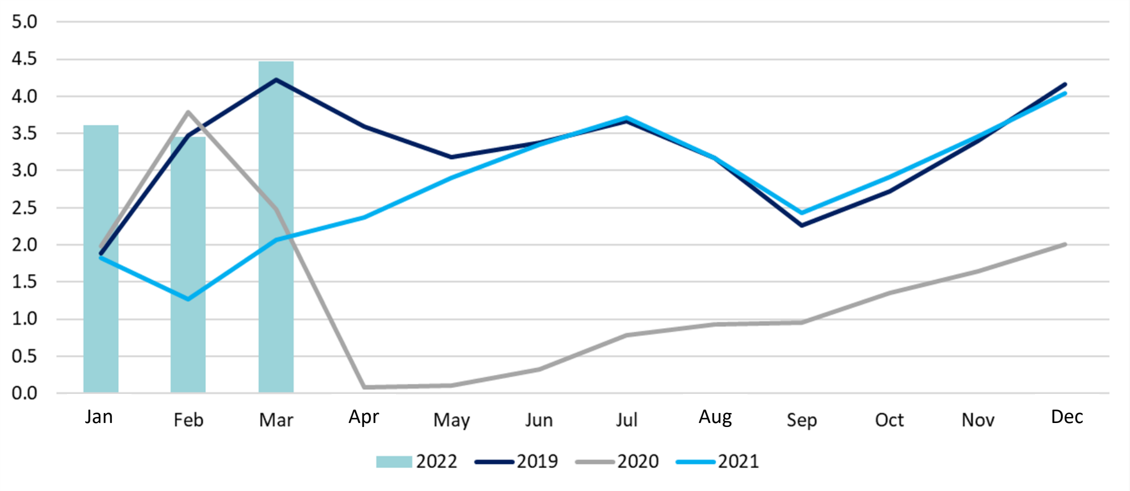
SOURCE: INTERNATIONAL TOURIST SURVEYS. INEGI

Air traffic in Mexico. Airport groups

Passenger traffic in **domestic** flights (millions)



Passenger traffic in **international** flights (millions)



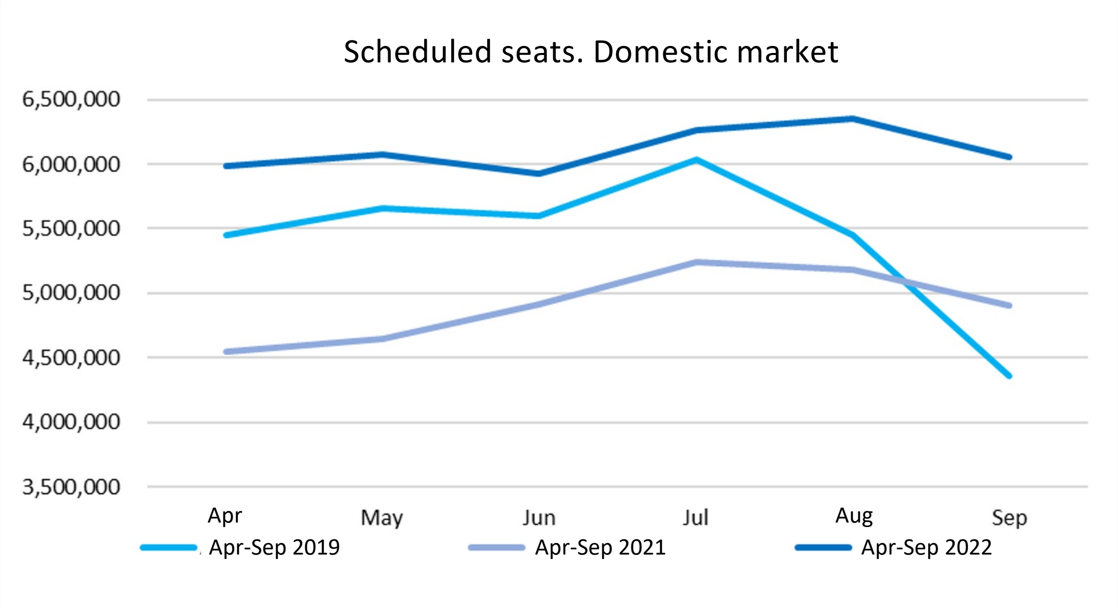
- The traffic of passengers in domestic operations during Mar-2022 was 8% higher than the traffic of Mar-2019. Compared to Mar-2021 there is an increase of 36%.

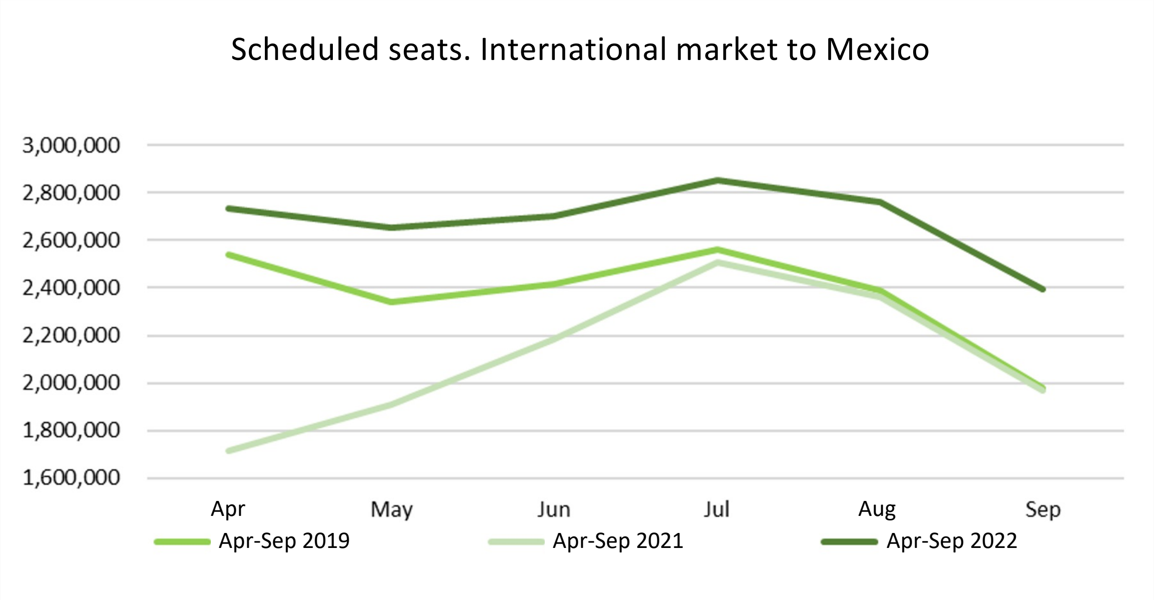
- Traffic in international operations was 6% lower than Mar-2019 and when compared to Mar-2021 there is an increase of 117%.

SOURCES: ASUR, OMA, GAP

*TOTAL TRAFFIC FROM THE THREE AIRPORT GROUPS (ARRIVALS AND DEPARTURES), CDMX'S INFORMATION NOT INCLUDED.

Seats scheduled for Apr-2022 and the following months for Mexico



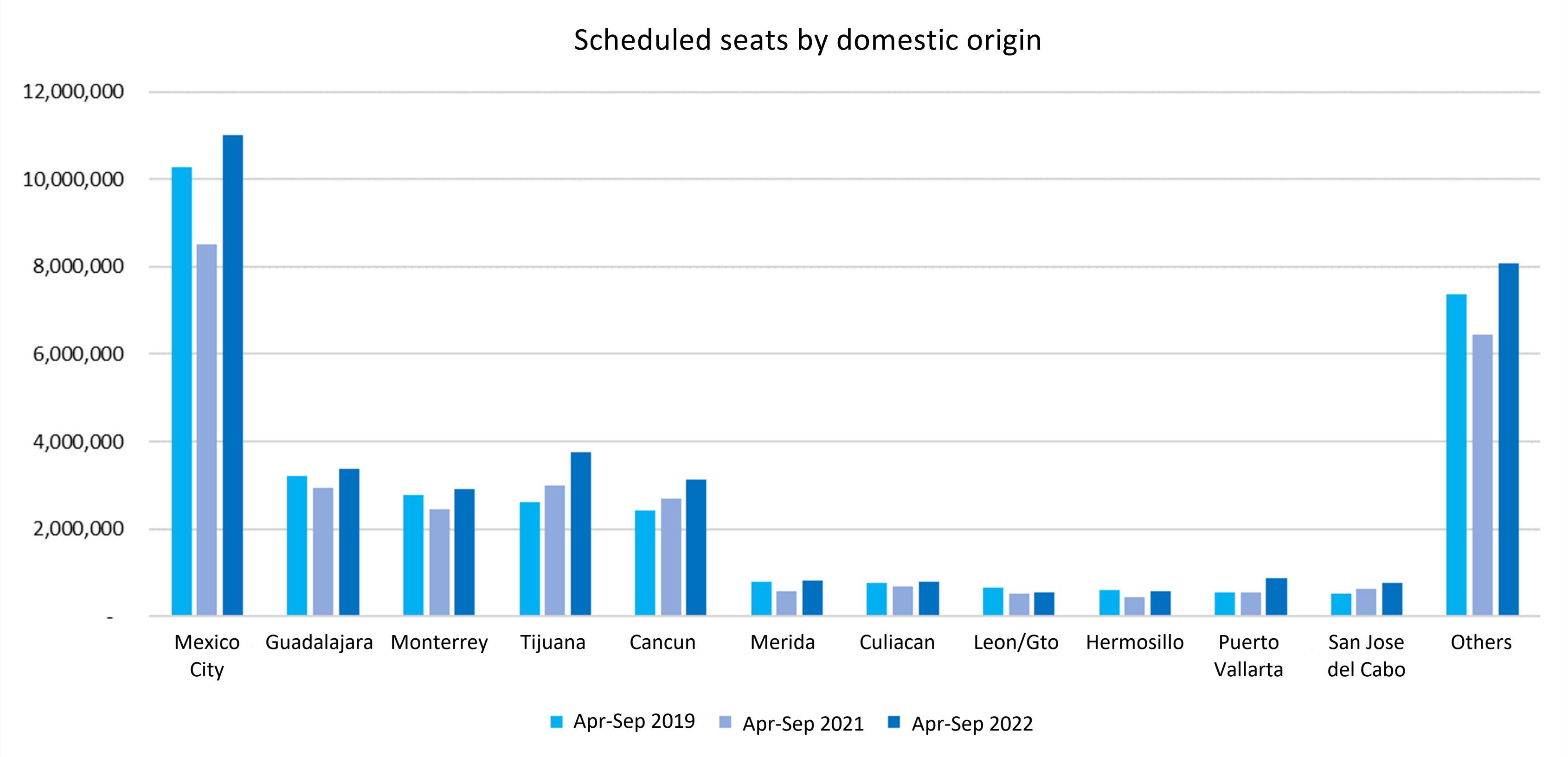


- The scheduled seats for Apr-2022 are 8.7 million for the entire country, which is +9.1% (vs. the scheduled seats in Apr-2019). By market of origin:
  - Domestic: 6 million
    +9.9% (vs Apr-2019).
  - International: 2.7 million
    +7.5% (vs Apr-2019).
- The supply of domestic and international seats planned for the next months is higher than that of the same period in 2019.
- The greatest increase of domestic seats is expected for Sept-2022 (38.7% more).

- A supply of 52.8 million seats is planned between Apr-2022 and Sept-2022, which is +12.8% more than the total planned for the period of Apr-Sept 2019. By market of origin:
  - Domestic: 36.7 million
    +12.6%
  - International: 16.1 million
    +13.1%
- The most significant increase in international seats is expected in Sept-2022 (21% more compared to Sept-2019).

SOURCE: OAG
Scheduled seats as of March 28, 2019, 2021 and 2022, respectively.

Seats scheduled for the upcoming months, by markets, to Mexico

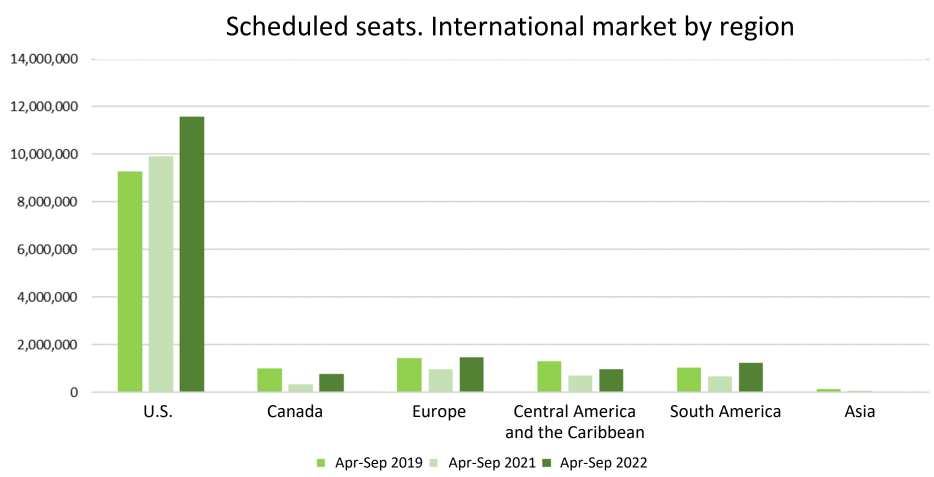


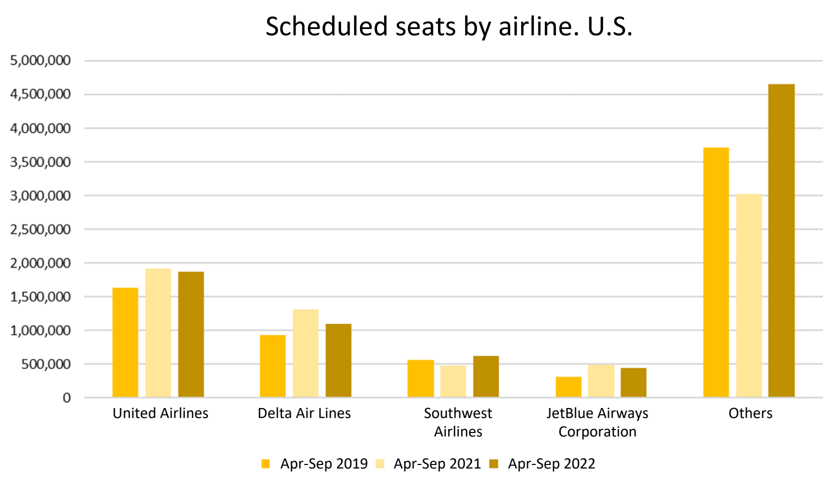
Domestic Apr-Sept 2022 vs. Apr-Sept-2019

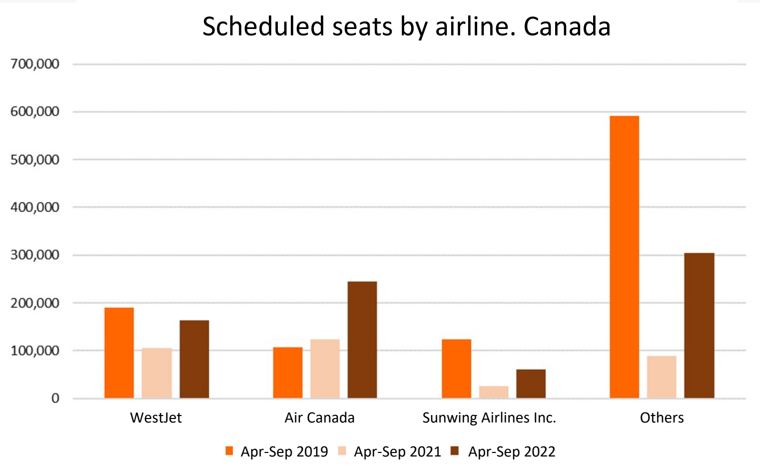
- CDMX: 11.01 million +7.0%
- Guadalajara: 3.38 million +4.8%
- Monterrey: 2.90 million +4.6%
- Tijuana: 3.76 million +43.9%
- Cancun: 3.13 million +29.7%
- Merida: 830,000 +4.9%
- San Jose del Cabo: 760,000 +44.1%

SOURCE: OAG
Scheduled seats as of March 28, 2019, 2021 and 2022, respectively.

Seats scheduled for the upcoming months, by markets, to Mexico







U.S.

- Accounts for 71.9% of the scheduled international seats from Apr-2022 to Sept-2022 (65.3% in the same period of 2019).
- 11.58 million seats for the next six months (+24.6% compared to the period of Apr-Sept 2019).

%VAR of scheduled seats

- Houston: 1.6 million
  +33.8%
- Los Angeles: 1.3 million
  +2.0%
- Dallas: 1.6 million
  +42.9%
- Chicago: 846,000
  +22.9%
- New York: 670,000
  -11.4%

Canada

- Accounts for 4.8% of the scheduled international seats from Apr-Sept 2022 (7.1% in the same period of 2019).
- 773,0000 seats from Apr-Sept 2022 (-23.6% compared to the same period of 2019).

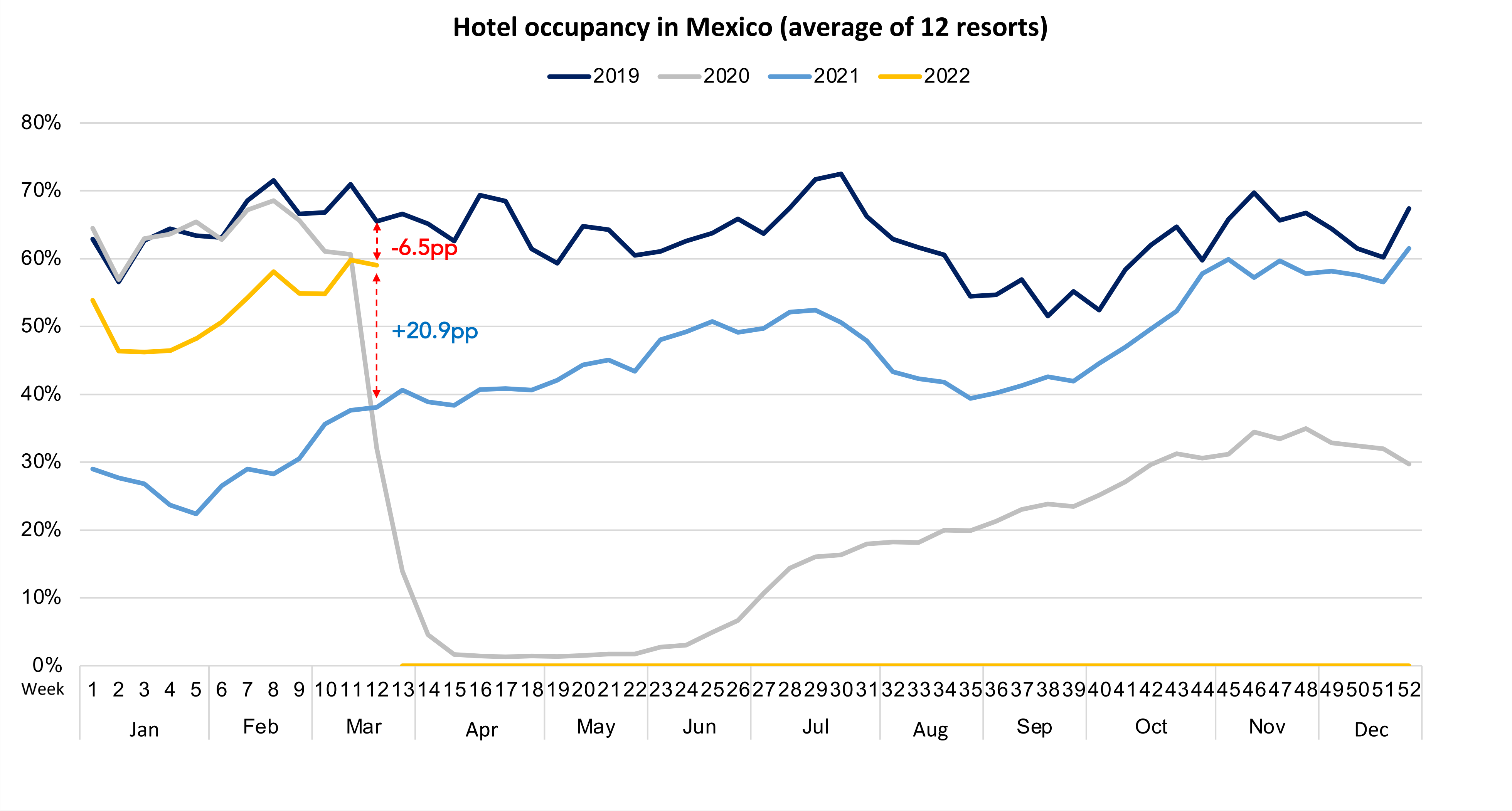
%VAR of scheduled seats

- Toronto: 294,000
  -21.5%
- Vancouver: 176,000
  -16.4%
- Montreal: 177,000
  -24.6%
- Calgary: 85,000
  -31.2%

SOURCE: OAG

Scheduled seats as of March 28, 2019, 2021 and 2022, respectively.

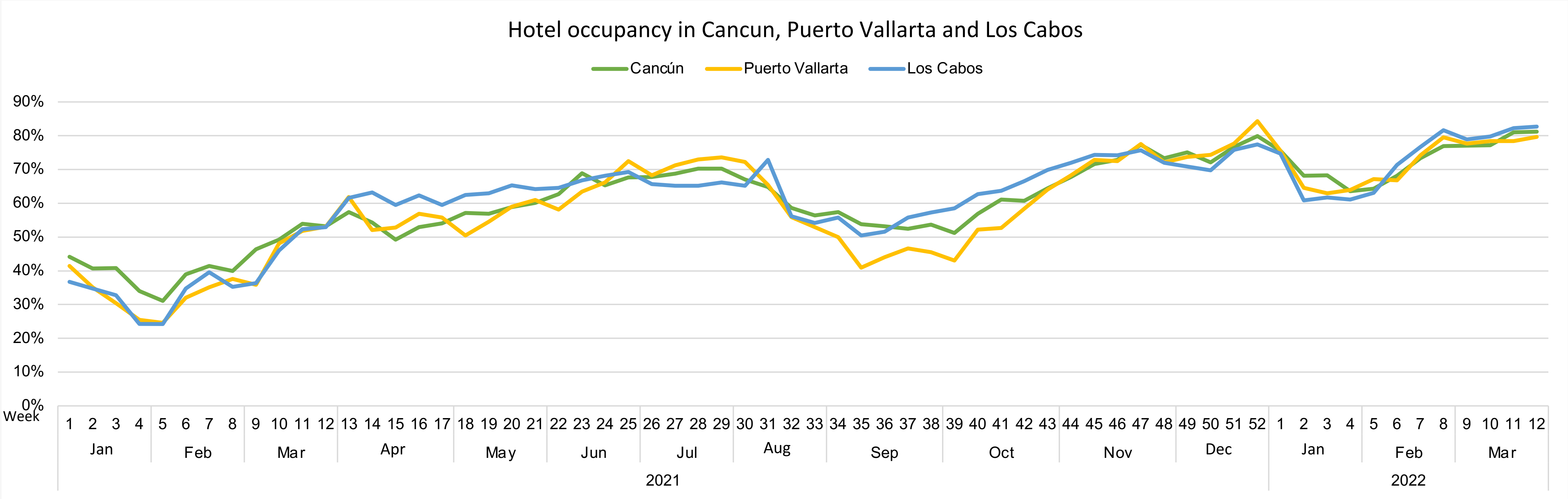
Hotel indicators in Mexico



- Starting in week 6, average occupancy has stayed above 50%.
- At the end of week 12, occupancy was 59%, 6.5pp below the same week in 2019 and 20.9pp above the rate recorded in the same week of 2021.

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



- At the close of week 12 (March 21-27, 2022), Los Cabos had a higher occupancy rate than Cancun and Puerto Vallarta and exceeded 80%:
    - Los Cabos: **82.7%**
    - Cancun: **81.2%**
    - Puerto Vallarta: **79.6%**

SOURCE: DATATUR

LOS CABOS

LOS CABOS
TOURISM OBSERVATORY

DEFINITIONS

Definitions

- **Available rooms.** The number of rooms in service. It doesn't account for out of service rooms due to repair or some other cause.
- **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.
- **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.
- **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.
- **Hotel occupancy.** The accommodation occupancy rate is a supply-based concept. It is an important indicator for many effects. It 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.
- **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.
- **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.
- **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). Excludes whether remuneration is received or not for the activities performed in the place visited.
- **Passenger arrivals.** Passengers carried on scheduled services by airlines.

Definitions

- **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.
- **Resident.** Individual who lives permanently or on a long-term basis in the territory of the United Mexican States.
- **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 revenue generated by the rooms in a period (t) and ΣHt equals the total number of rooms available in a period (t). That is, the rooms of the establishment or chain multiplied by the number of nights in the period (t) minus the rooms not available.
- **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.
- **Seasonality.** It means that tourist flows tend to be distinct across different seasons (around certain times of the year), repeating this process annually.
- **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.
- **Tourist arrivals.** Corresponds to the number of tourists that visited the establishment throughout the month.
- **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.
- **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.
- **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.
- **Visitor's nationality.** Granted by the country that issues the passport or other identity documents, even when residing in another country.

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

Developed by STA Consultants S.C.
www.staconsultores.com | info@staconsultores.com