LOS CABOS TOURISM OBSERVATORY

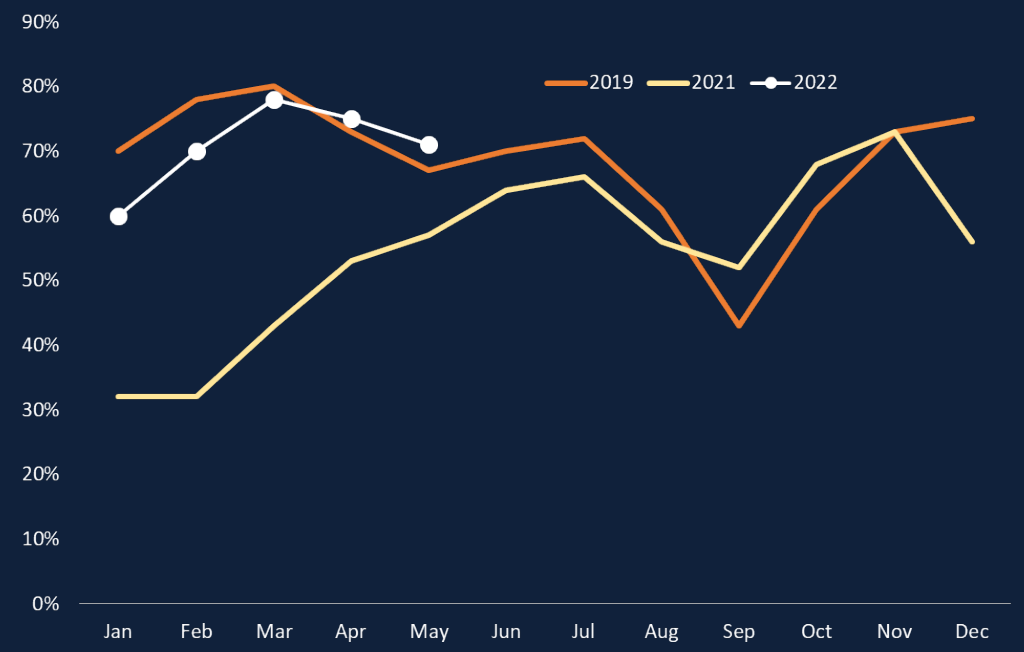
KEY PERFORMANCE INDICATORS

JUNE 2022

Leading indicators – Summary (May-2022)

Hotel Performance

Hotel Occupancy:



Hotel Occupancy (May-2022):
71%
+4pp
(vs. May-2019)

SOURCE: AHLC

Average Rate (May-2022):
$427 USD
+53%
(vs. May-2019)

SOURCE: AHLC

RevPAR (May-2022):
$303 USD
+62%
(vs. May-2019)

SOURCE: AHLC

Air Passenger Arrivals

Total Passengers (May-2022, in thousands):
293
+27.2%
(vs. May-2019)

Domestic Passengers (May-2022, in thousands):
106.5
+32.5%
(vs. May-2019)

International Passengers (May-2022, in thousands):
186.5
+24.3%
(vs. May-2019)

SOURCE: GAP

Tourist Satisfaction: More than expected (May-2022):
65%
+26pp
(vs. May-2019)

SOURCE: TOURIST SURVEYS

Satisfaction with safety (May-2022):
2.5% bottom two
-9.5pp
(vs May-2019)

SOURCE: TOURIST SURVEYS

Airport Satisfaction (May-2022):
5.3% bottom two
-5.7pp
(vs May-2019)

SOURCE: TOURIST SURVEYS

This section presents the results of the destination considering only the information available for April 2022. To verify the rest of the information available and updated for previous months, please refer to the corresponding sections.

LOS CABOS

Leading indicators – Summary (May-2022)

PASSENGER ARRIVALS

- In May-2022, Los Cabos International Airport recorded a 27.2% (+62.6 thousand) increase in the total number of passengers arriving at the destination compared to 2019, adding up to a total of 293 thousand (when considering arrivals only).
  - Passengers on domestic flights (106.5 thousand) represent 36.4% of total arrivals. These increased by 32.5% (+26.1 thousand vs. May-2019).
  - Passengers on international flights (186.5 thousand) represent 63.6% of total arrivals. These increased by 24.3% (+36.5 thousand vs. May-2019).

FLIGHT SCHEDULES

- The domestic market has 48.6% more available seats scheduled for the period from Jun-2022 to Nov-2022 (compared to the same period in 2019). In Jun-2022, 32.9% more is expected.
  - Mexico City, Guadalajara, and Tijuana are the most relevant issuing markets, having 47%, 17%, and 19% of total available seats, respectively (for the next six months). Followed by Monterrey (6%), Culiacan (7%), Leon (1%) and Hermosillo (1%).
- There are 1.16 million seats scheduled for the U.S. in the next six months, which is 42.6% more than the same period in 2019.
  - The following airports had the most significant increase in service vs. 2019: LAX (+28%), PHX (+61%), HOU (+32%), DFW (18%), DEN (+112%), CHI (107%) and SEA (+569%). However, San Diego showed a decrease of 49%.
- For Jun-2022, the United States expects 32.9% more available seats than those scheduled for 2019.
- For Canada, 10% more seats are expected in the next six months. In Jun-2022, the increase was 36%.
  - Within the next 6 months, Calgary shows an increase of 20.7%, Edmonton 36.9%, and Vancouver 9%. Toronto fell 4.3% compared to 2019.

HOTEL PERFORMANCE

- In May-2022, occupancy was 71%, an increase of 4pp compared to May-2019.
  - Occupancy in Cabo San Lucas dropped 1pp compared to May-2019 and is now at 76%.
  - San Jose del Cabo recorded an occupancy rate of 69% (6pp higher than in May-2019).
  - The Los Cabos Corridor recorded an occupancy rate of 62% (a 9pp increase compared to May-2019).
- The average rate at Los Cabos hotels in May-2022 was $427; $148 above that in May-2019 (+53%).
- The RevPAR in May-2022 was $303, up $116 (+62%) compared to May-2019.

TOURIST SURVEYS

- In May-2022, 65% of tourists rated their experience in Los Cabos as better than expected (26pp more than in May-2019).
- During May-2022, security was perceived as ‘bad’ or ‘regular’ by 2.5% of tourists, 9.5pp better than in May-2019.
- Satisfaction with the airport also improved 5.7pp compared to 2019 (5.3% of tourists perceived their experience as bad or regular).
- The number of repeat tourists decreased by 8pp compared to 2019, reaching 34% in May-2022.
- 33% of tourists traveled with a package tour, down 15.9pp compared to 2019.
- The number of tourists who visited restaurants increased by 15.4pp this month, recording 82%.

GROUP BUSINESS

- Los Cabos received 16 more RFPs for meeting events in May-2022 than in 2019, totaling 48.

This section presents the results of the destination considering only the information available for April 2022. To verify the rest of the information available and updated for previous months, please refer to the corresponding sections.

LOS CABOS

LOS CABOS

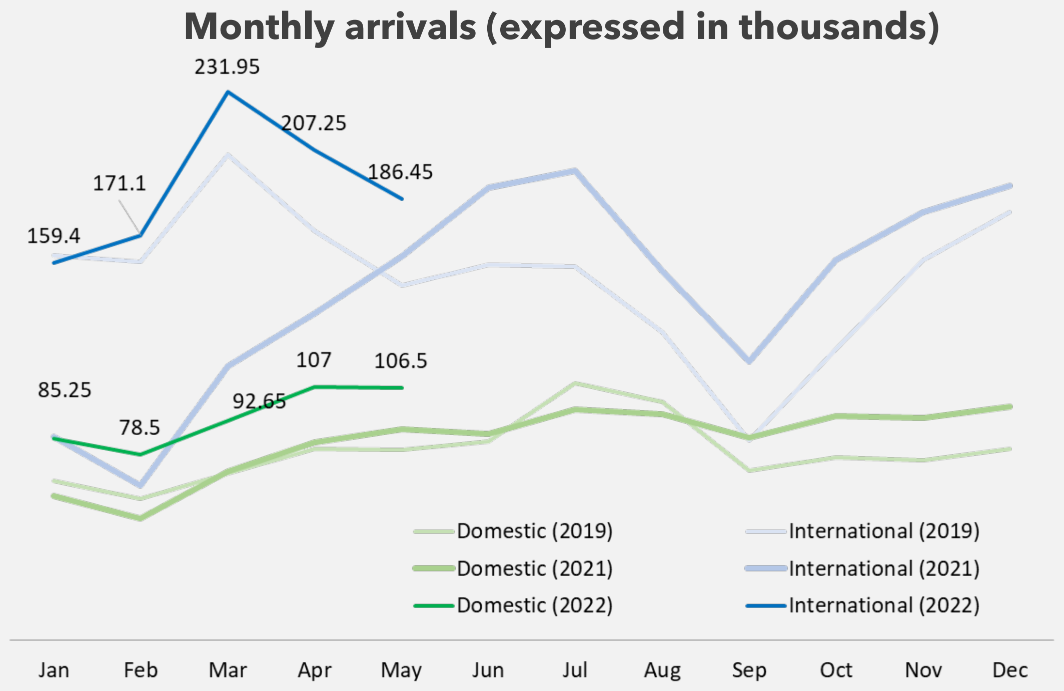
LOS CABOS TOURISM OBSERVATORY

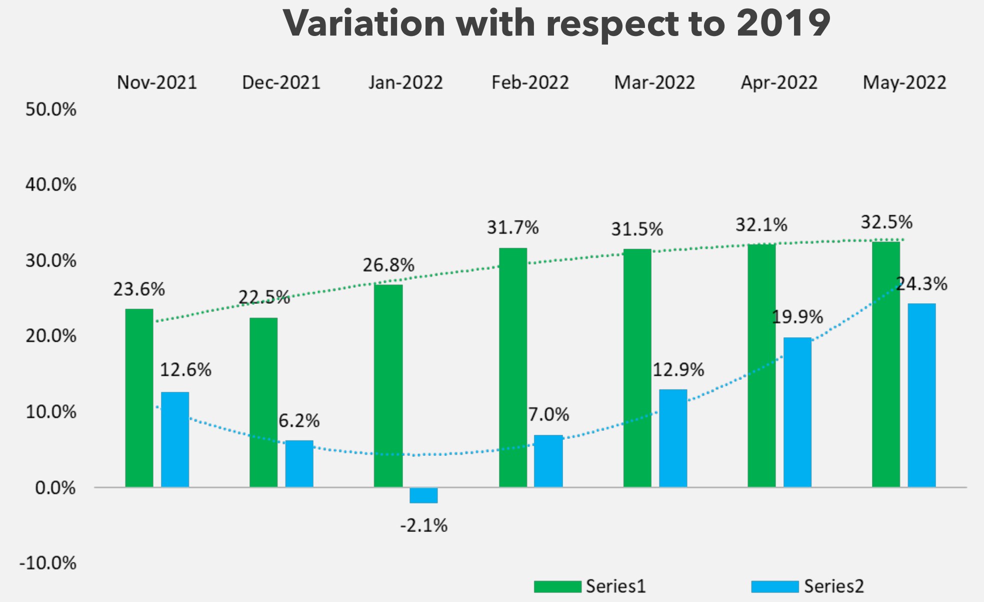
PASSENGER ARRIVALS

Passenger arrivals at Los Cabos International Airport, 2019-2022

- In May-2022, 293 thousand passengers arrived at Los Cabos International Airport, which represents a 27.2% increase compared to the same period in 2019.
    - It represents an average growth rate of 1.3% over the last 12 months.
    - Passengers on domestic flights (106.5 thousand) represent 36.4% of total arrivals and increased by 32.5% compared to May-2019.
        - TMAC of 1.5% between May-2021 and 2022.
    - Passengers on international flights (186.5thousand) represent 63.6% of total arrivals and increased by 24.3%.
        - TMAC of 1.2% between May-2021 and Mar-2022

SOURCE: GAP





LOS CABOS

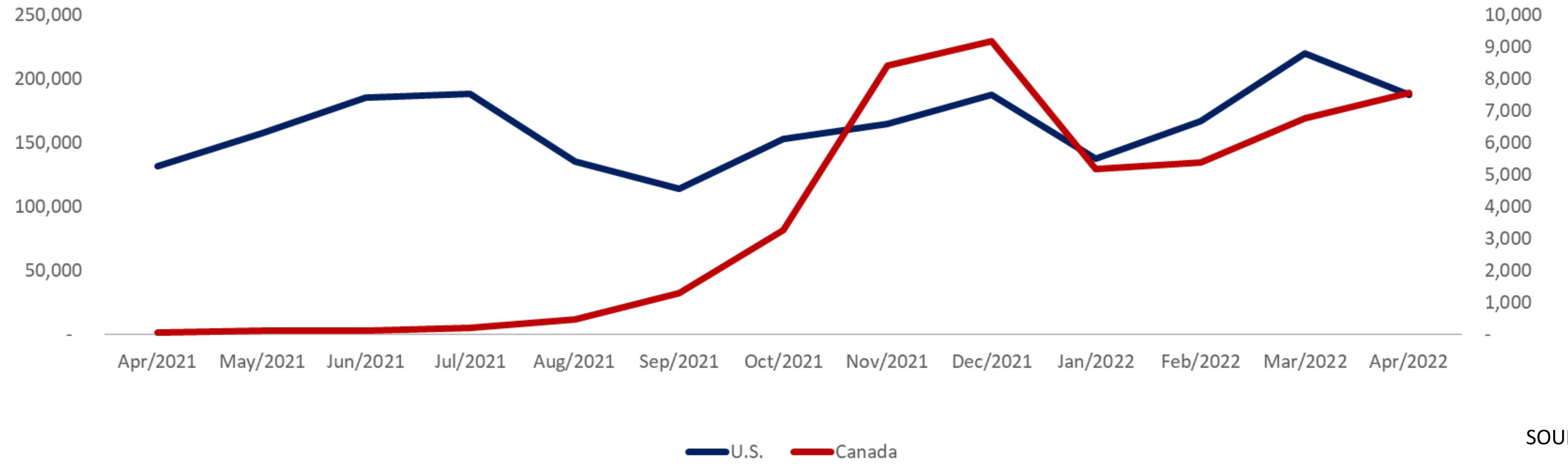
LOS CABOS TOURISM OBSERVATORY

PASSENGER ARRIVAL
By Nationality

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

Regions	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	Sep/2021	Oct/2021	Nov/2021	Dec/2021	Jan/2022	Feb/2022	Mar/2022	Apr/2022	Δ Apr-22 / Apr-19	Δ Jan-Mar 22 / Jan-Apr-19
U.S.	131,784	157,649	185,830	188,099	135,769	114,095	153,027	165,218	187,942	137,967	166,842	220,094	187,961	34.1%	25.2%
Canada	66	144	144	211	480	1,316	3,280	8,420	9,190	5,176	5,388	6,760	7,578	-54.1%	-71.4%
Europe	37	61	55	136	98	62	94	299	431	255	189	173	482	-59.8%	-72.4%
Caribbean, Central & South America	24	58	76	138	138	107	130	116	155	82	76	90	115	-59.8%	-61.1%
Rest of the world	24	48	90	163	169	108	187	352	337	150	150	170	365	-64.6%	-78.8%
Grand total	131,935	157,960	186,195	188,747	136,654	115,688	156,718	174,405	198,055	143,630	172,645	227,287	196,501	23.5%	11.6%

Key markets	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2021	Sep/2021	Oct/2021	Nov/2021	Dec/2021	Jan/2022	Feb/2022	Mar/2022	Apr/2022	Δ Apr-22 / Apr-19	Δ Jan-Mar 22 / Jan-Apr-19
United Kingdom	8	25	15	50	48	7	27	81	146	98	66	60	228	-32.1%	-59.0%
Australia	4	4	12	18	21	15	19	41	44	35	43	25	140	-63.9%	-81.7%
South Korea	1	5	6	17	16	10	11	45	15	3	-	5	22	-82.1%	-94.0%
Key markets total	13	34	33	85	85	32	57	167	205	136	109	90	390	-54.0%	-75.2%



SOURCE: INM- SIOM

International tourist arrivals by air, by origin (residence)

+23.5%

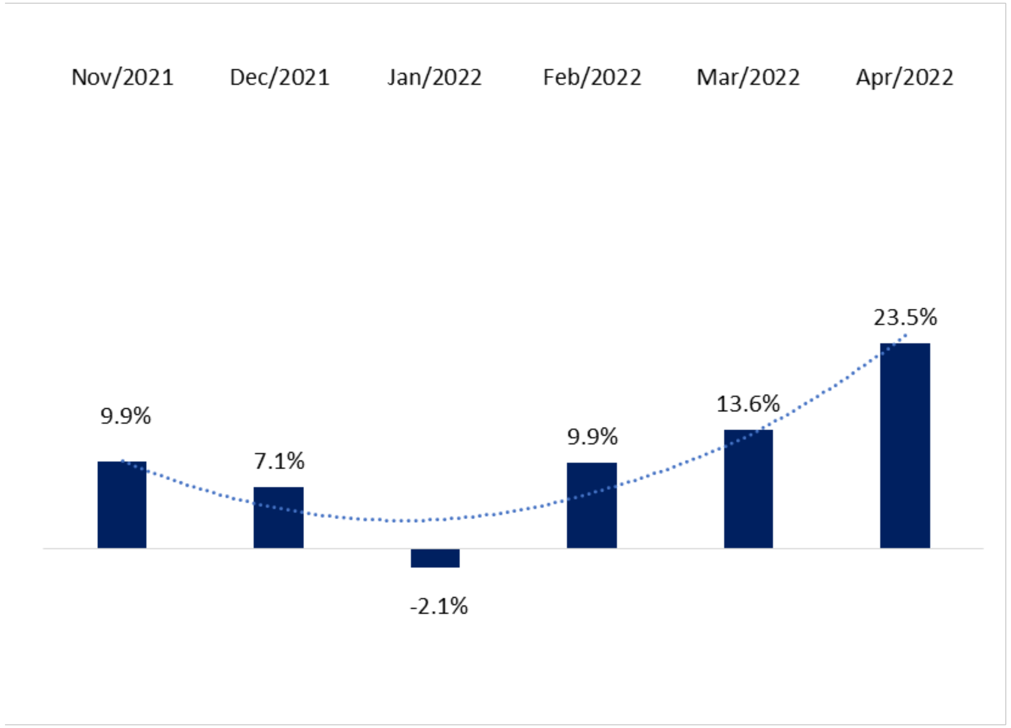
Apr-2022 vs Apr-2019

In Apr-2022, Los Cabos International Airport recorded the arrival of 196,501 international tourists by air. This meant a 23.5% increase compared to 2019.

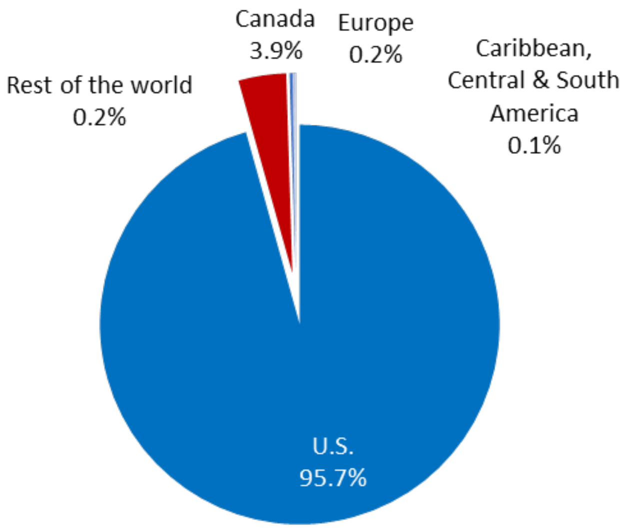
However, this was driven by growth in inbound American tourists (+34.1 vs 2019). All other regions show decreases.

American tourists represent 95.7% of the total.

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



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

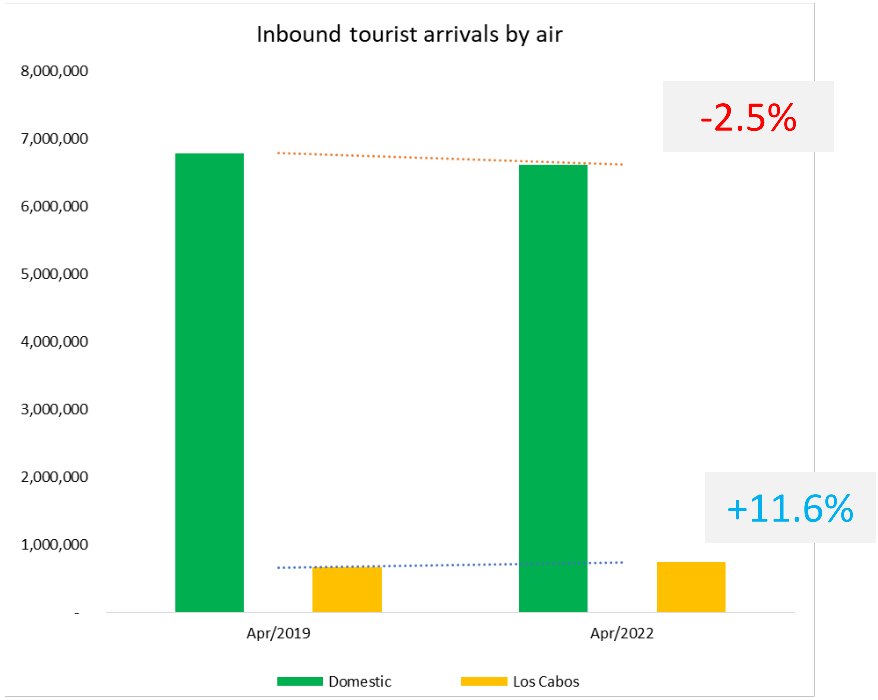


SOURCE: INM- SIOM

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

Regions	Domestic			Los Cabos		
	Apr/2019	Apr/2022	Δ 2022/2019	Apr/2019	Apr/2022	Δ 2022/2019
United States	3,738,431	4,414,442	18.1%	569,214	712,864	25.2%
Canada	1,262,711	643,827	-49.0%	87,064	24,902	-71.4%
Europe	660,412	638,589	-3.3%	3,983	1,099	-72.4%
Caribbean, Central & South Amer	860,701	734,189	-14.7%	934	363	-61.1%
Rest of the world	261,892	183,970	-29.8%	3,941	835	-78.8%
Grand total	**6,784,147**	**6,615,017**	**-2.5%**	**665,136**	**740,063**	**11.6%**

Key Markets	Domestic			Los Cabos		
	Apr/2019	Apr/2022	Δ 2022/2019	Apr/2019	Apr/2022	Δ 2022/2019
United Kingdom	154,244	151,604	-1.7%	1,103	452	-59.0%
Australia	23,143	5,633	-75.7%	1,327	243	-81.7%
South Korea	32,007	6,689	-79.1%	498	30	-94.0%
Key markets total	**209,394**	**163,926**	**-21.7%**	**2,928**	**725**	**-75.2%**



When comparing the accrual Jan-Apr 2022 to 2019, tourist arrivals by air decreased 2.5% nationwide and increased 11.6% in Los Cabos.

- On a domestic level, the U.S. travel market increased by 18.1%, whereas the Canadian travel market decreased by 49%.
- In Los Cabos International Airport, the U.S. travel market grew by 25.2%, while the Canadian travel market decreased by 71.4% when comparing both periods.

SOURCE: INM- SIOM

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

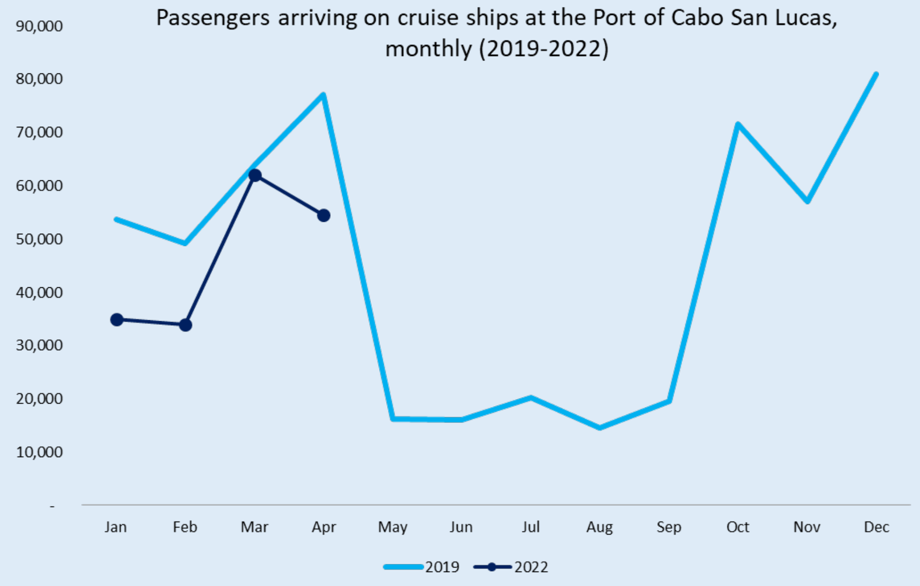
YACHT AND CRUISE SHIP ACTIVITY

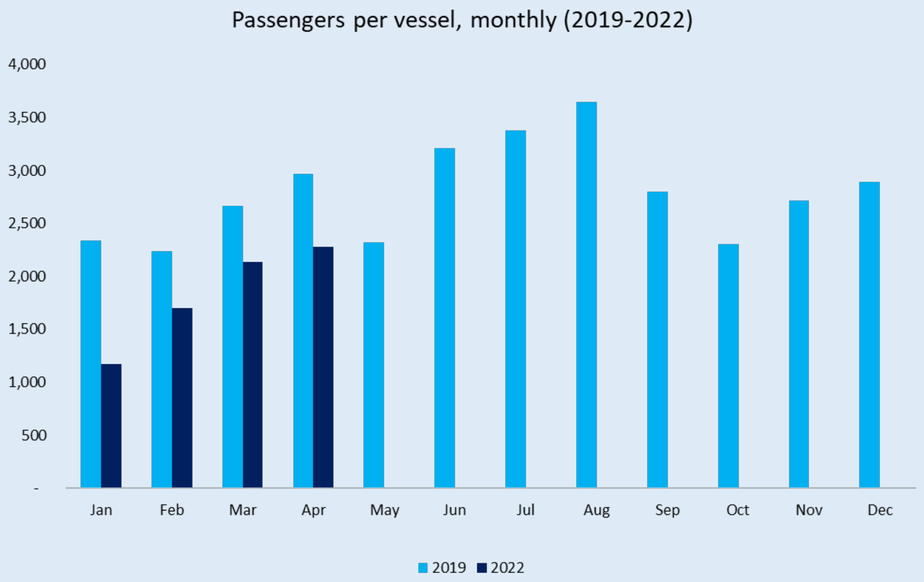
Cruise Activity (Apr-2022)

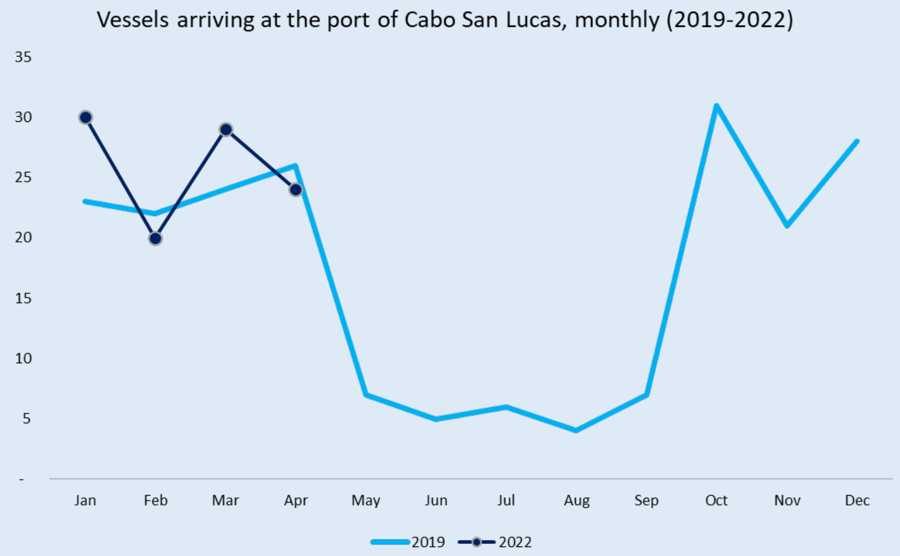
Cruise operations continued to improve significantly in Apr-2022, with 24 vessels arriving at the port of Cabo San Lucas carrying a total of 54,605 passengers. However, when compared to Apr-2019 they translate into a decrease of 29.2%.

This month, there are 2,275 passengers per vessel, the highest proportion so far in 2022, although 23.3% less than in 2019.

SOURCE: DATATUR-SCT



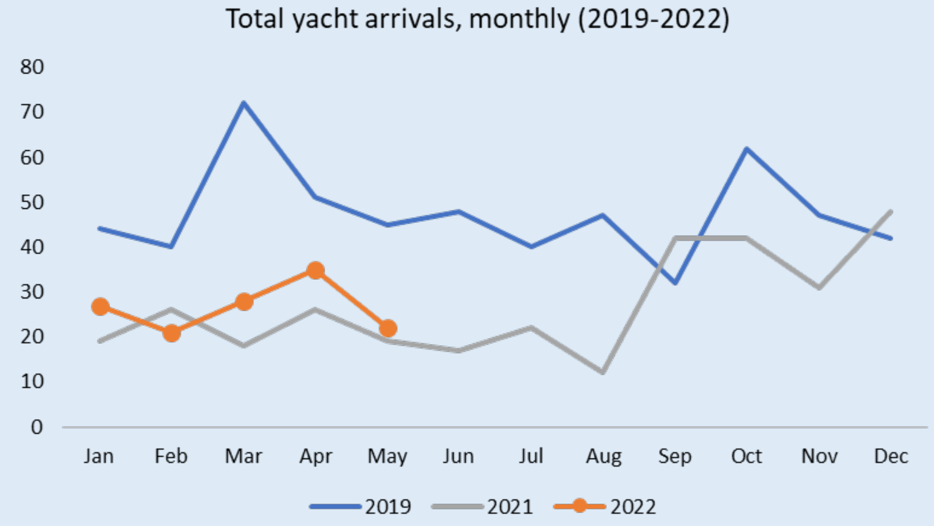


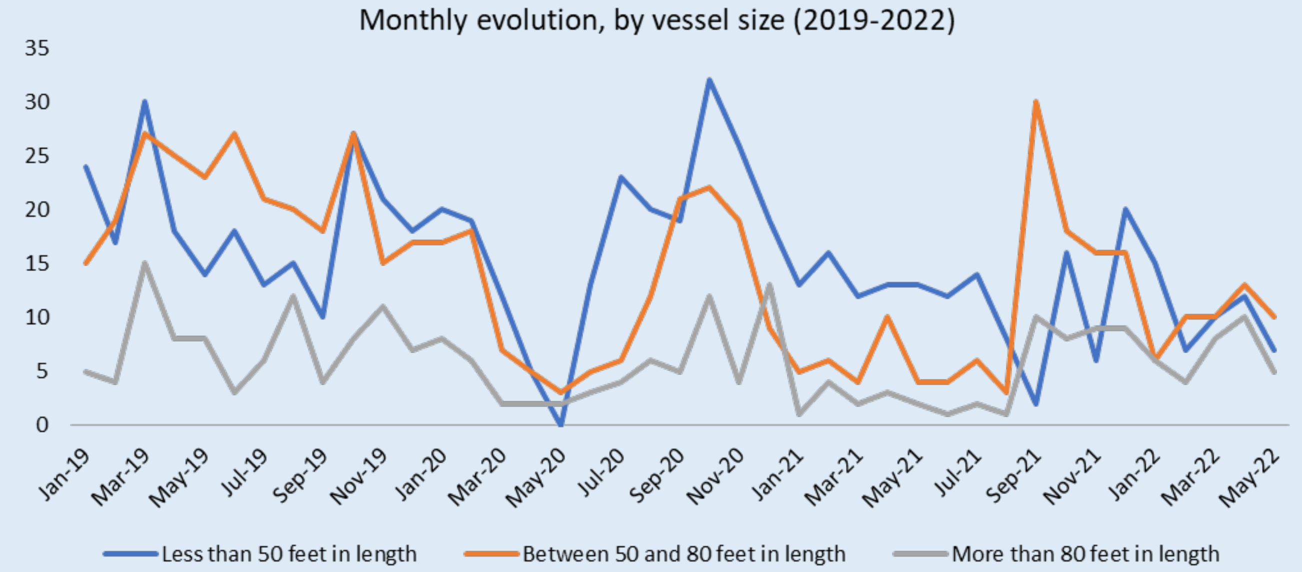


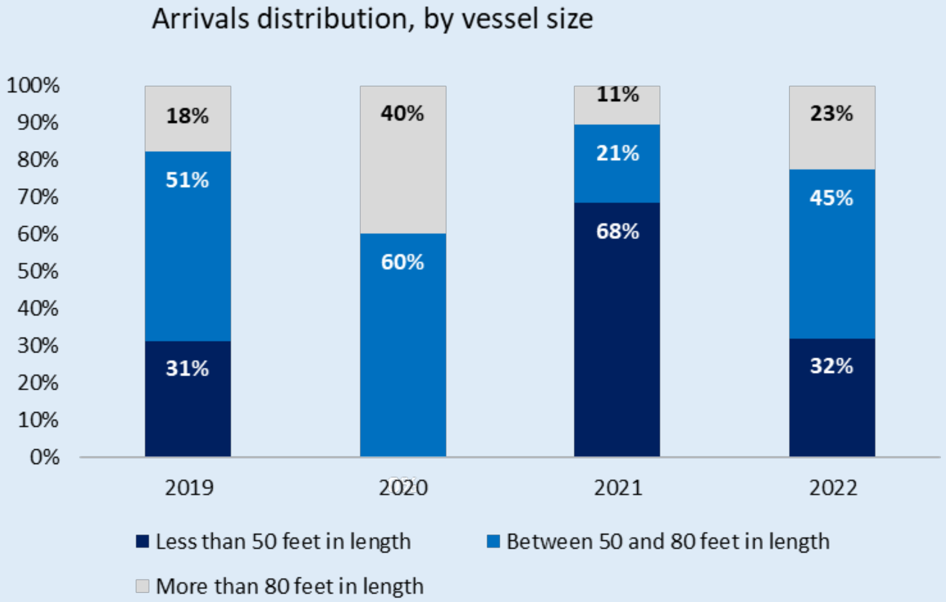
Yacht arrivals at the Port of Cabo San Lucas (May-2022)

- **22 yachts arrived at the Port of Cabo San Lucas in May-2022. This represents a decrease of 51% compared to the same period in 2019.**
  - **77% were small- or medium-sized vessels that measured less than 80 feet in length.**

SOURCE: API Cabo San Lucas





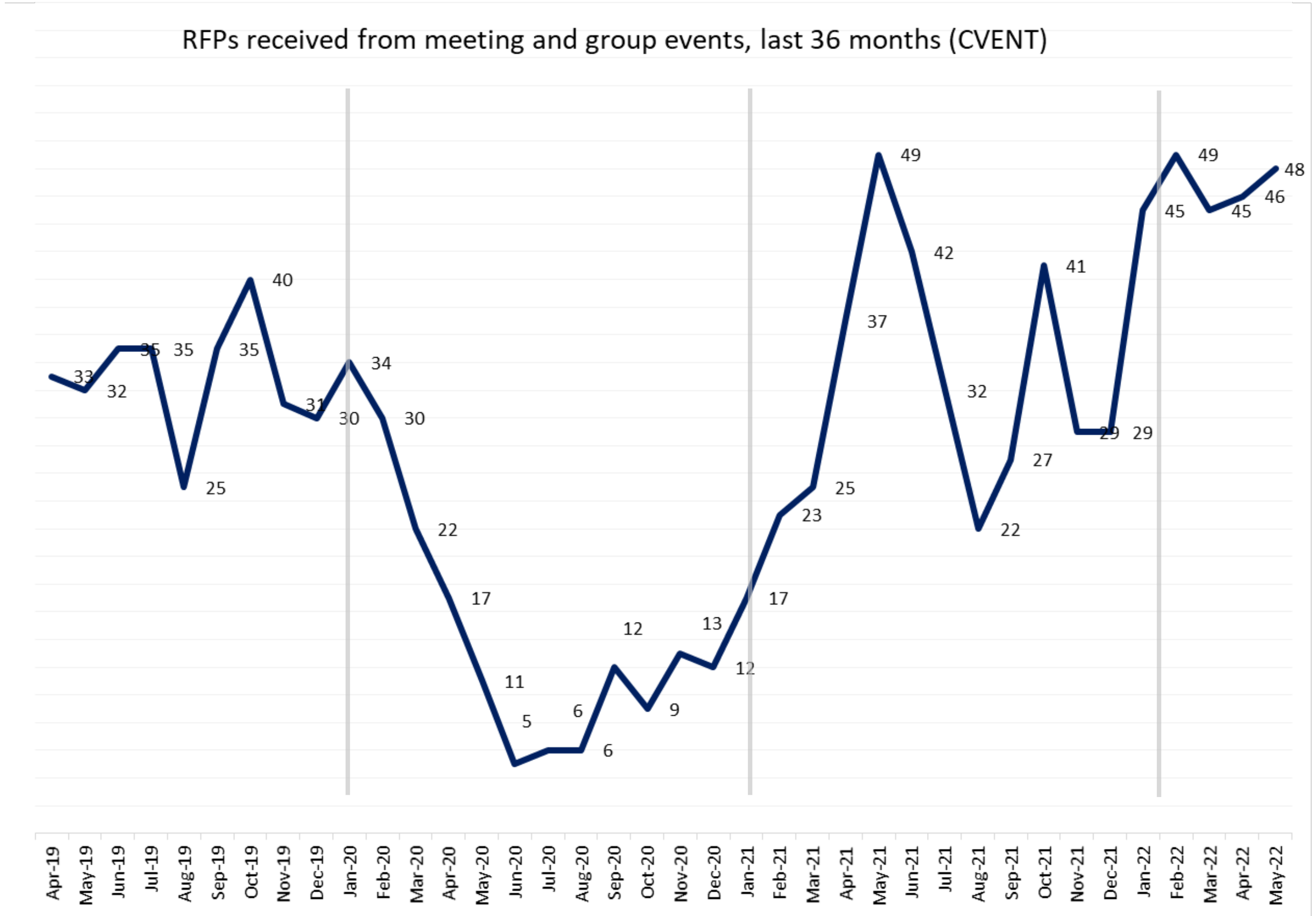


LOS CABOS

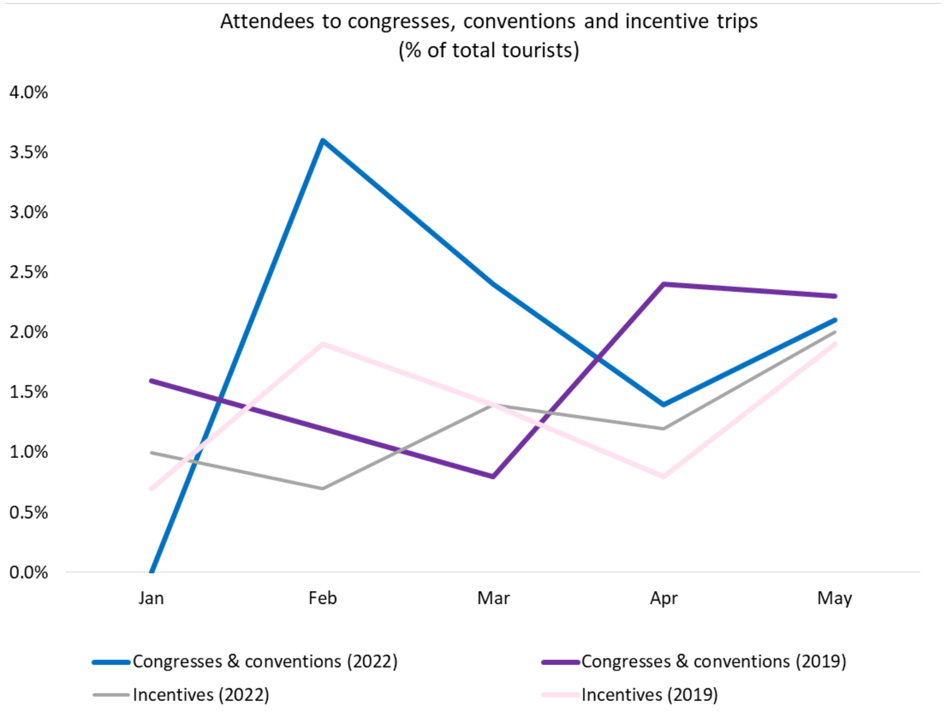
LOS CABOS TOURISM OBSERVATORY

TOURIST & GROUP BUSINESS SURVEYS

Group Business

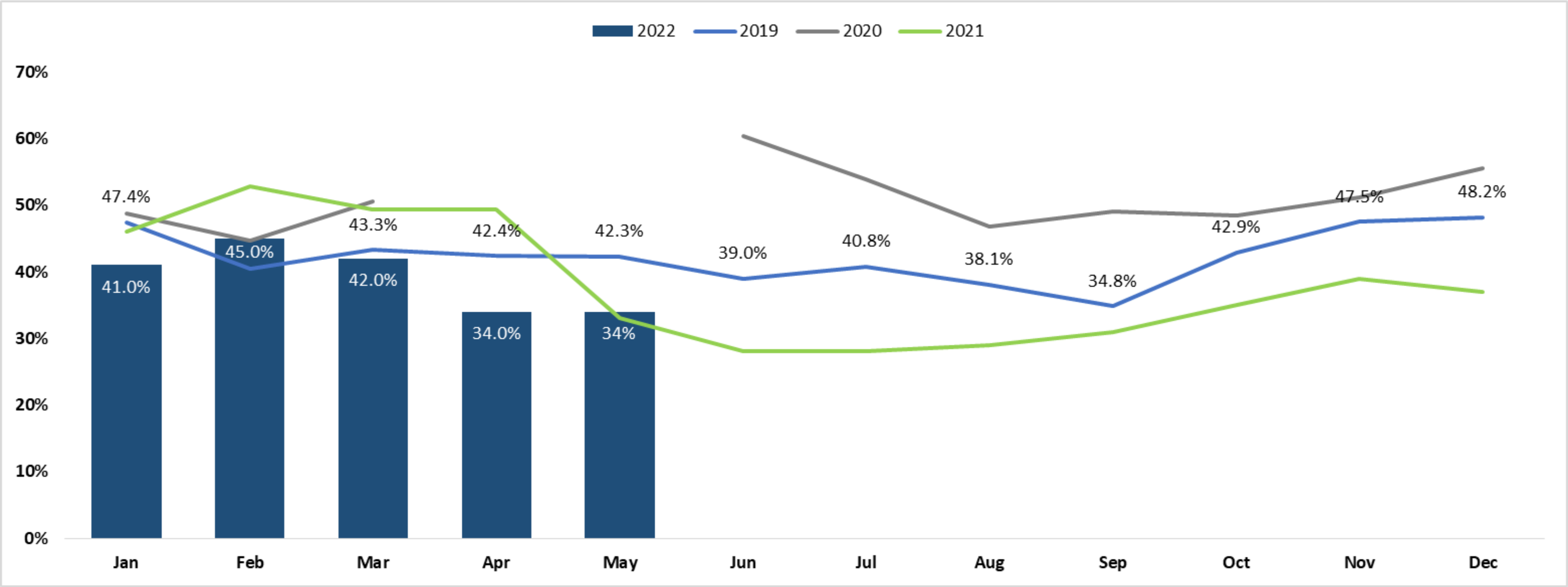


SOURCE: CVENT



SOURCE: Tourist Surveys

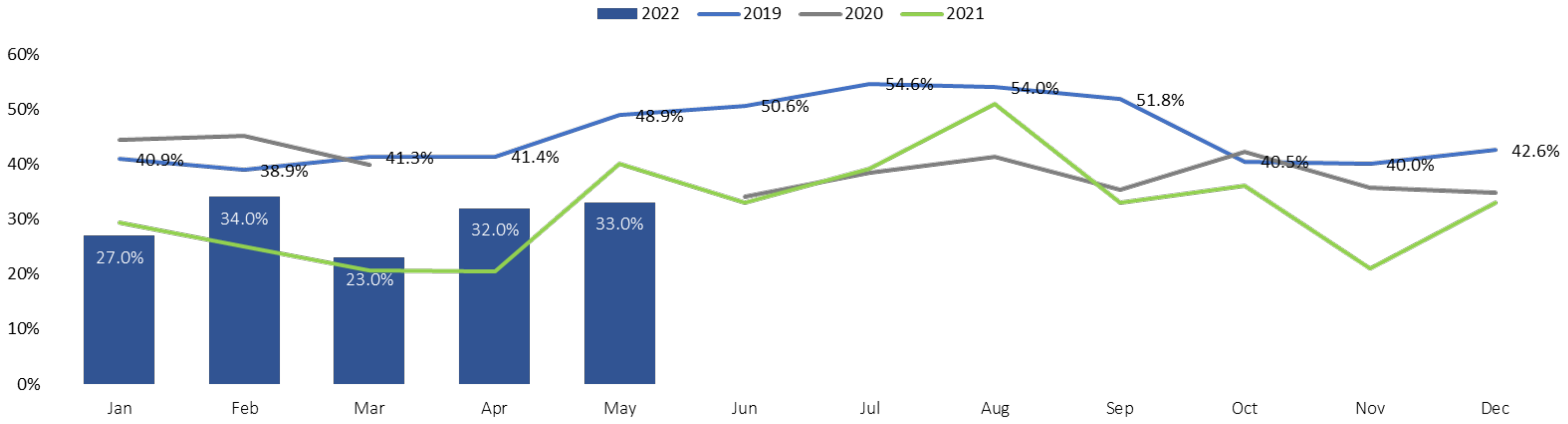
Return rate to the destination



- In May-2022, the percentage of repeat tourists was maintained compared to Apr-2022. This proportion is 8.3pp less compared to May-2019 and 1pp more compared to May-2021.

SOURCE: TOURIST SURVEYS

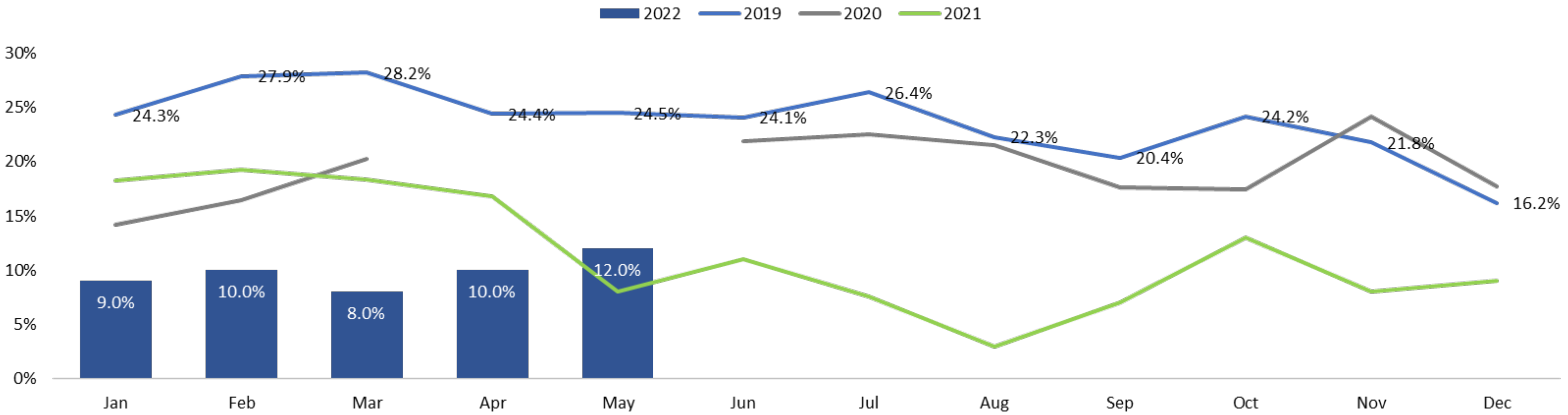
Package tour purchases



- 33% of tourists who arrived in Los Cabos in May-2022 bought a package tour, down 15.9pp compared to May-2019 and up 7pp compared to May-2021.

SOURCE: TOURIST SURVEYS

Timeshares



- 12% of tourists in May-2022 made use of timeshares. This ratio is 12.5pp below May-2019 and 4pp above May-2021.

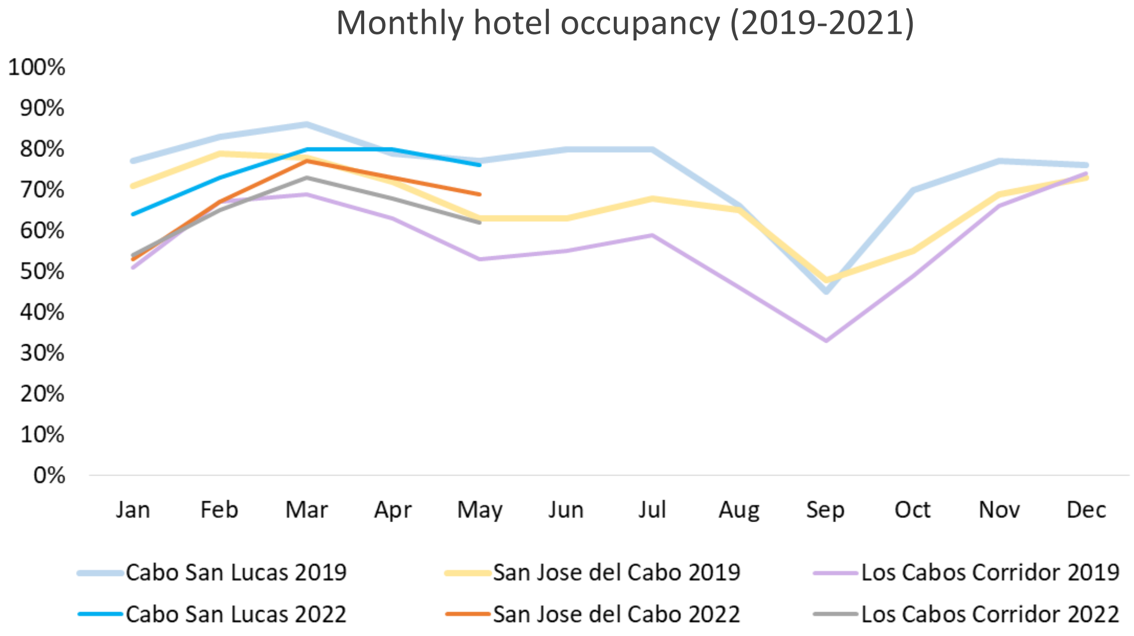
SOURCE: TOURIST SURVEYS

LOS CABOS

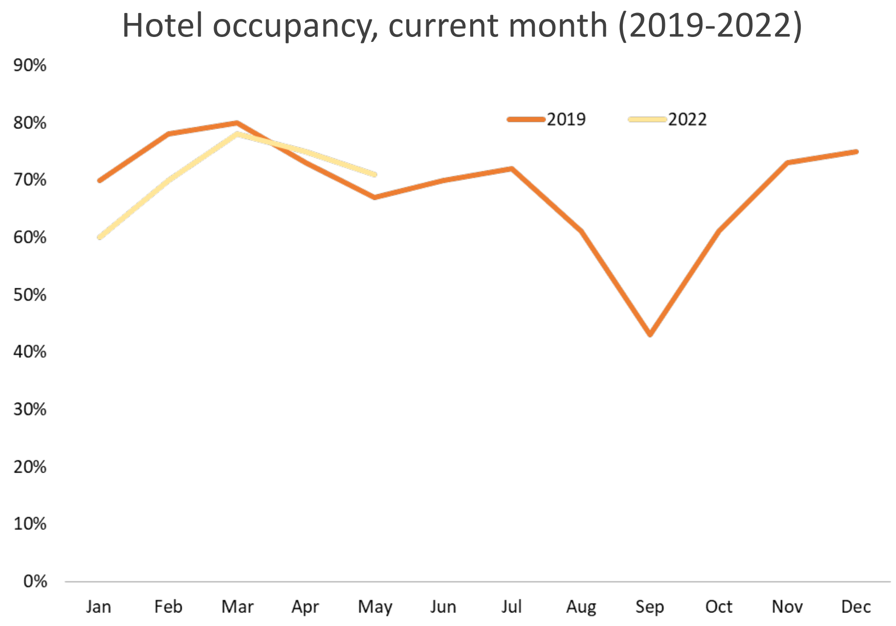
LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Hotel Performance

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



SOURCE: AHLC



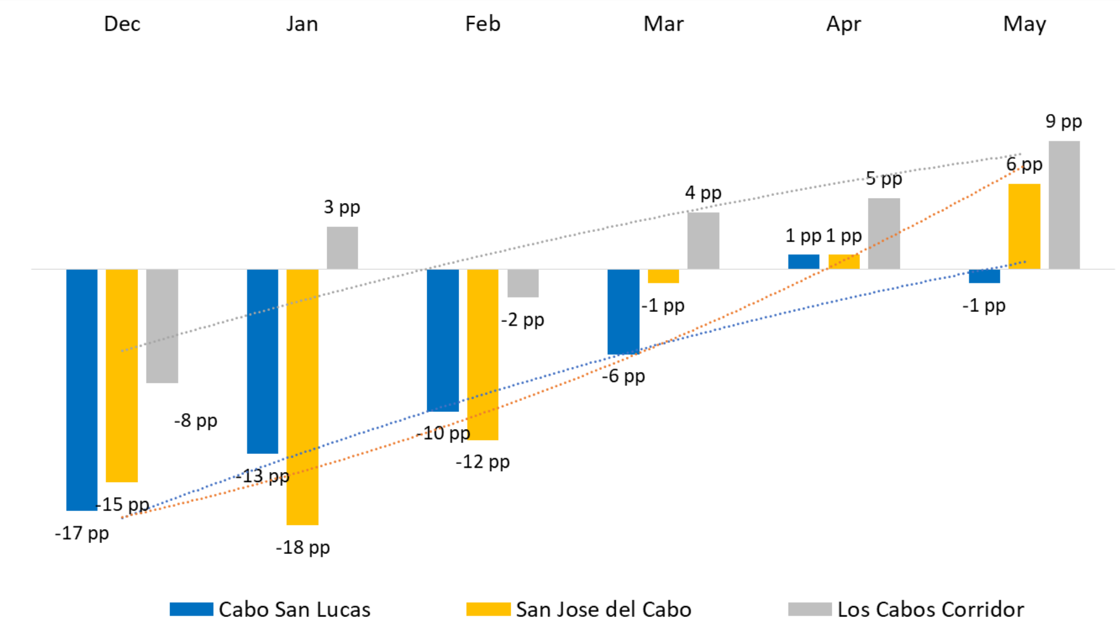
SOURCE: AHLC

- **According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 71% in May-2022, 4pp more than 2019.**
- **In Apr-2022, 239,654 tourists arrived at hotels in Los Cabos, 2.6% more than in 2019. Meanwhile, the average stay increased by 0.3 nights (5.22, according to DataTur).**
  - **Domestic tourist arrivals at hotels increased by 12.9% in this period, while international tourism fell by 1%.**
  - **In Apr-2022, domestic tourism represented 28.9% of the total. A share of 26% was recorded in 2019.**

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

Annual variation in hotel occupancy, by destination

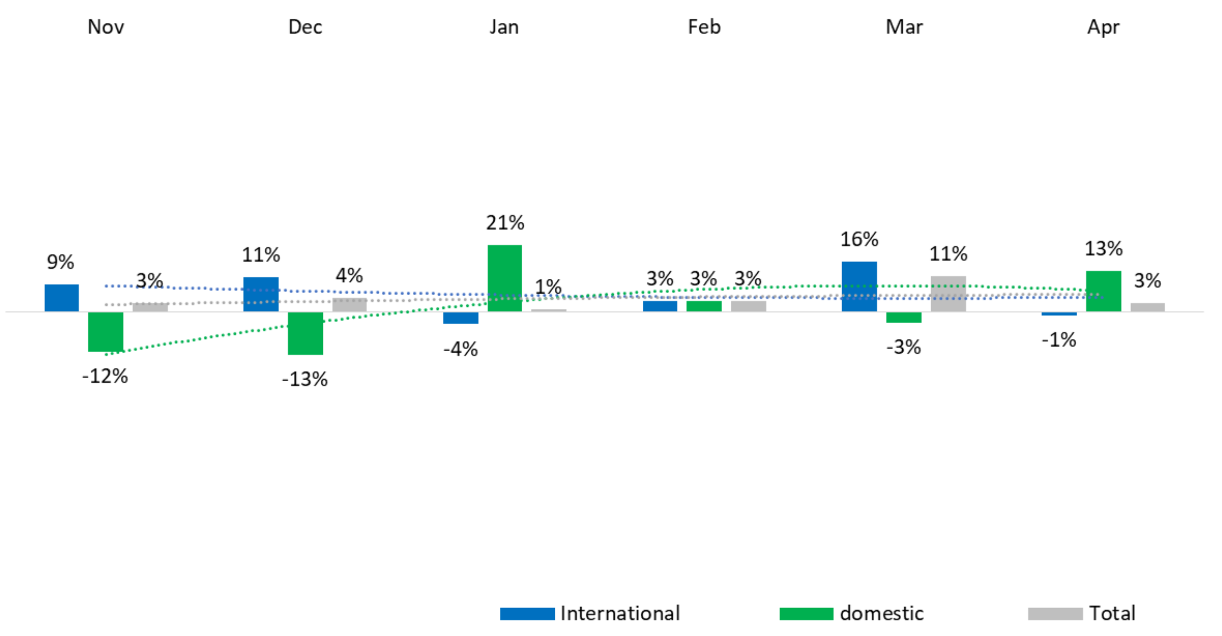
(Dec-2021 – May-2022 vs 2019)



SOURCE: AHLC

Annual variation of tourist arrivals at hotels, by origin

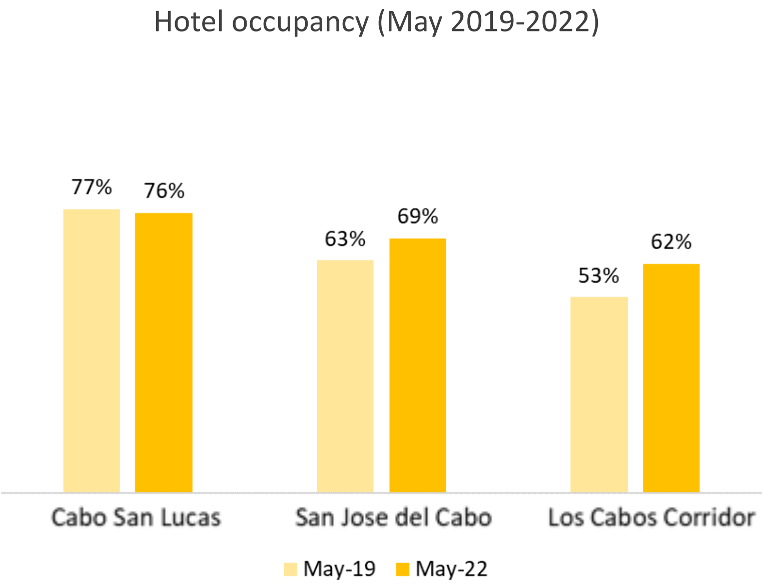
(Oct-2021 – Mar-2022 vs 2019)



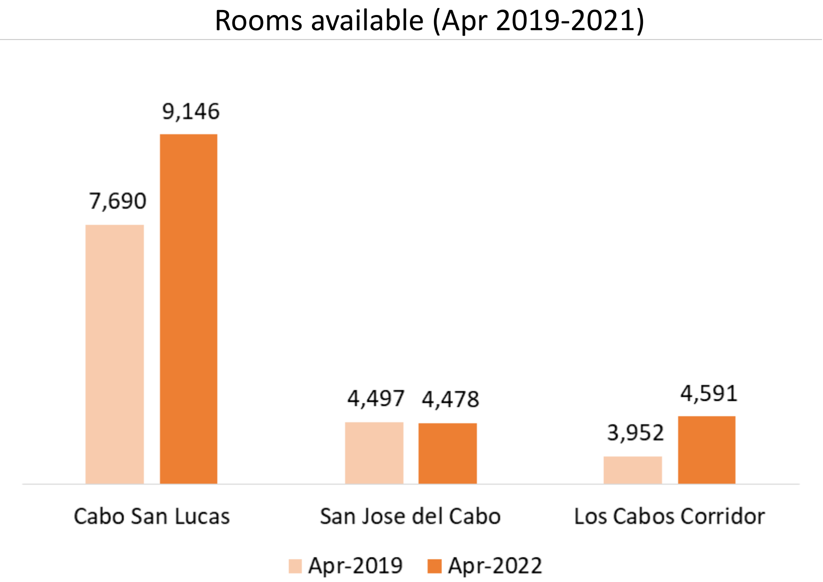
SOURCE: DATATUR

- **Compared to 2019, hotel occupancy in Cabo San Lucas and the Corridor increased by 6 and 9pp, respectively.**
- **However, in Cabo San Lucas there was a decrease of 1pp.**

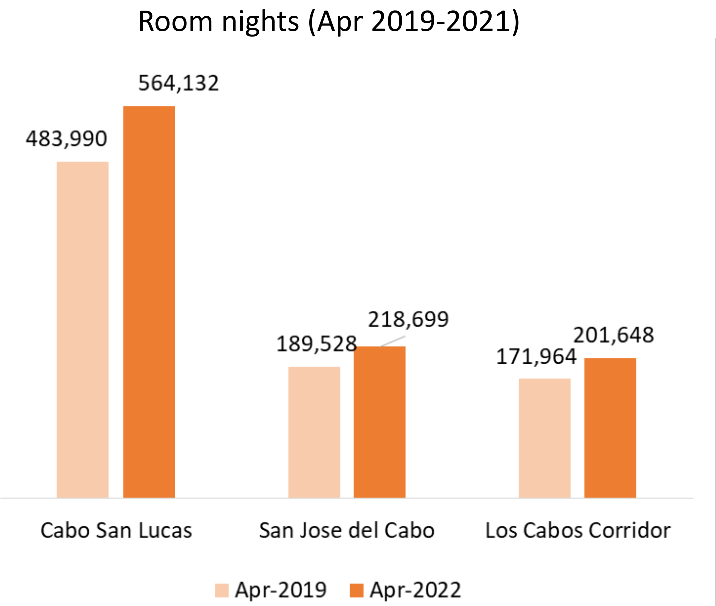
Evolution of the hotel supply in Los Cabos and sub-destinations



SOURCE: AHLC



SOURCE: DATATUR



SOURCE: DATATUR

CABO SAN LUCAS

- **Occupancy in May-2022 was 76%, 1pp less than in 2019 (AHLC).**
- **Its hotel supply increased 18.9% between Apr-2022 and 2019, registering a total of 9.1 thousand rooms (DataTur).**
- **Occupied room nights increased 16.6% between Apr-2019 and 2022 (DataTur).**

SAN JOSE DEL CABO

- **Occupancy in May-2022 was 69%, 6pp more than in 2019 (AHLC).**
- **Its hotel supply decreased 0.5% between Apr-2022 and 2019, registering a total of 4.5 thousand rooms (DataTur).**
- **Occupied room nights increased 15.4% between Apr-2019 and 2022 (DataTur).**

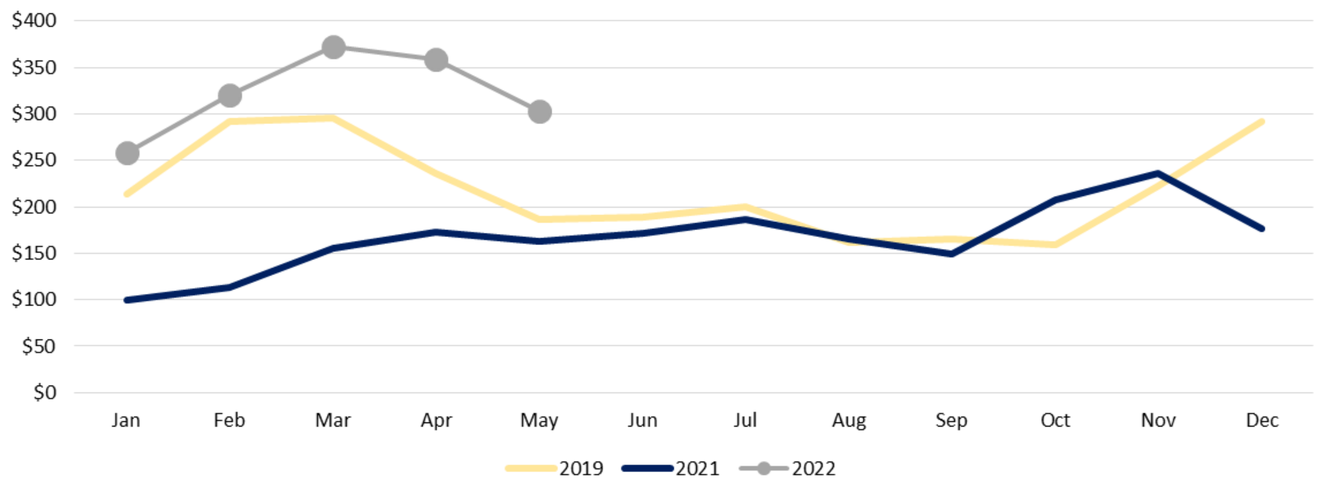
LOS CABOS CORRIDOR

- **Occupancy in May-2022 reached 62%, which is 9pp more than in 2019 (AHLC).**
- **Its hotel supply increased 16.2% between Apr-2022 and 2019, registering a total of 4.6 thousand rooms (DataTur).**
- **Occupied room nights increased 17.3% between Apr-2019 and 2022 (DataTur).**

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

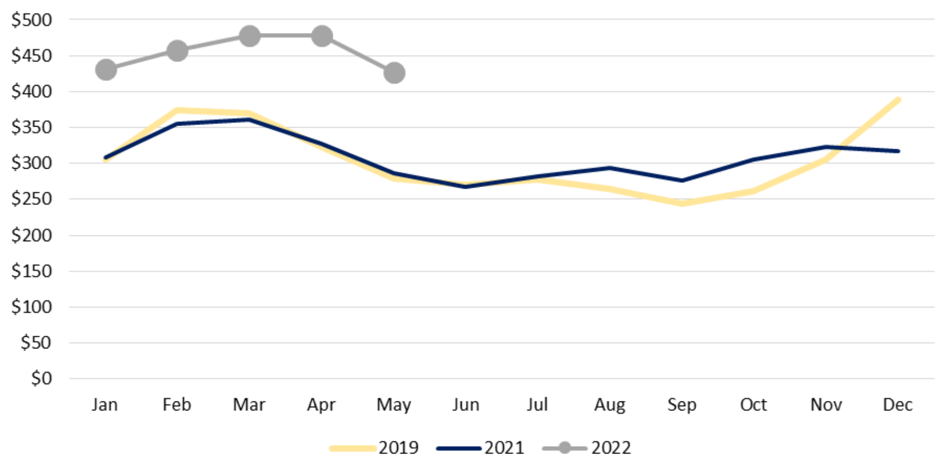
- **The average hotel rate in Los Cabos for May-2022 was USD 427, 66 dollars above the last 12-month average ($361) and 148 dollars above that of May-2019.**
    - **Cabo San Lucas recorded an increase of 32.4% (USD 68) compared to 2019 and now stands at USD 278.**
    - **San Jose del Cabo now stands at $341 USD, recording an increase of its rate by $92 (+32.4%) compared to 2019.**
    - **Compared to 2019, the rate in Los Cabos Corridor increased by 67.7% (USD 256) and recorded USD 634.**
- **The RevPAR in May-2022 was $303, up $116 USD (+62%) compared to May-2019.**

RevPAR Los Cabos (USD, 2019-2022)

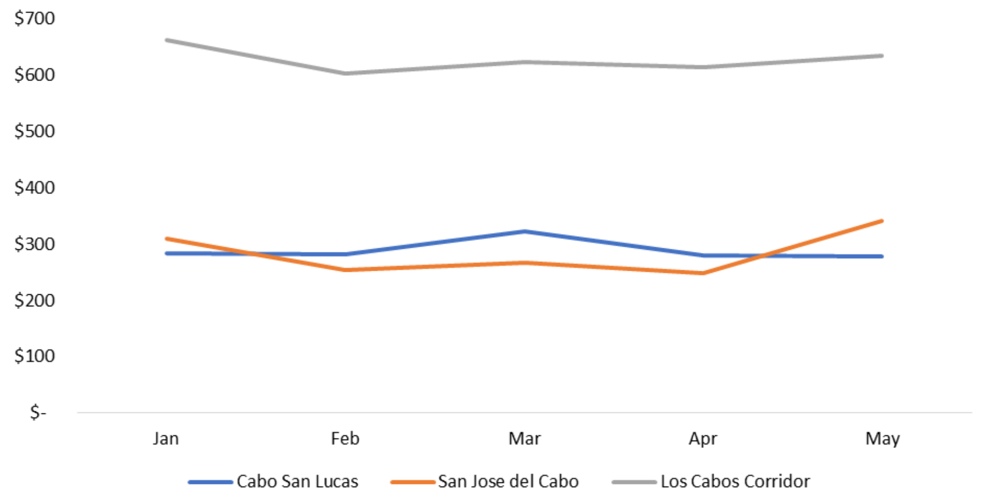


SOURCE: AHLC

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



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



LOS CABOS

LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Air Connectivity

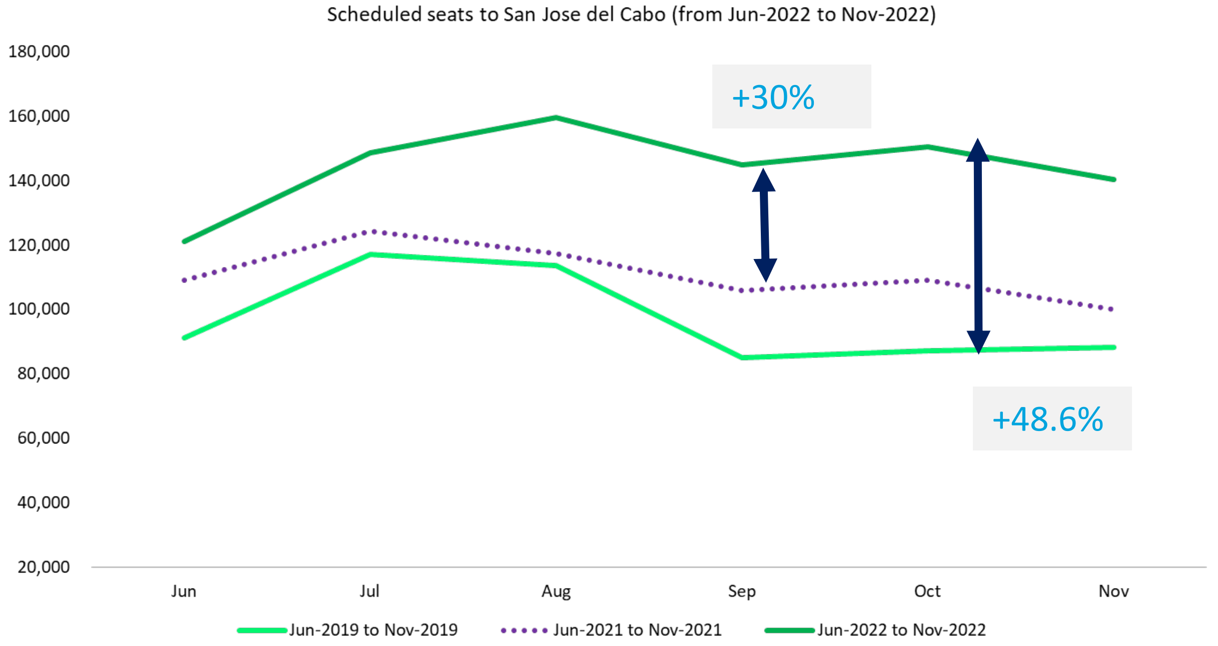
SOURCE: OAG

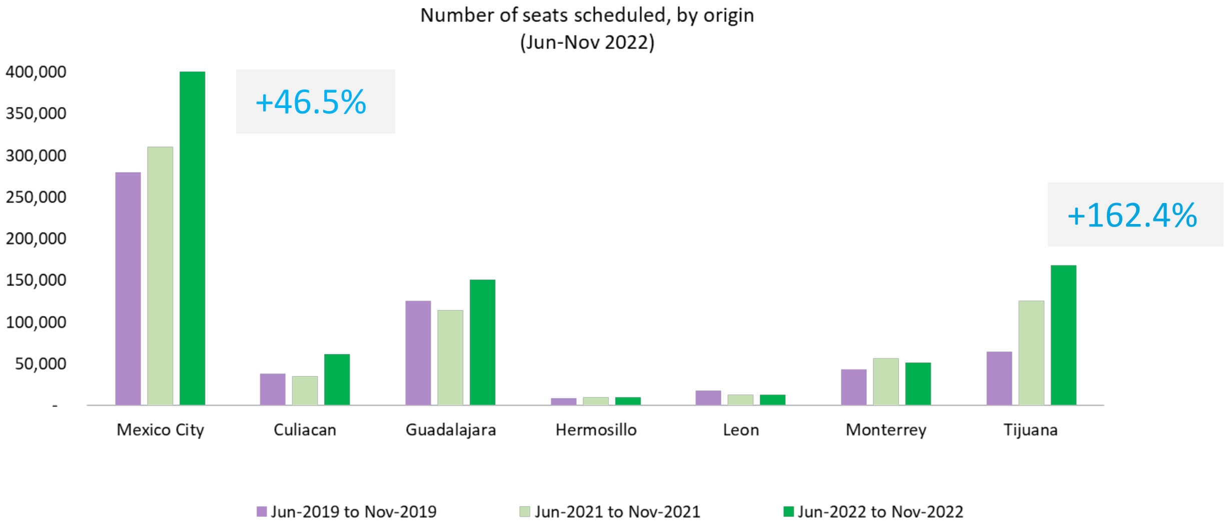
Domestic air connectivity

SEATS SCHEDULED FROM JUN-2022 TO NOV-2022

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

- **There are 865.2 thousand seats scheduled for the next six months, 48.6% more compared to the same period in 2019.**
  - **However, when comparing the seats scheduled for the next six months against the 2021 schedule, the volume of programmed seats is 30% higher.**
  - **32.9% more available seats are expected in Jun-2022 than those scheduled for 2019.**
- **Mexico City, Guadalajara, and Tijuana are the most relevant issuing markets, having 47%, 17%, and 19% of total available seats, respectively (for the next six months). Followed by Monterrey (6%), Culiacan (7%), Leon (1%) and Hermosillo (1%).**
  - **Flight seats departing from CDMX and TIJ increased by 46.5% and 162.4%, respectively (when compared to 2019). However, BJX decreased by 31%. Consequently, TIJ's market share grew 8pp during these six months, and BJX's dropped 2pp.**
- **For the next six months, 54% of the available seats will be provided by Volaris, followed by Viva Aerobus with 28% and Aeromexico with 18%. Interjet exited the market.**
- **Load factors of domestic airlines for Mar-2022 were: Aeromexico (80%), Viva Aerobus (78%), and Volaris (79%).**





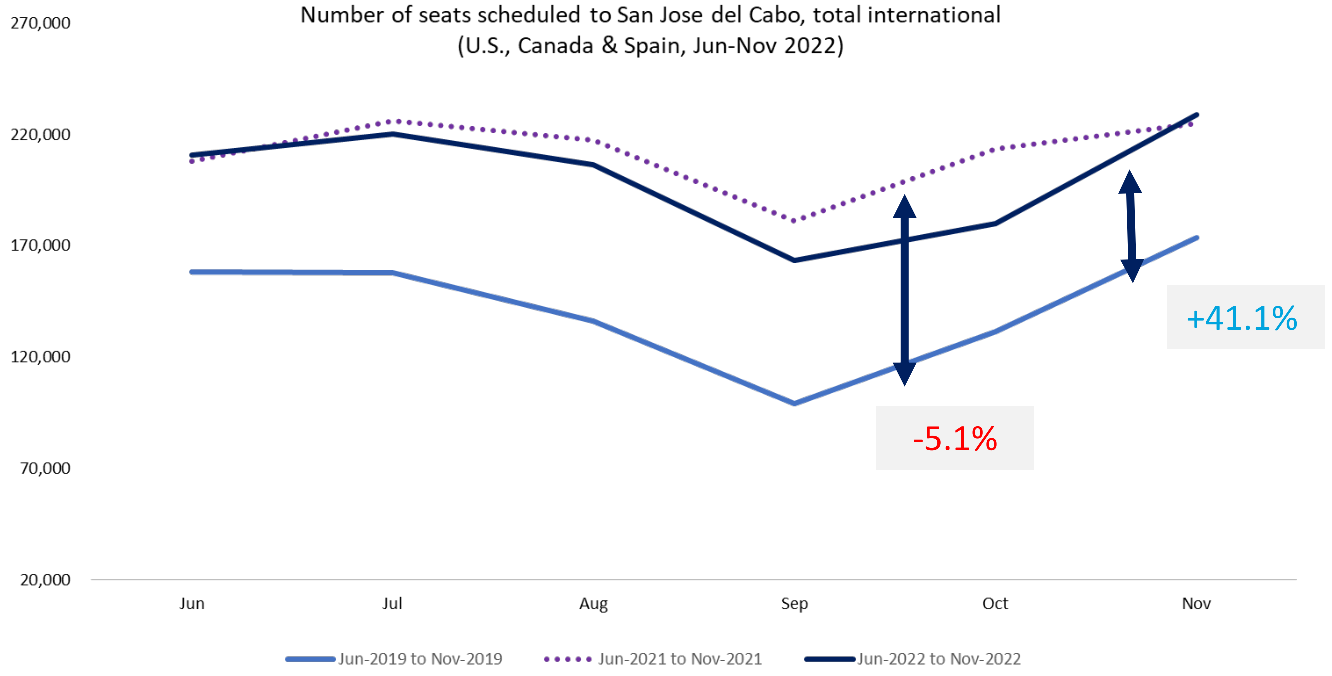
SOURCE: OAG

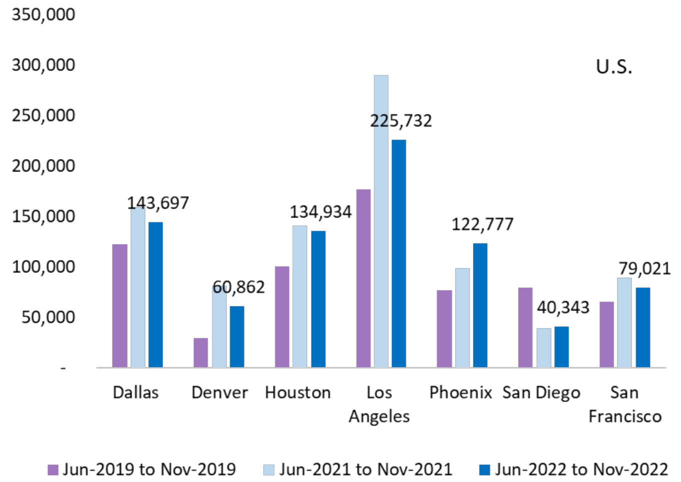
International air connectivity

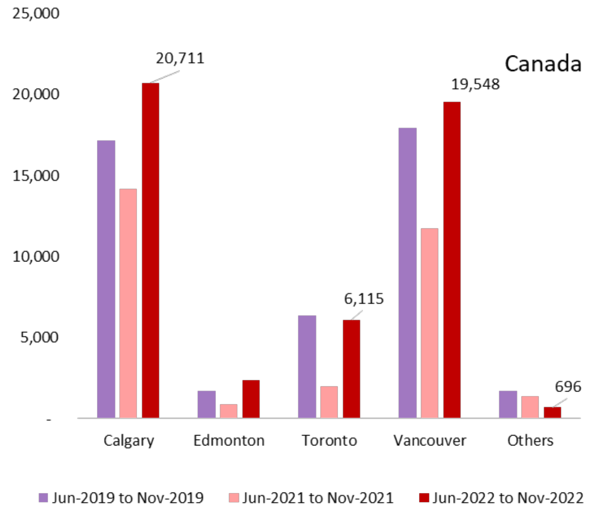
SEATS SCHEDULED FROM JUN-2022 TO NOV-2022

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

- **There are 1.16 million seats scheduled for the U.S. in the next six months, which is 42.6% 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 **6.9% less.**
  - **The following airports had the most significant increase in service vs. 2019: LAX (+28%), PHX (+61%), HOU (+32%), DFW (18%), DEN (+112%), CHI (107%) and SEA (+569%). However, San Diego showed a decrease of 49%.**
  - **Los Angeles is the main issuing market in the U.S. (20% of the market), followed by DFW (12%), Houston (12%), and Phoenix (11%).**
  - **American, Alaska, Delta, Southwest, and United Airlines are the most relevant (90% as a whole).**
  - **32.9% more** available seats are expected in Jun-2022 than those scheduled for 2019.
- **There are 49.4 thousand seats scheduled for Canada in the next six months, which is 10% more 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 **63.7% higher.**
  - There are 36% fewer seats expected for **Jun-2022** than those scheduled for 2019.
  - Within the next 6 months, Calgary shows an increase of 20.7%, Edmonton 36.9%, and Vancouver 9%. Toronto fell 4.3% **compared to 2019.**
  - **During this period, Air Canada and WestJet will increase the number of seats by 21.7% and 13%, respectively.** Sunwing decreased by 42%.
- **Load factors of international airlines for Mar-22 were: American 82%, Alaska 84%, Delta 78%, United 85%, Southwest 75%, Sunwing 53%, Westjet 72%, Air Canada 62%.**







LOS CABOS

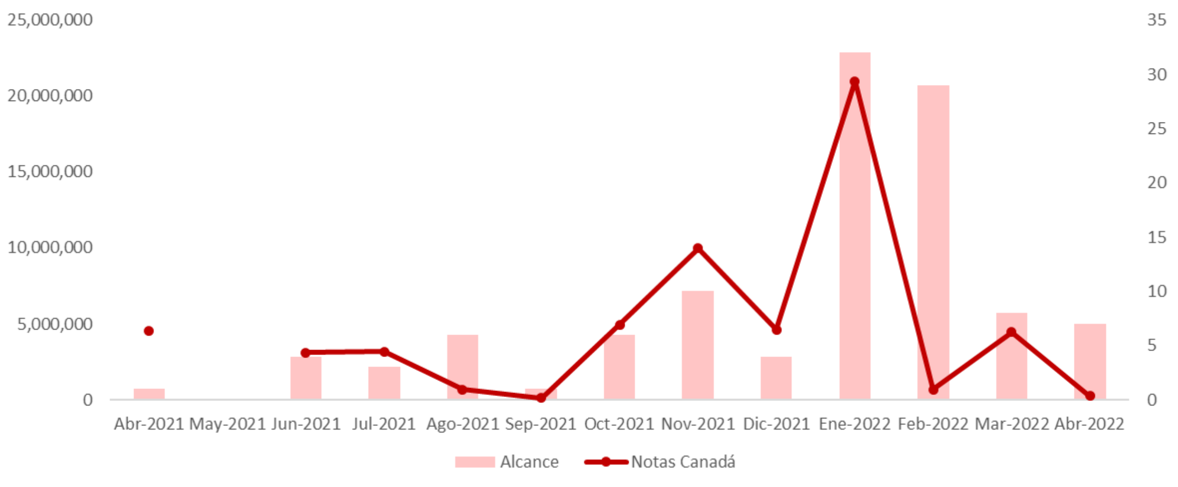
LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope

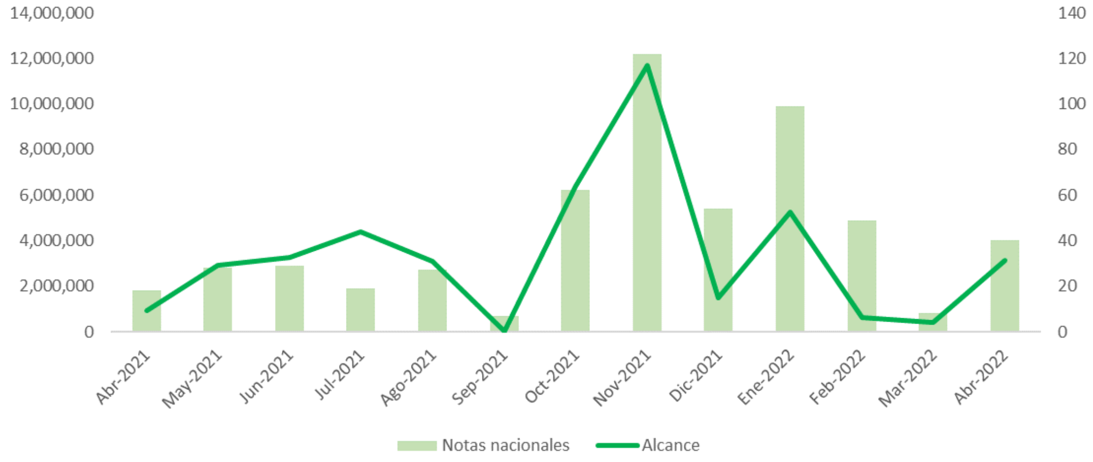
- **In the domestic market:**
  - **During Apr-2022, 40 placements were introduced, accounting for 3.14 million impressions. An average of 47 placements has been published monthly since the pandemic started in April 2020, with a monthly reach of 3.6 million.**
- **In the international market:**
  - **In Apr-2022, 10 placements and 14 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 579 million.**
  - **7 notes were delivered to the Canadian market throughout Apr-2022, achieving 253 thousand impressions. An average of 8 placements has been published monthly since April, with a monthly reach of 4.6 million.**

NOTES MADE FOR THE CANADIAN MARKET – TOTAL & REACH



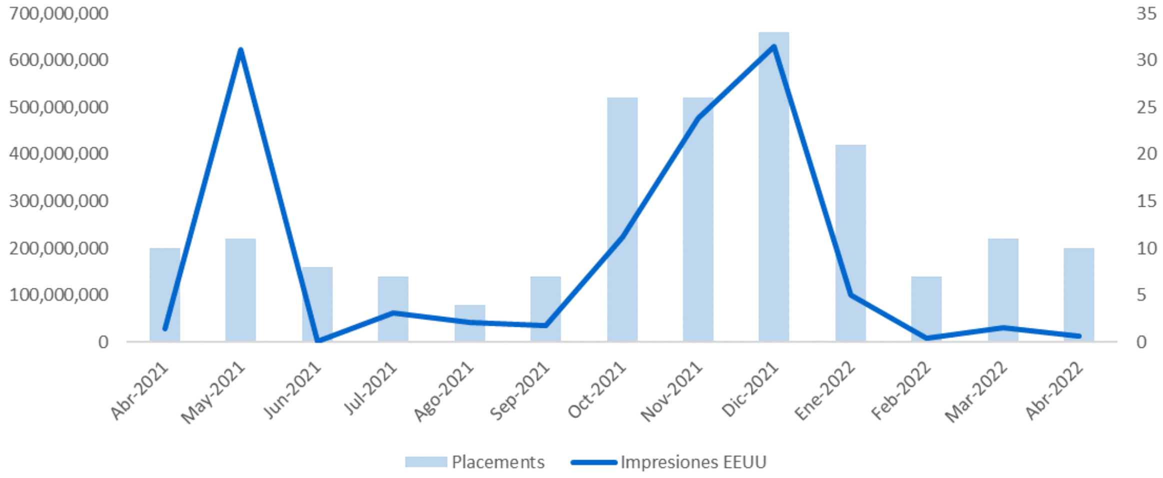
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET – TOTAL & REACH



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

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



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

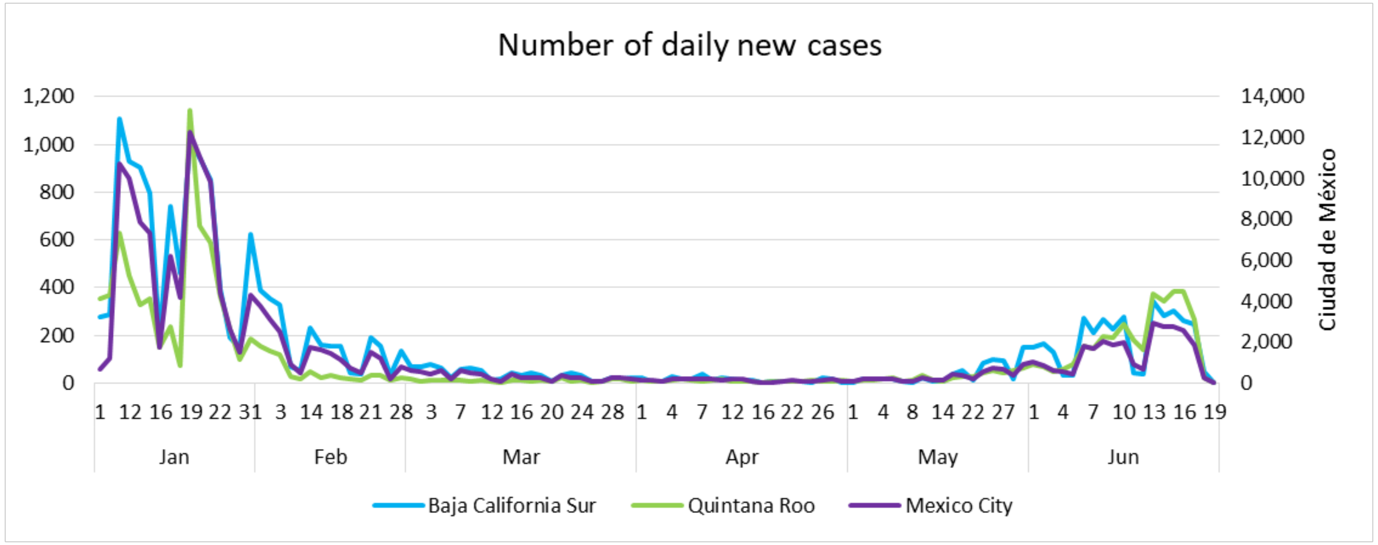
LOS CABOS

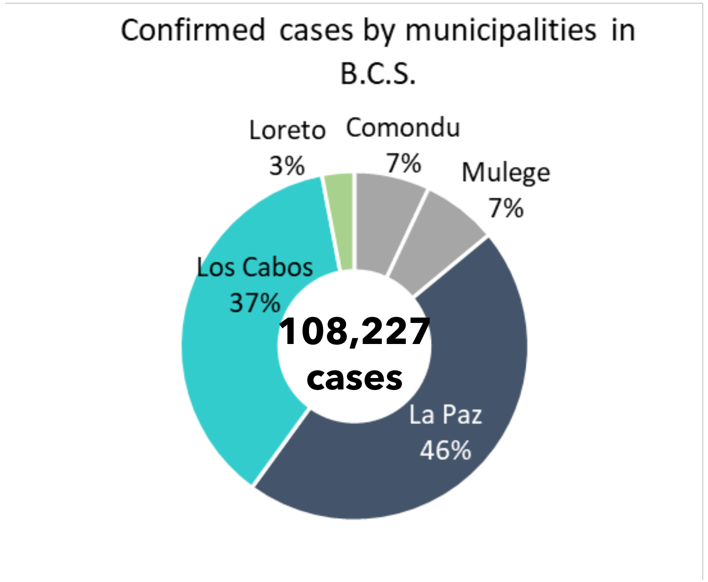
LOS CABOS TOURISM OBSERVATORY

IMPACT OF COVID-19

Effects of COVID-19 on Mexico's tourism sector

Confirmed COVID-19 cases – overview





Total confirmed cases as of June 19, 2022

Domestic

6.16 million

- 134 thousand more cases since May 19th.

Baja California Sur

108,227

- 4,265 more cases than those recorded by May 19th.

Quintana Roo

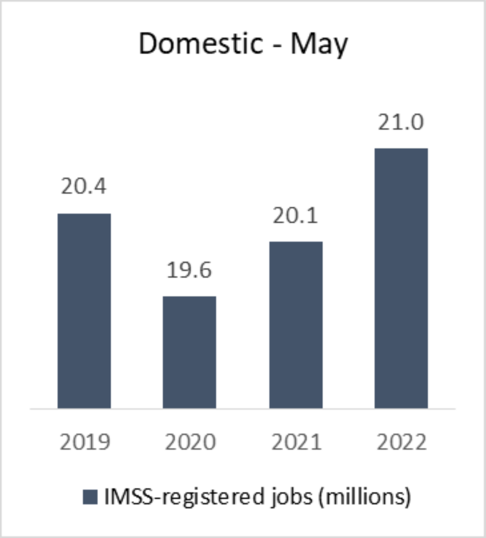
96,077

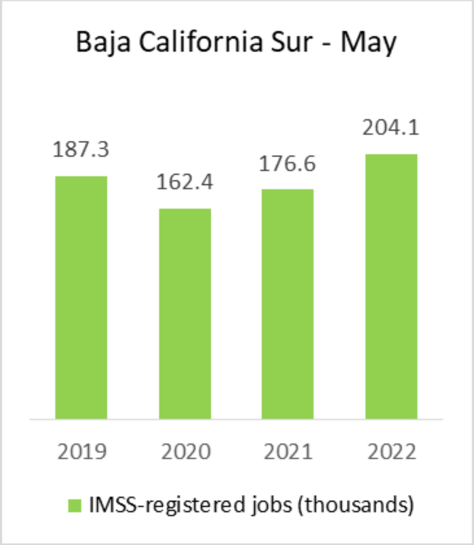
- 3,967 more cases in the same period.

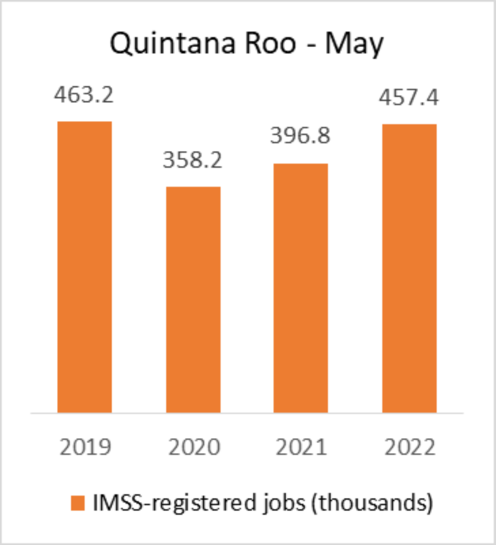
- La Paz and Los Cabos jointly account for 83% of the total confirmed cases statewide.
- In Los Cabos, 2.3% more cases were recorded compared to May 19, 2022, adding 40,085 cases.
- La Paz has 5.4% more cases in the same period, accumulating a total of 49,859 confirmed cases.
- Loreto accumulates 3,650 cases (3.5% more).

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx). FIGURES UPDATED AS OF JUNE 20, 2022.

Effects on employment in Mexico







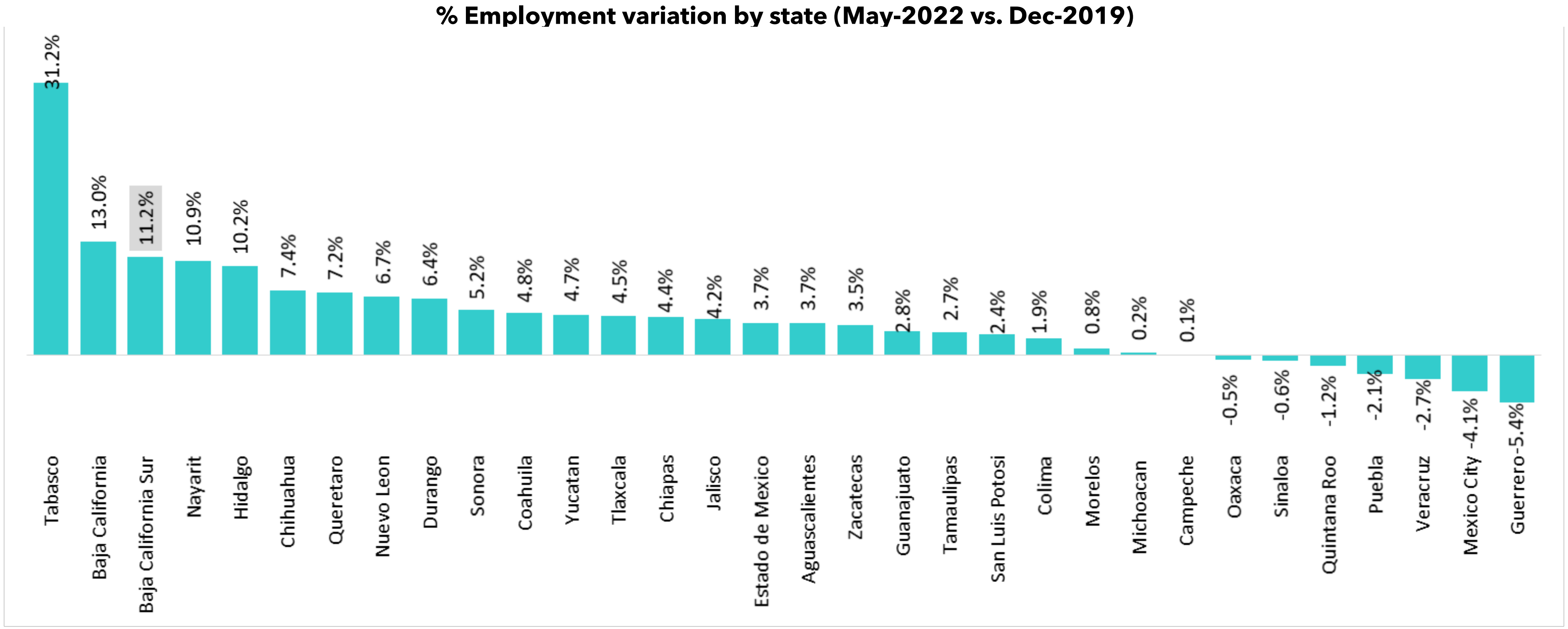
- In May-2022, there was a 3.1% increase in jobs compared to those recorded in May-2019.
- As of May 31, 2022, IMSS had registered 21,008,487 jobs in the country, which is 2.9% more than those reported in Dec-2019.

- There are 9.0% more jobs in May-2022 than May-2019.
- Baja California Sur closed May-2022 with 204,126 jobs, 11.2% more than in Dec-2019.

- In the case of Quintana Roo, in May-2022 there were 1.3% fewer jobs than those recorded in May-2019.
- May-2022 closed with 457,405 jobs, 1.2% less than in Dec-2019.

SOURCE: IMSS

Effects on employment in Mexico

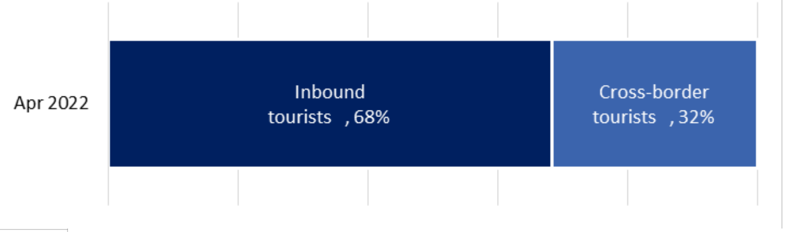


- Baja California Sur ended May-2022 with 11.2% more jobs than at the end of Dec-2019. Quintana Roo is down 1.2% from 2019.

SOURCE: IMSS

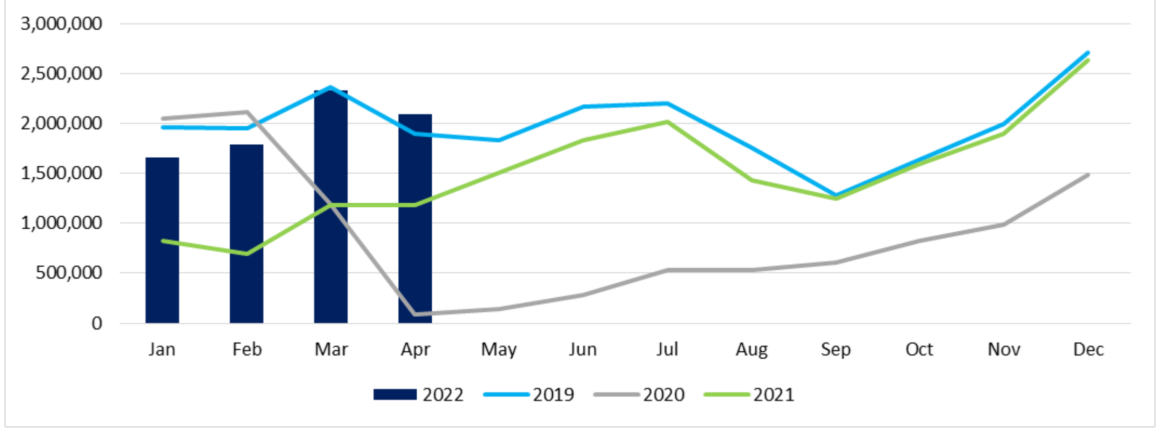
International tourist arrivals in Mexico

International tourists who entered the country



Apr 2022	Apr 2019	VAR
3,067,800	3,621,537	-15.3%

Inbound tourists

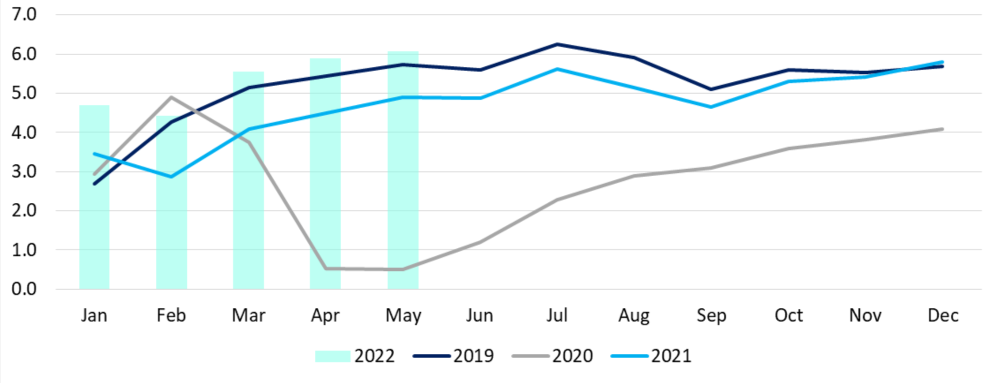


- In Apr-2022, 3.07 million international tourists arrived in the country (15.3% fewer than in Apr-2019). 68% were inbound tourists.
- 10.3% more inbound tourists vs Apr-2019 (86% by air, 14% by land). The average spending of those arriving by air was USD 1,142 (11% more than the average spending in Apr-2019).

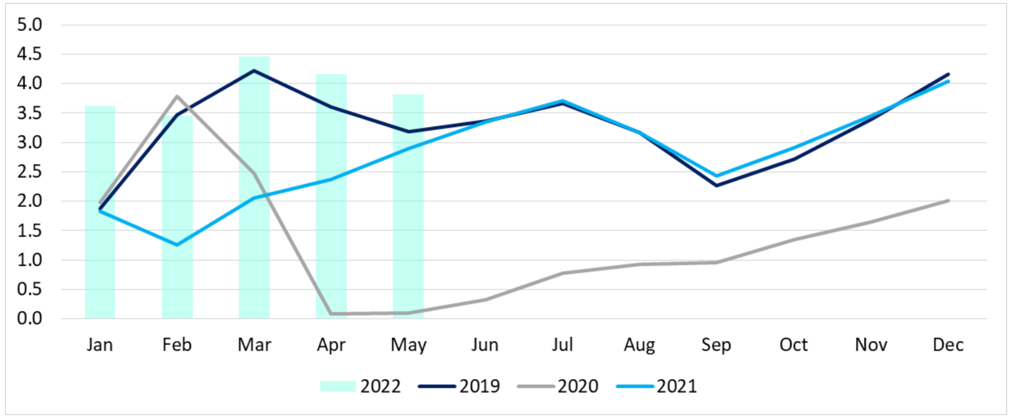
SOURCE: INTERNATIONAL TOURIST SURVEYS. INEGI

Air traffic in Mexico Airport groups

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



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

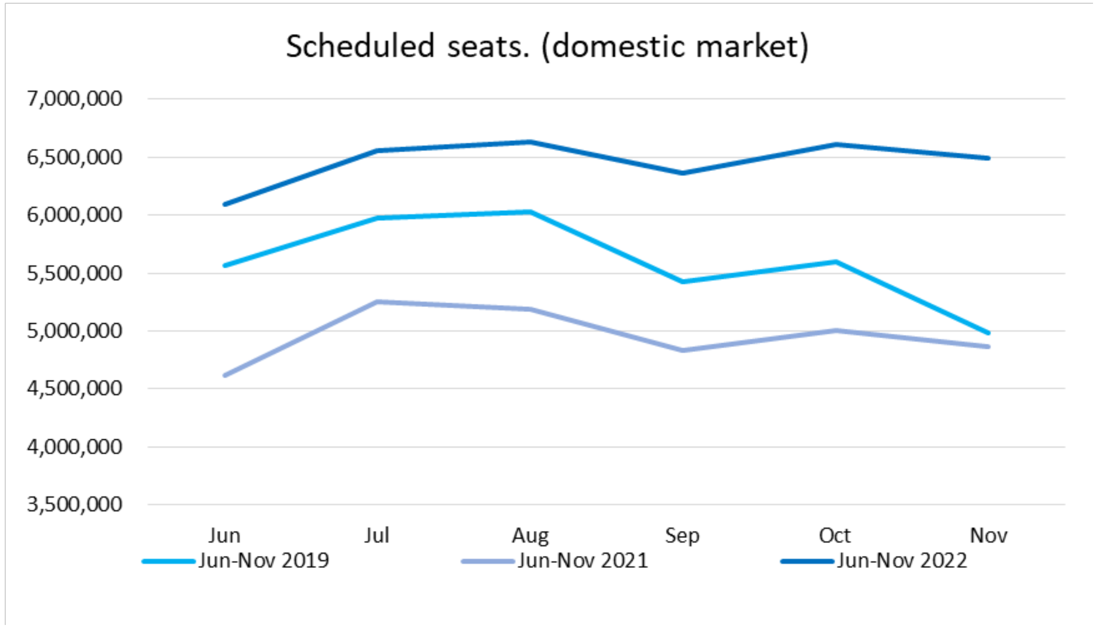


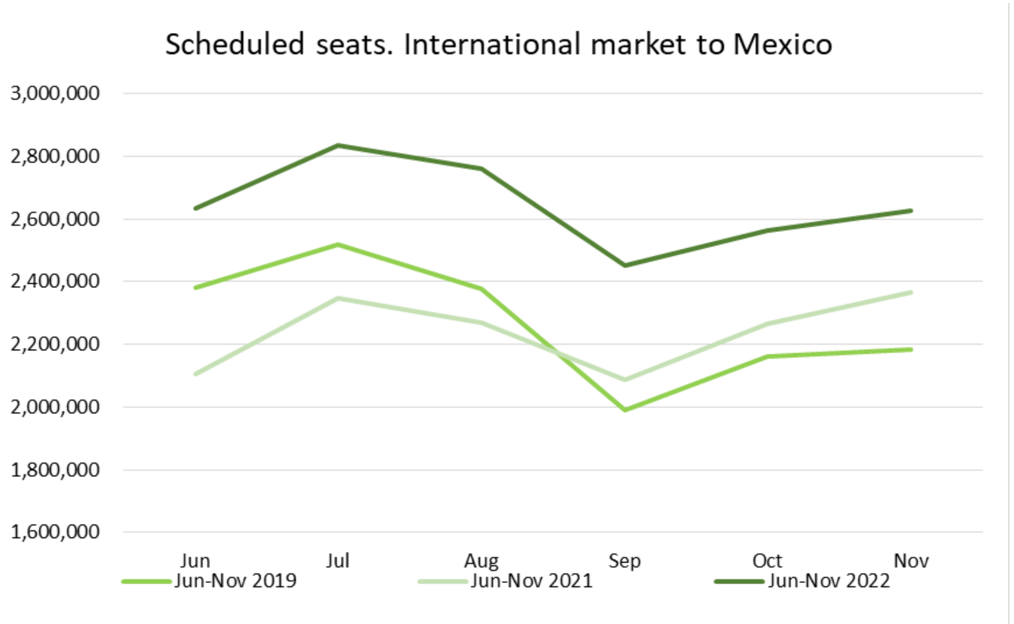
- Passenger traffic in domestic operations during May-2022 was 6% higher than May-2019 (6.1 million passengers).
- In international operations, the increase was 20% compared to May-2019 (3.82 million passengers).

SOURCES: ASUR, OMA, GAP

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

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



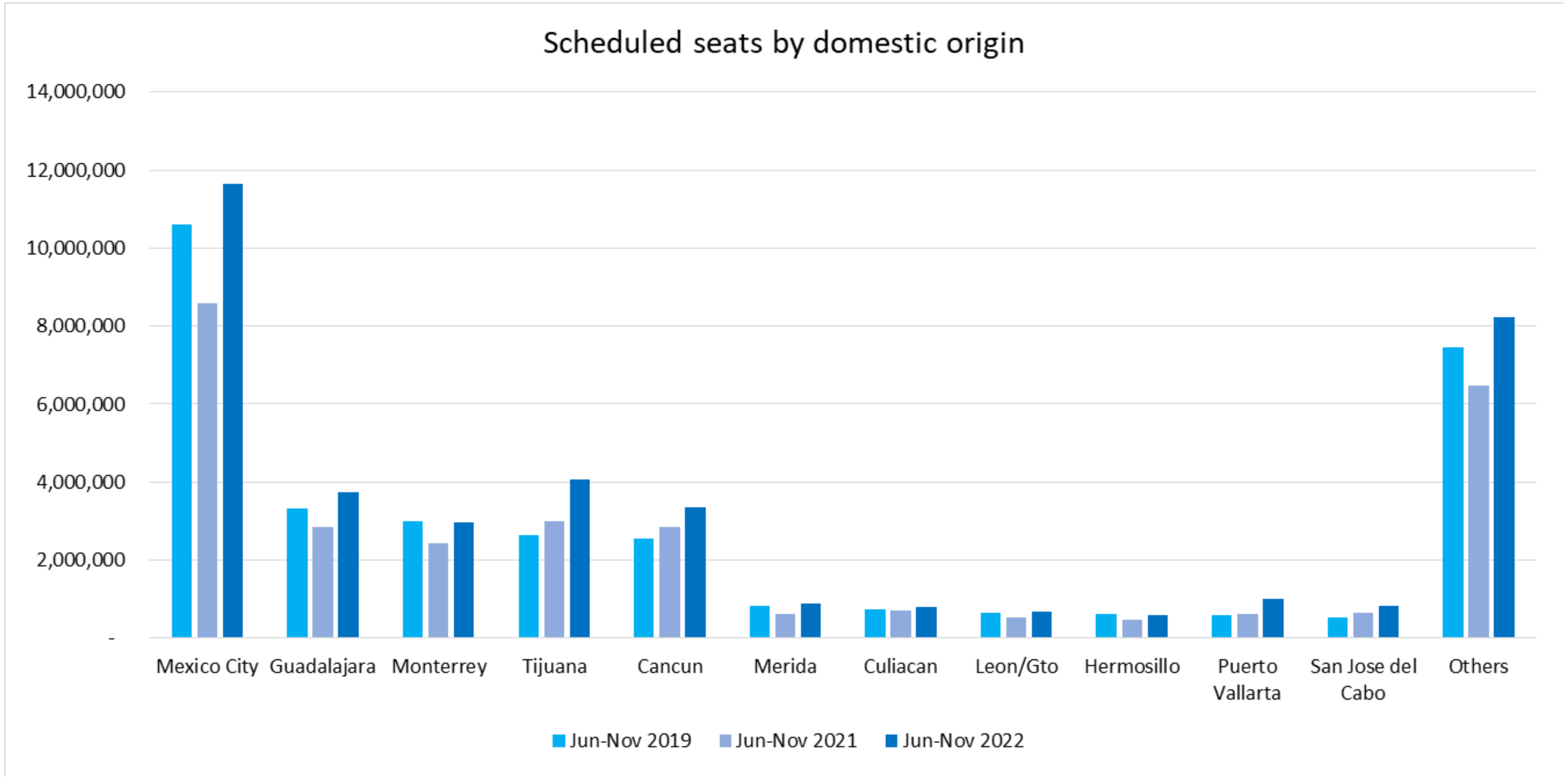


- The supply of domestic and international seats planned for the next months is higher than that of the same period in 2019 and 2021.
- That's 38.8 million domestic seats, 15.4% more than Jun-Nov 2019.
- The supply of domestic seats is expected to increase significantly in Nov-2022 (30.3% more).

- 15.9 million international seats are planned for the next six months, 16.5% more than Jun-Nov 2019.
- The largest seat offering is expected for Jul-Aug 2022, 12.5% and 16.1% more respectively (vs. Jul-Aug 2019).

SOURCE: OAG
Scheduled seats as of the last week of May 2019, 2021 and 2022, respectively.

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



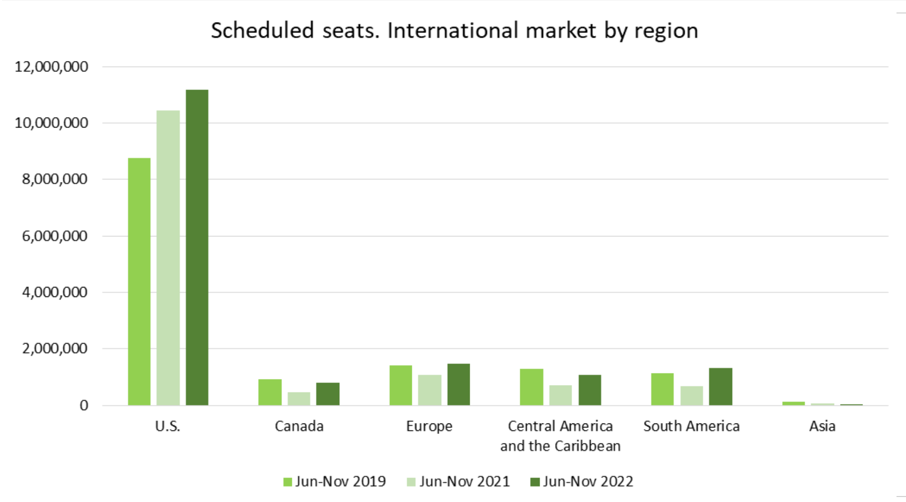
Domestic
Jun-Nov 2022 vs Jun-Nov 2019

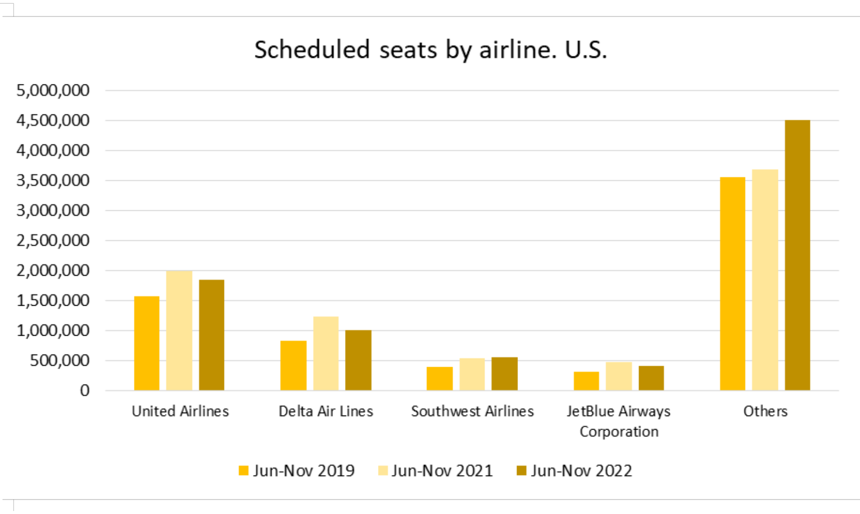
- CDMX: 11.65 million
  +9.9%
- Guadalajara: 3.73 million
  +12.4%
- Monterrey: 2.96 million
  -1.1%
- Tijuana: 4.06 million
  +53.1%
- Cancun: 3.34 million
  +30.5%
- Merida: 881,000
  +6.4%
- San Jose del Cabo: 834 thousand
  +53.6%

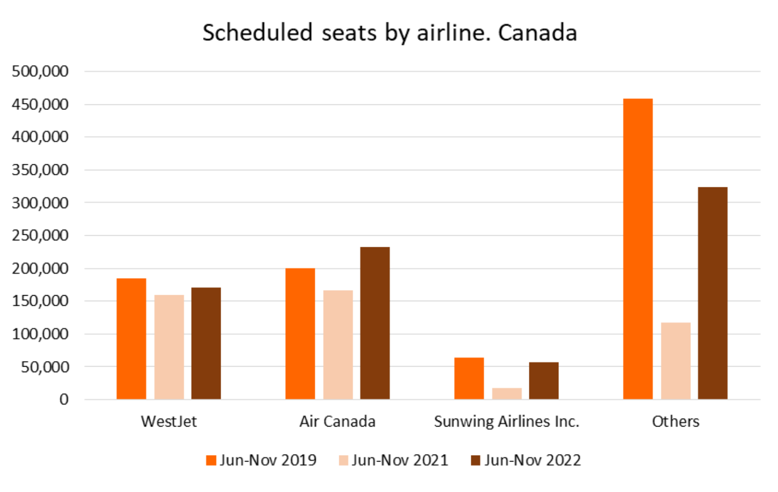
SOURCE: OAG
Scheduled seats as of the last week of May 2019, 2021 and 2022, respectively.

LOS CABOS

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







U.S.

- Accounts for 70.5% of the scheduled international seats from Jun-2022 to Nov-2022 (64.3% in the same period of 2019).
- 11.19 million seats for the next six months (+27.9% compared to the period from Jun-2019 to Nov-2019).

%VAR of scheduled seats

- Houston: 1.6 million
  +36.1%
- Dallas: 1.5 million
  +41.0%
- Los Angeles: 1.3 million
  +6.6%
- Chicago: 831,000
  +26.0%
- New York: 685 thousand
  +0.01%

Canada

- Accounts for 4.9% of the scheduled international seats from Jun-Nov 2022 (6.7% in the same period of 2019).
- 784 thousand seats from Jun-Nov 2022 (-13.6% compared to the same period of 2019).

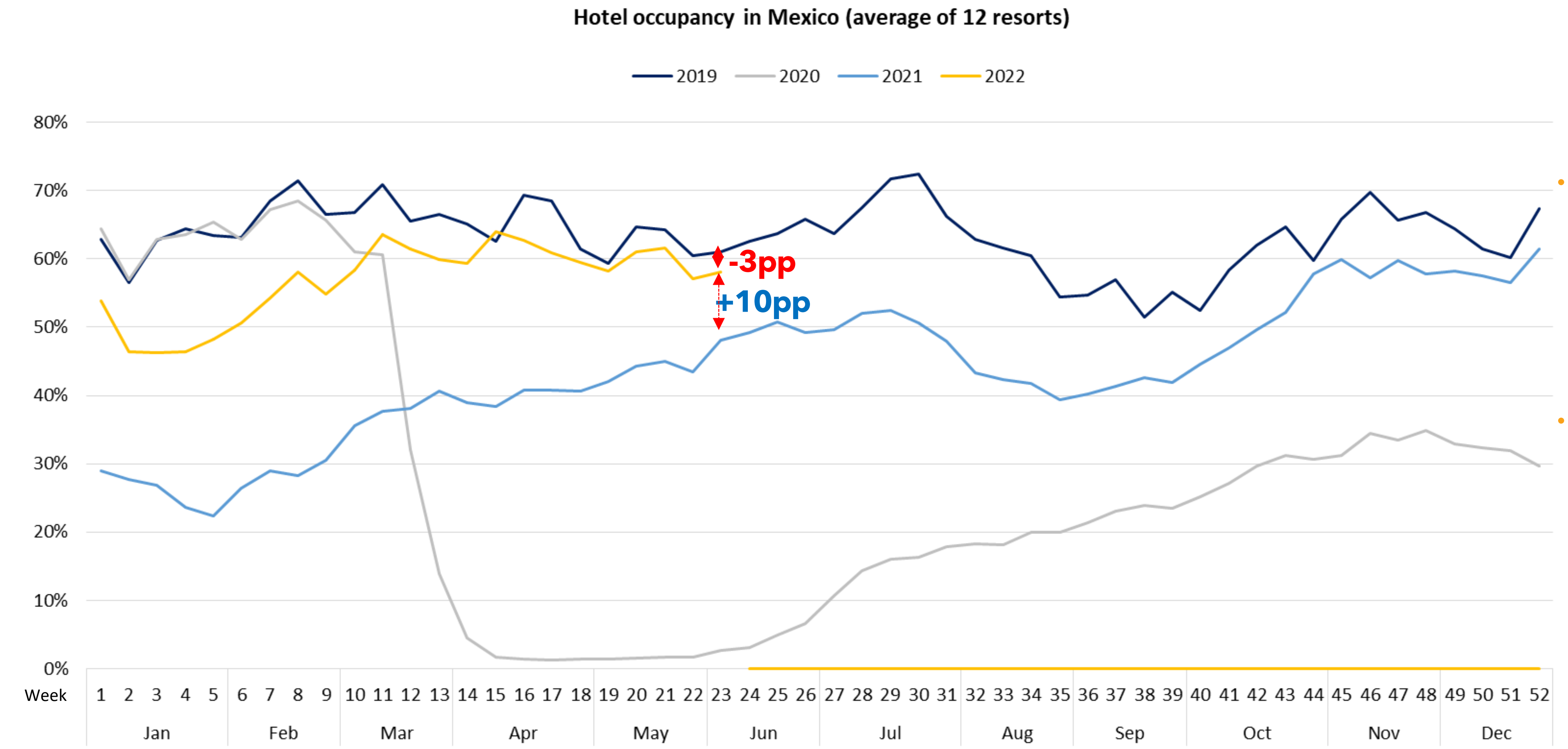
%VAR of scheduled seats

- Toronto: 304,000
  -10.8%
- Montreal: 183 thousand
  -16.9%
- Vancouver: 173,000
  -14.0%
- Calgary: 83 thousand
  -19.1%

SOURCE: OAG

Scheduled seats as of the last week of May 2019, 2021 and 2022, respectively.

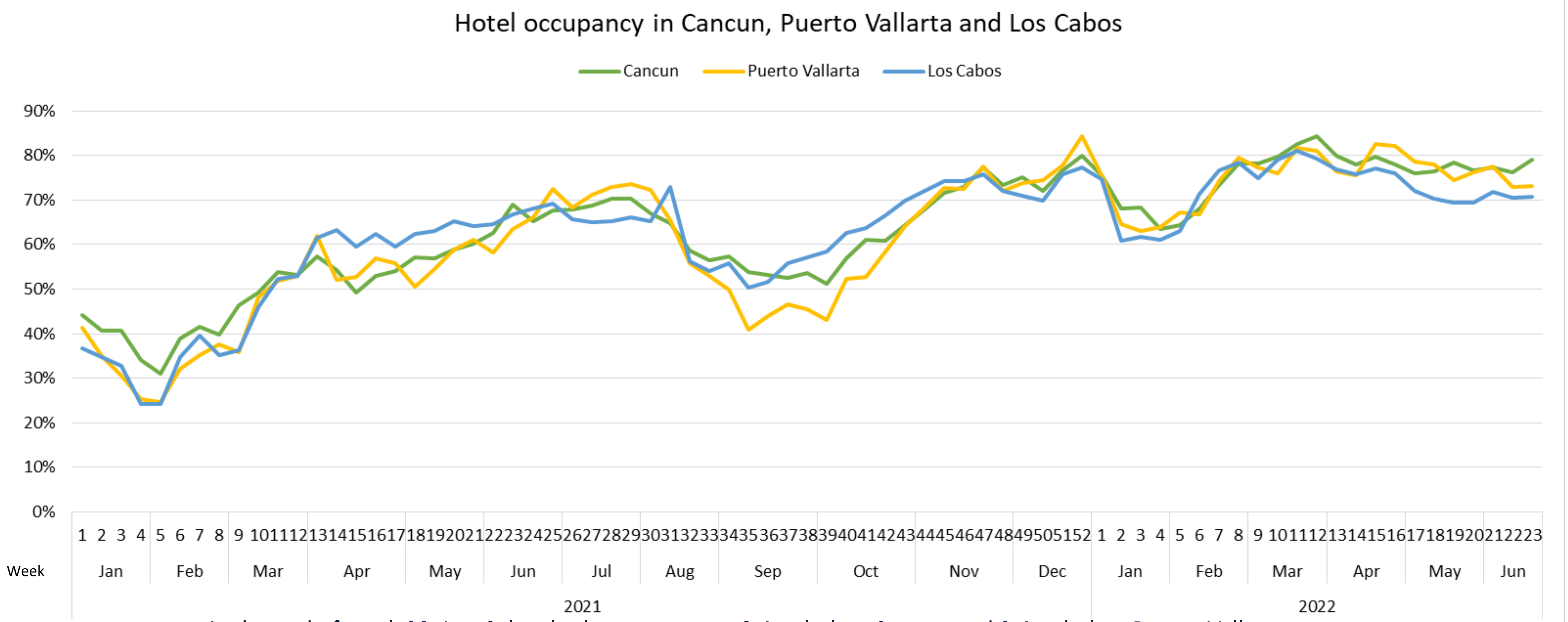
Hotel indicators in Mexico



- At the end of week 23, occupancy was 58.1%, 3pp below the same week in 2019 and 10pp above the rate recorded in the same week of 2021.
- Starting in week 6, average occupancy has stayed above 50%.

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 end of week 23, Los Cabos had an occupancy 8.4pp below Cancun and 2.4pp below Puerto Vallarta:
  - Los Cabos: **70.7%**
  - Cancun: **79.1%**
  - Puerto Vallarta: **73.1%**

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). Excludes whether remuneration is received or not for the activities performed in the place visited
- **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.
- **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.
- **Resident**. Individual who lives permanently or on a long-term basis in the territory of the United Mexican States.
- **Residence**. The place/country where the traveler has stayed most of the past year (12 months), or has stayed for a shorter period and plans to return within 12 months to live in that country.
- **Average daily rate.** Commonly known as ADR. It is a statistical unit that represents the average rental income per paid occupied room in a given period. Along with the occupation of the property, both are the basis of the property's financial performance. ADR is calculated dividing room revenue by the number of rooms sold. Houseguest rooms (also known as "house use") and free rooms (known as "complementary rooms") should be excluded from the denominator.
- **Tourist.** Any individual who travels outside their usual environment for less than 12 months for any reason, except those who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, or travel employees.
- **Visitor**. Any individual who travels outside their usual environment for less than 12 months for leisure, business, religious, medical, or other reasons. Exceptions include people who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, tourism employees, or people looking for a new residence or job.

LOS CABOS TOURISM OBSERVATORY