LOS CABOS

LOS CABOS TOURISM OBSERVATORY

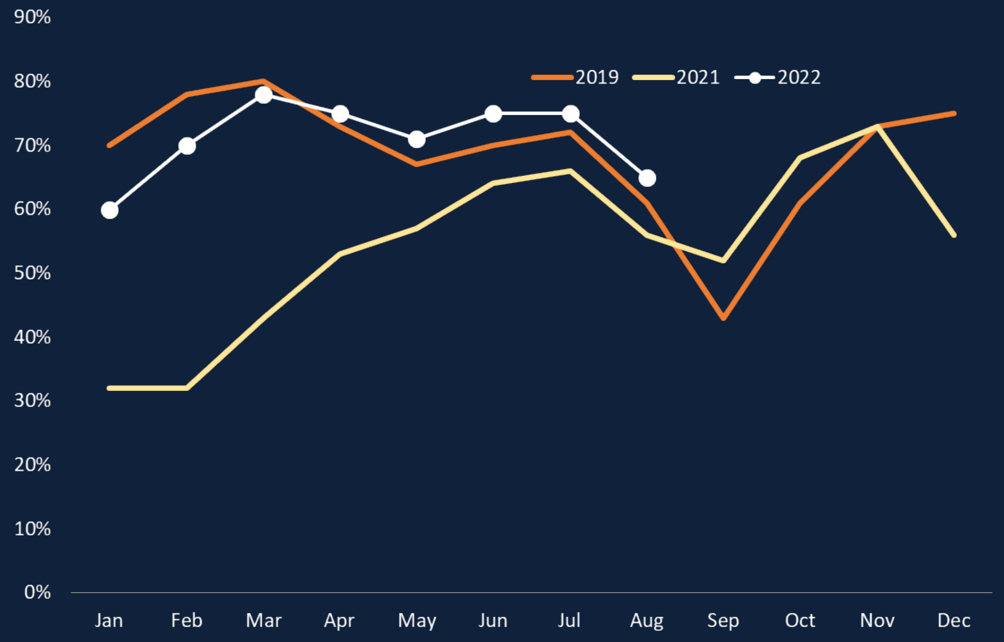
KEY PERFORMANCE INDICATORS

SEPTEMBER 2022

Key indicators – Summary (Aug-2022)

Hotel Performance

Hotel Occupancy:



Hotel Occupancy (Aug-2022):
65%
+4pp
(vs. Aug-2019)

SOURCE: AHLC

Average Rate (Aug-2022):
$399 usd
+51%
(vs. Aug-2019)

SOURCE: AHLC

RevPAR (Aug-2022):
$259 usd
+59.9%
(vs. Aug-2019)

SOURCE: AHLC

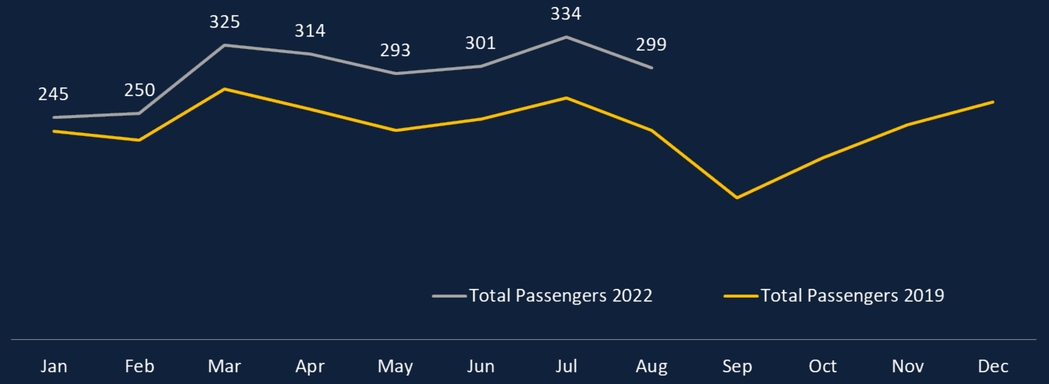
Air Passenger Arrivals

Total Passengers (Aug-2022, in thousands):
299.25
+29.6%
(vs. Aug-2019)

Domestic Passengers (Aug-2022, in thousands):
130.1
+29.3%
(vs. Aug-2019)

International Passengers (Aug-2022, in thousands):
169.15
+29.9%
(vs. Aug-2019)

SOURCE: GAP



Tourist Satisfaction: More than expected (Aug-2022):
63%
+29pp
(vs. Aug-2019)

SOURCE: TOURIST SURVEYS

Satisfaction regarding safety (Aug-2022):
2.5% bottom two
-9.5pp
(vs. Aug-2019)

SOURCE: TOURIST SURVEYS

Airport Satisfaction (Aug-2022):
4.9% bottom two
-2.1 pp
(vs. Aug-2019)

SOURCE: TOURIST SURVEYS

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

LOS CABOS

Key indicators – Summary (Aug-2022)

PASSENGER ARRIVALS

- In Aug-2022, SJD Airport recorded a 29.6% (+68.4 thousand) increase in the total number of passengers arriving at the destination compared to 2019, adding up to a total of 299.25 thousand (when considering arrivals only).
  - Passengers on domestic flights (130.1 thousand) represent 43.5% of total arrivals. These increased by 29.3% (+29.5 thousand vs. Aug-2019).
  - Passengers on international flights 169.15 thousand) represent 56.5% of total arrivals. These increased by 29.9% (+38.9 thousand vs. Aug-2019).

FLIGHT SCHEDULES

- The domestic market has 71.9% more available seats scheduled for the period from Sept 2022-Feb 2023 (compared to the same period in 2019). In Sep-2022, 73.9% more is expected.
  - Mexico City, Guadalajara, and Tijuana are the most relevant issuing markets, with 46%, 20%, and 17% of total available seats, respectively (for the next 6 months). Followed by Monterrey (8%), Culiacan (7%), Leon (1%) and Hermosillo (1%).
- There are 1.22 million seats scheduled for the U.S. in the next 6 months, that is 37.5% more than the same period in 2019.
  - LAX (+43%), PHX (+77.5%), HOU (+17%), DFW (20.3%), and DEN (+64.2%) had the most significant increase vs. 2019. However, San Diego showed a decrease of 46.2%.
- For Sep-2022, the United States expects 62.9% more available seats than those scheduled for 2019.
- For Canada, 10.3% more seats are expected in the next 6 months. In Sep-2022, the increase was 6%.
  - Within the next 6 months, Calgary falls 1.1% while Vancouver grows by 59.1%, Edmonton by 57.7% and Toronto by 5.9% compared to 2019.

HOTEL PERFORMANCE

- In Aug-2022, occupancy was 65%, an increase of 4 pp compared to 2019.
  - Occupancy in Cabo San Lucas increased by 3pp compared to 2019 and is now at 69%.
  - San Jose del Cabo recorded an occupancy rate of 65% (same level as 2019).
  - The Los Cabos Corridor recorded an occupancy rate of 53% (a 7pp increase compared to 2019).
- The average rate at Los Cabos hotels in Aug-2022 was USD 399; USD 134 more than that of 2019 (+51%).
- The RevPAR in Aug-2022 was USD 259; that is, USD 97 (+59.9%) higher than that of 2019.

TOURIST SURVEYS

- In Aug-2022, 63% of tourists rated their experience in Los Cabos as better than expected (29pp more than in 2019).
- During Aug-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 2.1pp compared to 2019 (4.9% of tourists perceived their experience as ‘regular’ or ‘bad’).
- The number of repeat tourists increased by 6 pp compared to 2019, reaching 44% in Aug-2022.
- 30% of tourists traveled with a package tour, down -24pp compared to 2019.
- The number of tourists who visited restaurants increased by 12pp this month, recording 79%.

GROUP BUSINESS

- 25 more RFPs for meeting events were received in Aug-2022 compared to 2019, totaling 50.

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

LOS CABOS

LOS CABOS

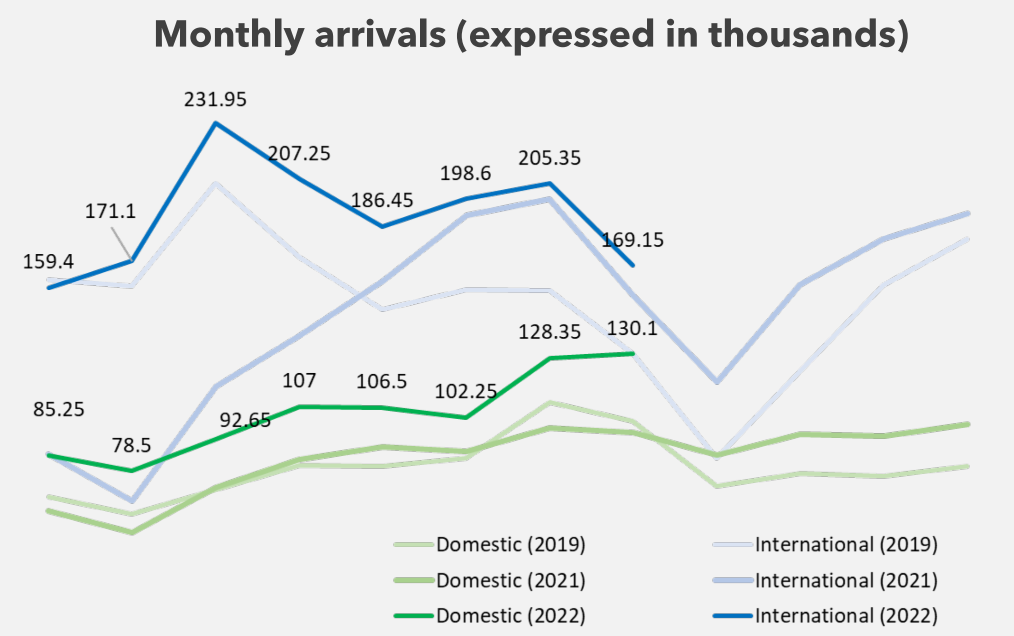
LOS CABOS TOURISM OBSERVATORY

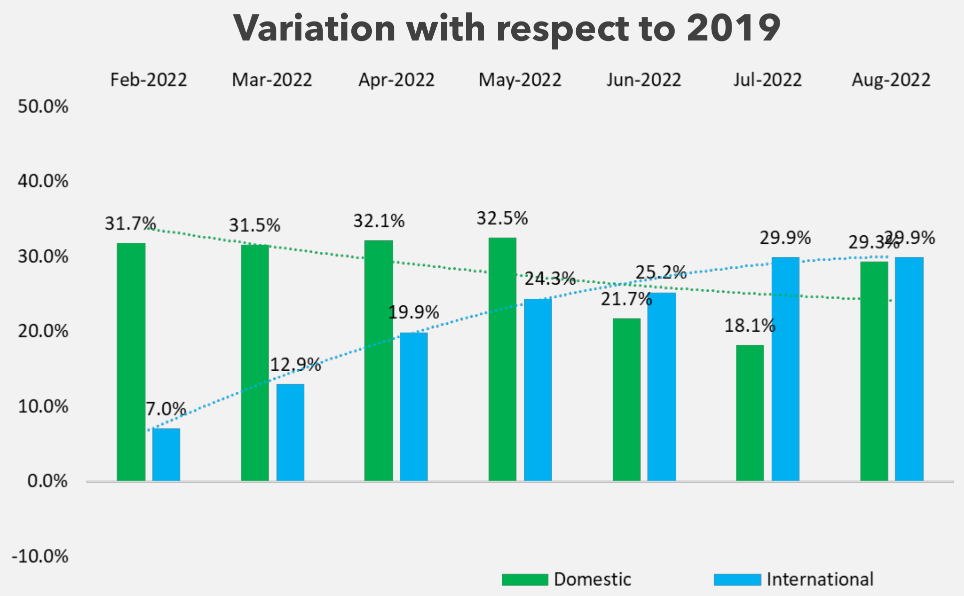
PASSENGER ARRIVALS

Passenger arrivals at Los Cabos International Airport, 2019-2022

- **In May-2022, 299.25 thousand passengers arrived at Los Cabos Airport, which represents a 29.6% increase compared to the same period in 2019.**
  - **It represents an average growth rate of 1.5% over the last 12 months.**
  - **Passengers on domestic flights (130.1 thousand) represent 43.5% of total arrivals and increased by 29.3% compared to Aug-2019.**
    - **TMAC of 2.6% between Jul-2021 and 2022.**
  - **Passengers on international flights (169.15 thousand) represent 56.5% of total arrivals and increased 29.9%.**
    - **TMAC of 0.7% between Aug-2021 and 2022.**

SOURCE: GAP





LOS CABOS

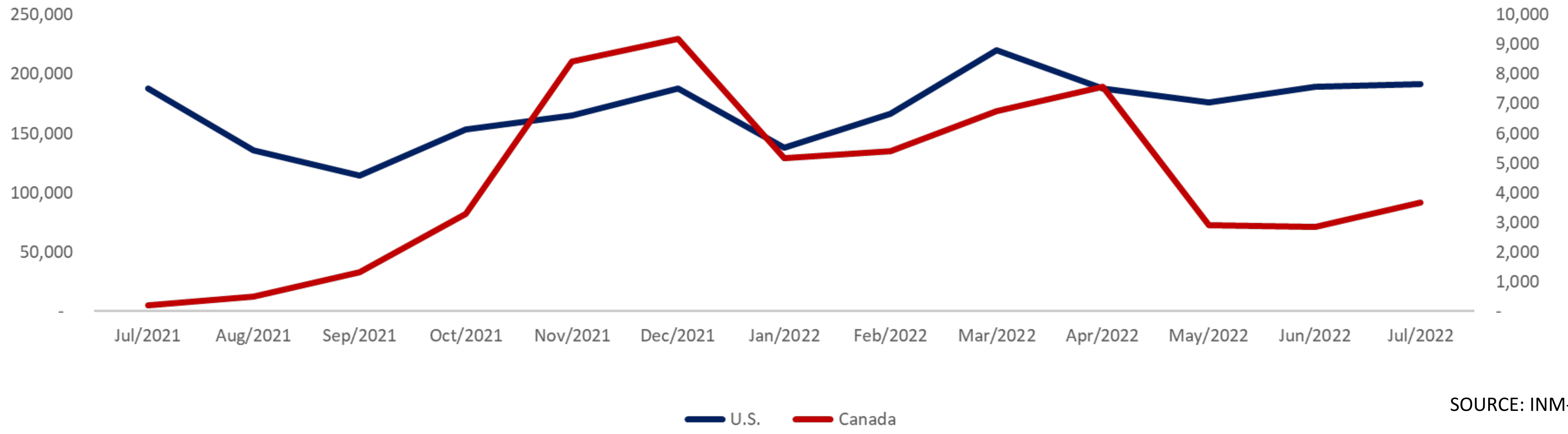
LOS CABOS TOURISM OBSERVATORY

PASSENGER ARRIVALS
By nationality

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

Regions	Jul/2021	Aug/2021	Sep/2021	Oct/2021	Nov/2021	Dec/2021	Jan/2022	Feb/2022	Mar/2022	Apr/2022	May/2022	Jun/2022	Jul/2022	Δ Jul-22 / Jul-19	Δ Jan-Jul 22 / Jan-Jul-19
U.S.	188,099	135,769	114,095	153,027	165,218	187,942	137,967	166,842	220,094	187,961	176,380	189,451	191,412	34.7%	27.9%
Canada	211	480	1,316	3,280	8,420	9,190	5,176	5,388	6,760	7,578	2,888	2,838	3,651	-16.5%	-66.6%
Europe	136	98	62	94	299	431	255	189	173	482	211	183	878	-2.1%	-64.5%
Caribbean, Central & South America	138	138	107	130	116	155	82	76	90	115	75	88	202	-15.5%	-52.7%
Rest of the world	163	169	108	187	352	337	150	150	170	365	218	284	782	-8.2%	-67.5%
Grand total	188,747	136,654	115,688	156,718	174,405	198,055	143,630	172,645	227,287	196,501	179,772	192,844	196,925	32.6%	18.2%

Key markets	Jul/2021	Aug/2021	Sep/2021	Oct/2021	Nov/2021	Dec/2021	Jan/2022	Feb/2022	Mar/2022	Apr/2022	May/2022	Jun/2022	Jul/2022	Δ Jul-22 / Jul-19	Δ Jan-Jul 22 / Jan-Jul-19
United Kingdom	50	48	7	27	81	146	98	66	60	228	97	84	121	-34.2%	-50.1%
Australia	18	21	15	19	41	44	35	43	25	140	86	97	141	-58.0%	-76.0%
South Korea	17	16	10	11	45	15	3	-	5	22	12	13	41	-52.9%	-87.2%
Key markets total	85	85	32	57	167	205	136	109	90	390	195	194	303	-50.1%	-69.4%



SOURCE: INM- SIOM

International tourist arrivals by air, by origin (residence)

+32.6%

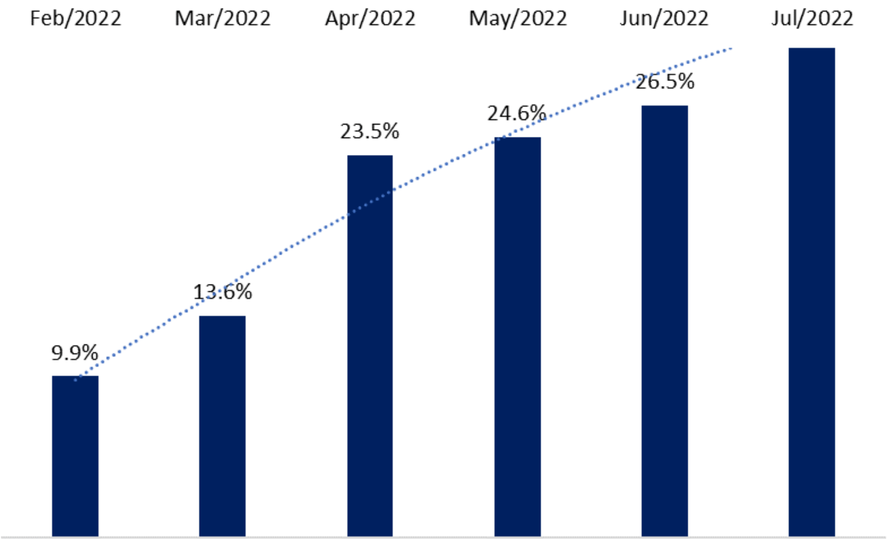
Jul-2022 vs Jul-2019

In Jul-2022, San Jose del Cabo International Airport recorded the arrival of 196,925 international tourists by air. This meant a 32.6% increase compared to 2019.

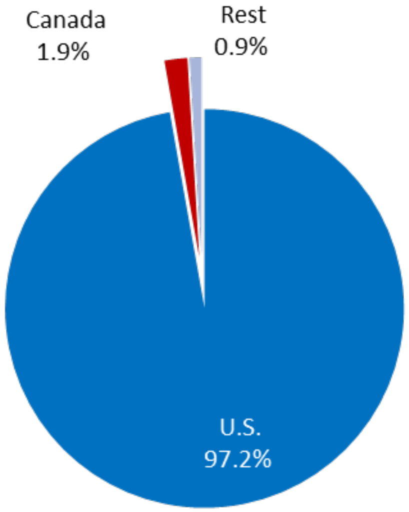
However, this was driven by growth in inbound American tourists (+34.7 vs 2019). All other regions still show decreases.

American tourists represent 97.2% of the total.

Annual variation of international tourist arrivals by air to San Jose del Cabo Airport (Feb–Jul 2022 versus 2019)



Share of international tourist arrivals by air to San Jose del Cabo International Airport (Jul-2022)

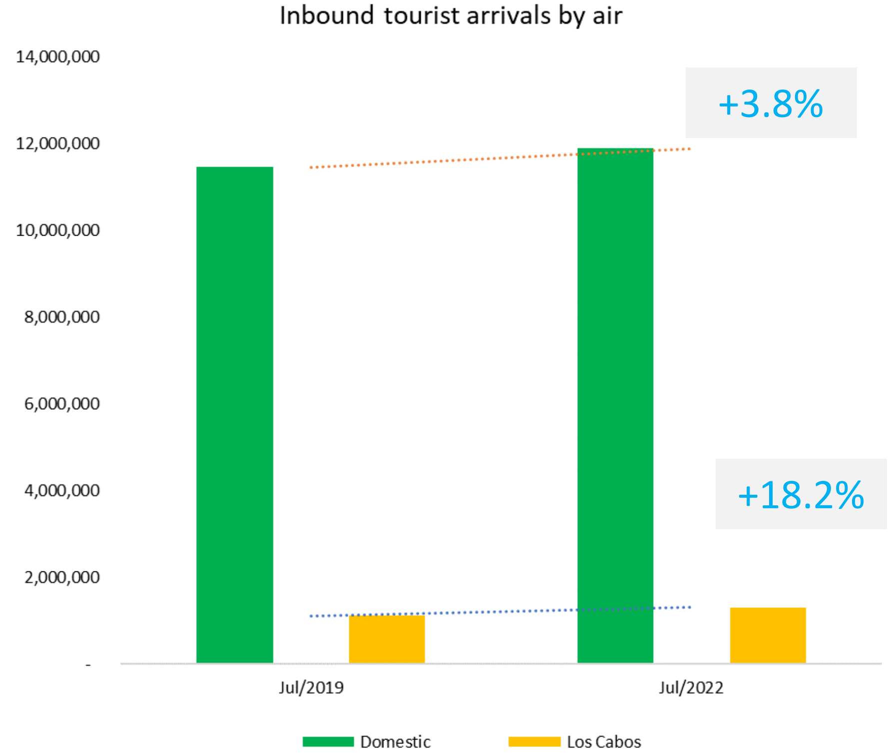


SOURCE: INM- SIOM

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

Regions	Domestic			Los Cabos		
	Jul/2019	Jul/2022	Δ 2022/2019	Jul/2019	Jul/2022	Δ 2022/2019
United States	6,798,334	8,199,590	20.6%	993,051	1,270,107	27.9%
Canada	1,521,866	883,233	-42.0%	102,514	34,279	-66.6%
Europe	1,139,109	1,097,853	-3.6%	6,673	2,371	-64.5%
Caribbean, Central & South Amer	1,558,759	1,405,978	-9.8%	1,539	728	-52.7%
Rest of the world	433,364	303,090	-30.1%	6,513	2,119	-67.5%
Grand total	**11,451,432**	**11,889,744**	**3.8%**	**1,110,290**	**1,309,604**	**18.2%**

Key Markets	Domestic			Los Cabos		
	Jul/2019	Jul/2022	Δ 2022/2019	Jul/2019	Jul/2022	Δ 2022/2019
United Kingdom	327,500	310,421	-5.2%	1,512	754	-50.1%
Australia	38,373	12,182	-68.3%	2,362	567	-76.0%
South Korea	51,798	13,856	-73.2%	752	96	-87.2%
Key markets total	**417,671**	**336,459**	**-19.4%**	**4,626**	**1,417**	**-69.4%**



When comparing the accrual Jan-Jul 2022 to 2019, tourist arrivals by air increased 3.8% nationwide and 18.2% in Los Cabos.

- On a domestic level, the U.S. travel market increased by 20.6%, whereas the Canadian travel market decreased by 42%.
- In Los Cabos International Airport, the U.S. travel market grew by 27.9%, while the Canadian travel market decreased by 66.6% when comparing both periods.

SOURCE: INM- SIOM

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

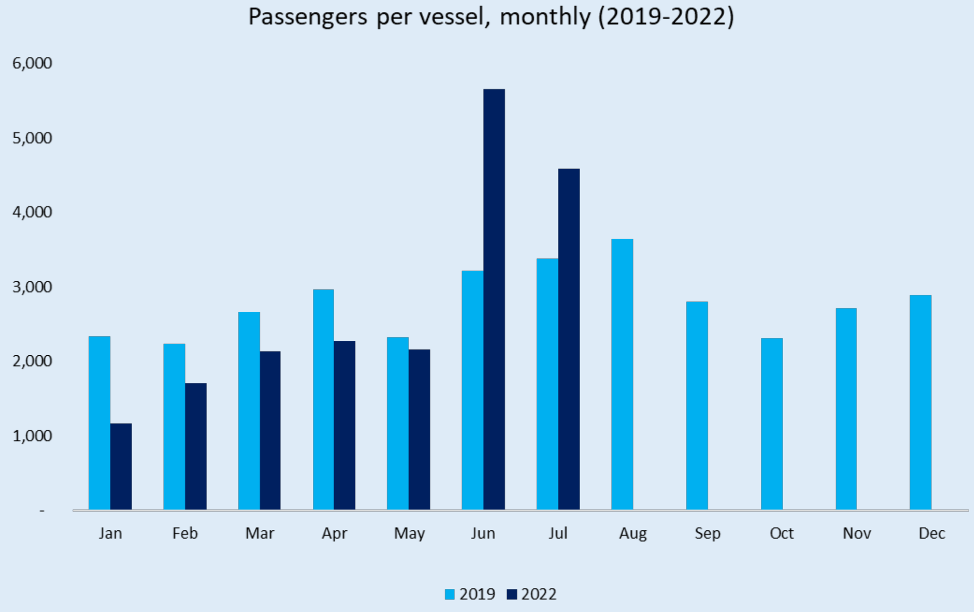
YACHT AND CRUISE SHIP ACTIVITY

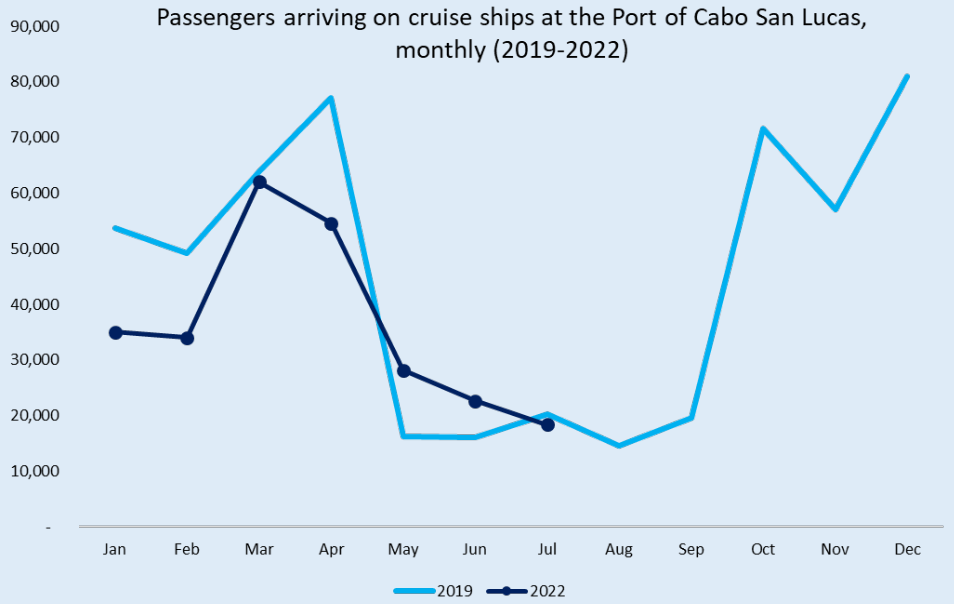
Cruise activity (Jul-2022)

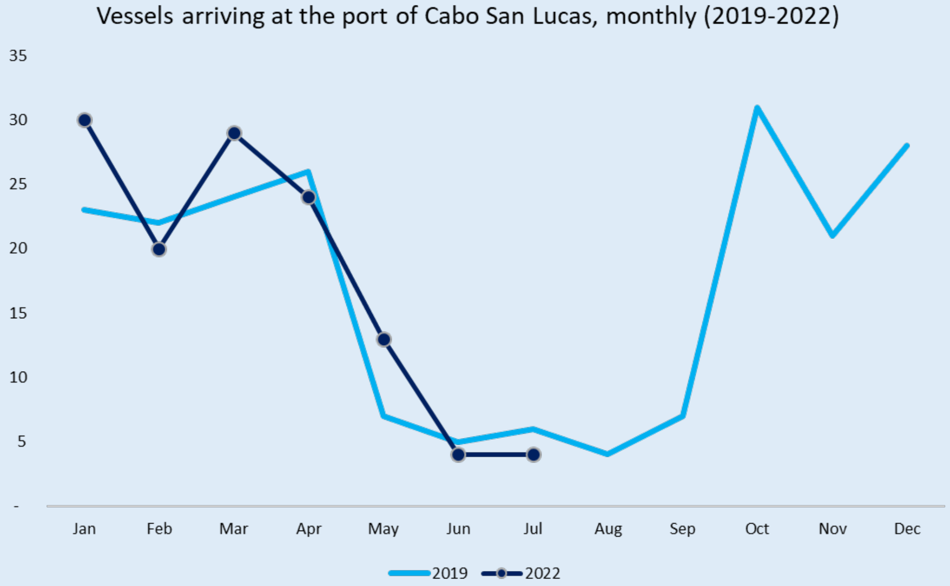
Cruise operations continued to improve significantly in Jul-2022, with 4vessels arriving at the port of Cabo San Lucas, carrying a total of 18,375 passengers. **However, when compared to Jul-2019 they translate into a decrease of 9.6%.**

This month, there are 4,594 passengers per vessel, the highest proportion so far in 2022, 35.9% more than in 2019.

SOURCE: DATATUR-SCT





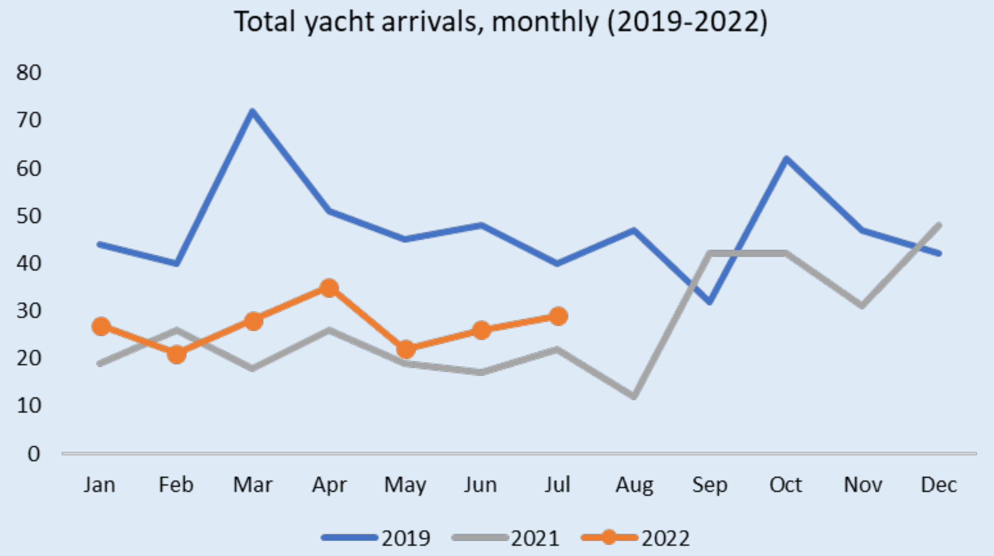


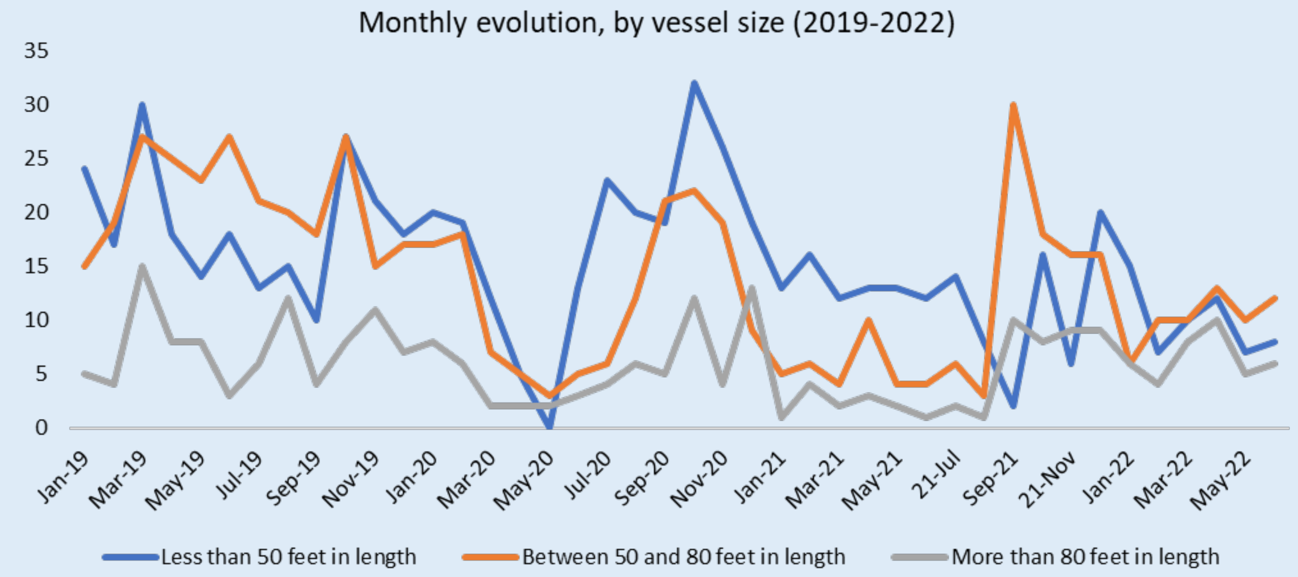
LOS CABOS

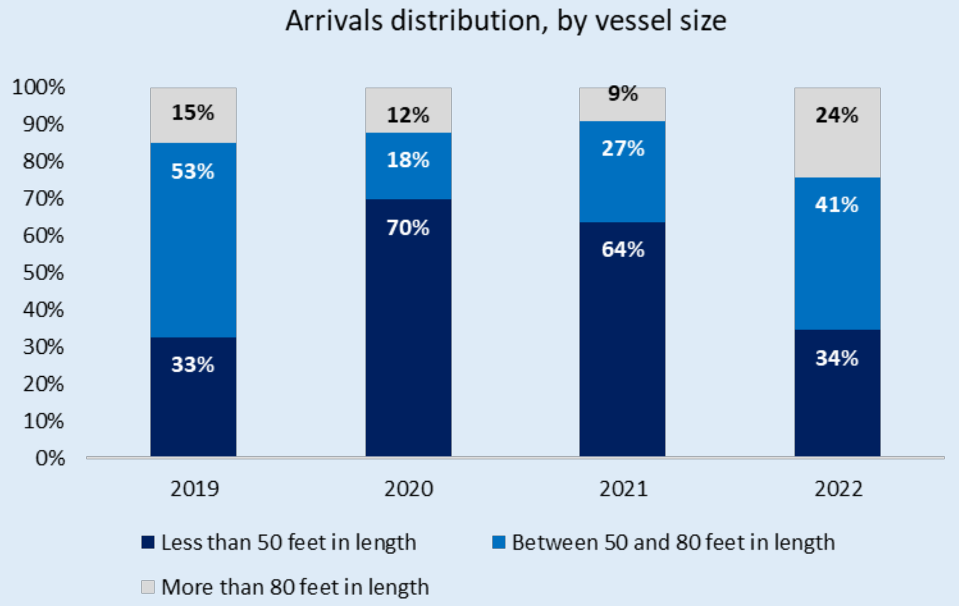
Yacht arrivals at the Port of Cabo San Lucas (Jul-2022)

- **29 yachts arrived at the Port of Cabo San Lucas in Jul-2022. This represents a decrease of 27.5% compared to the same period in 2019.**
  - **76% of these were small or medium-sized vessels shorter than 80 feet.**

SOURCE: API Cabo San Lucas







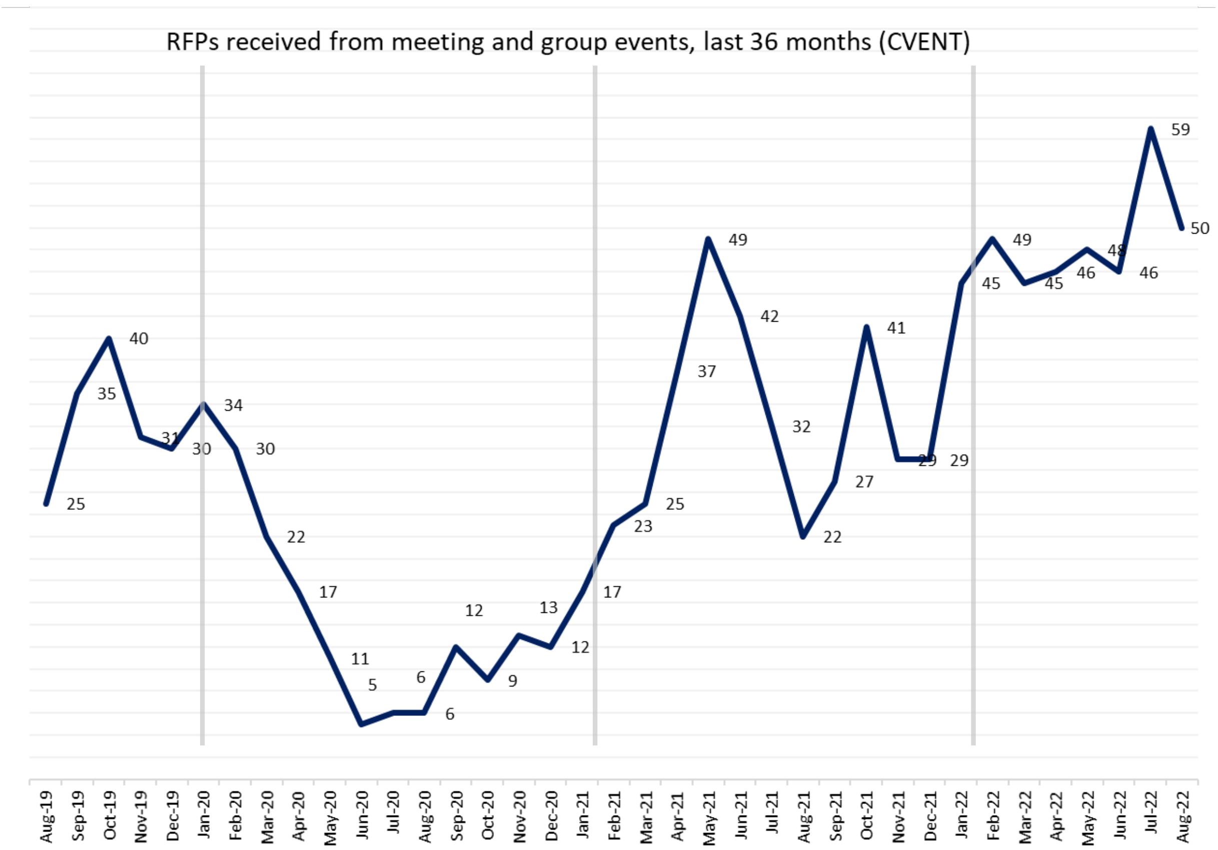
LOS CABOS

LOS CABOS

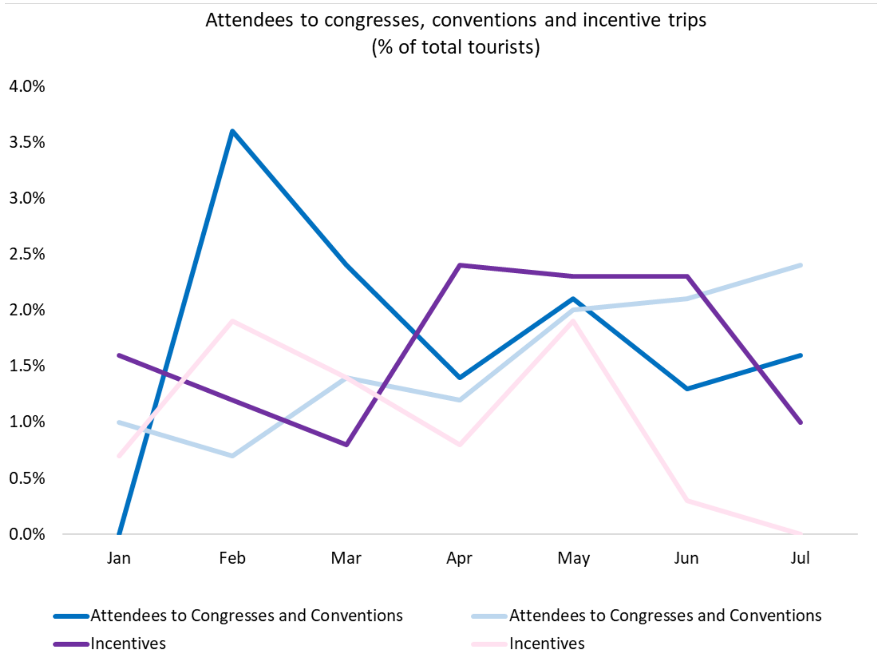
LOS CABOS TOURISM OBSERVATORY

TOURIST & GROUP BUSINESS SURVEYS

Group Business

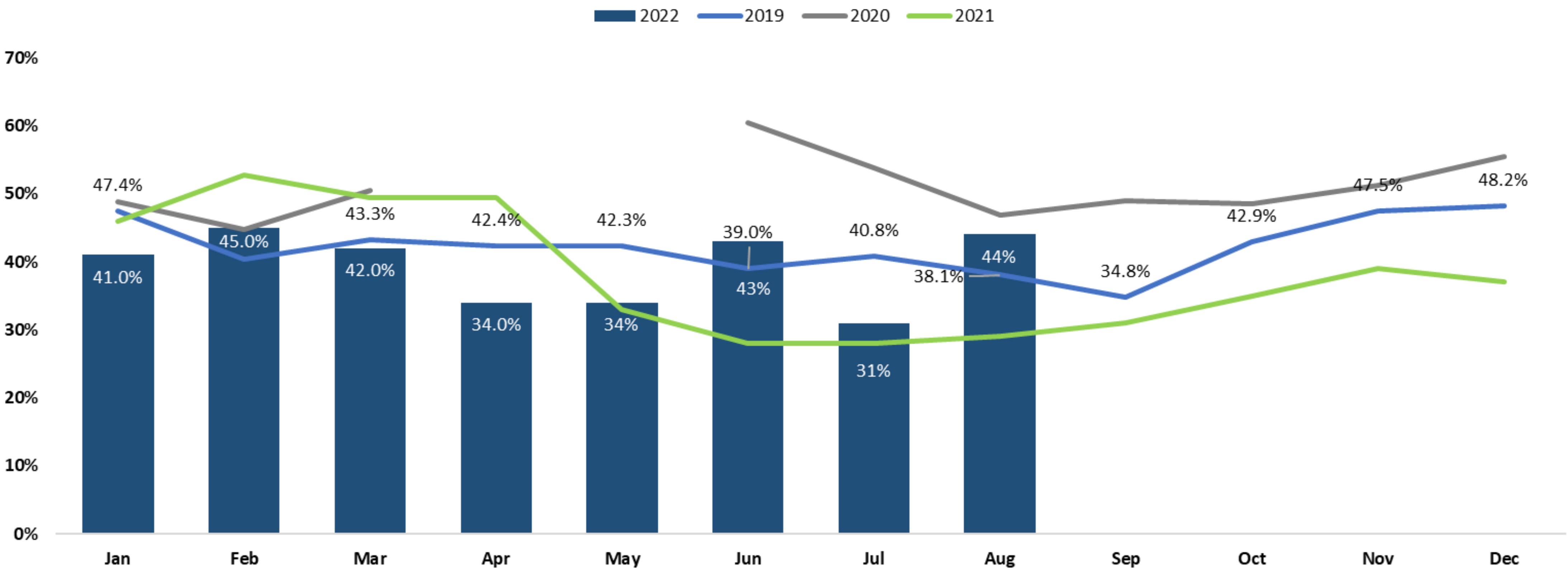


SOURCE: CVENT



SOURCE: Tourist Surveys

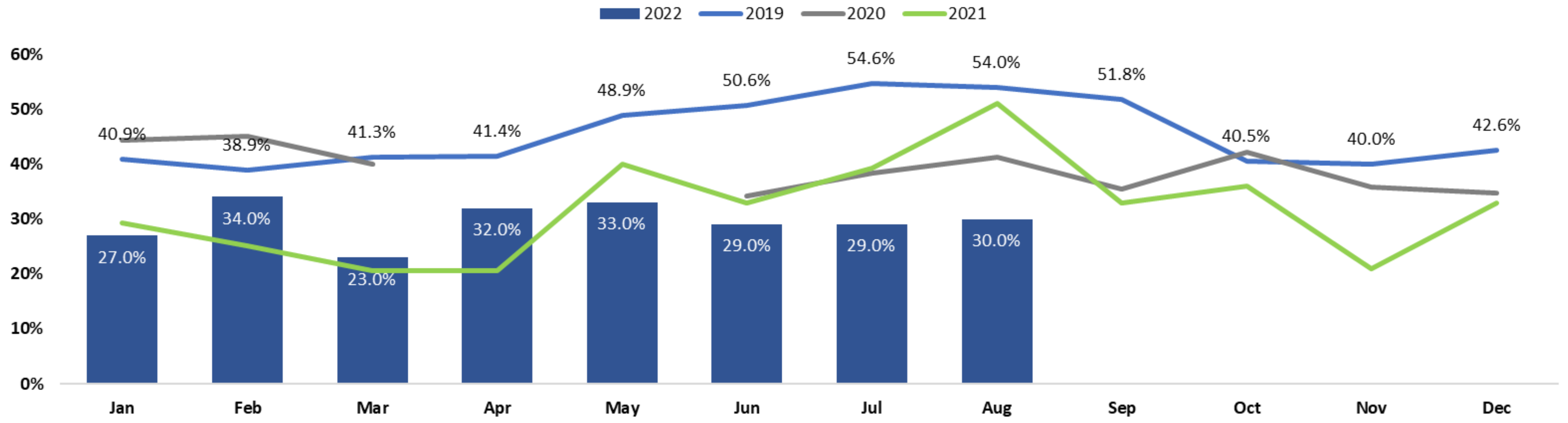
Return rate to the destination



- By Jul-2022, 31% of tourists had already visited the destination. This ratio is down 9.8pp compared to Jul-2019 and 3pp higher than in Jul-2021.

SOURCE: TOURIST SURVEYS

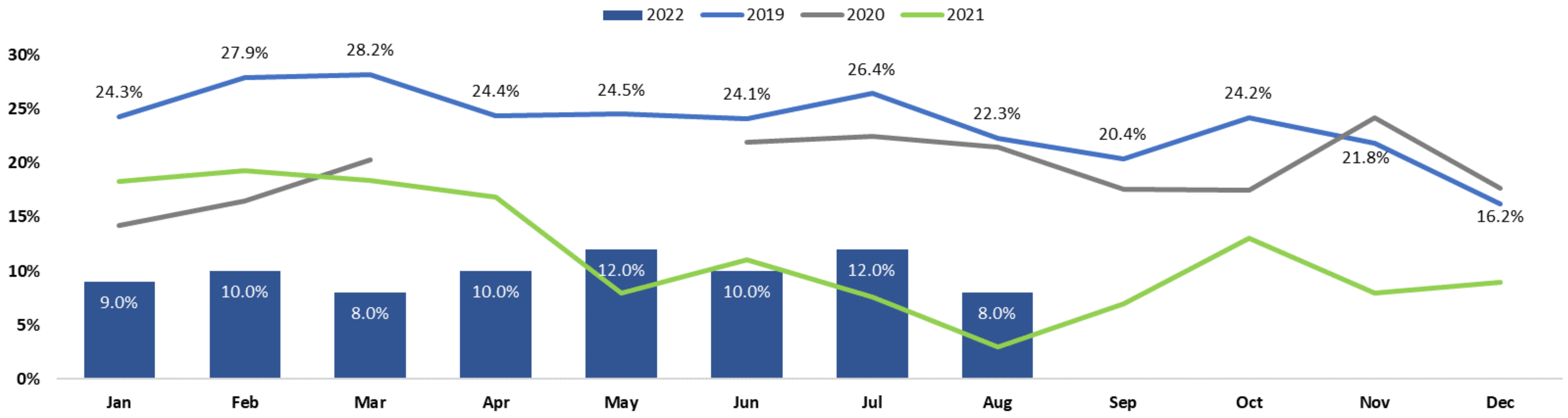
Package tour purchases



- The proportion of tourists who purchased their package tour is maintained, down 25.6pp compared to the proportion in Jul-2019 and 3.4pp lower than in Jul-2021.

SOURCE: TOURIST SURVEYS

Timeshares



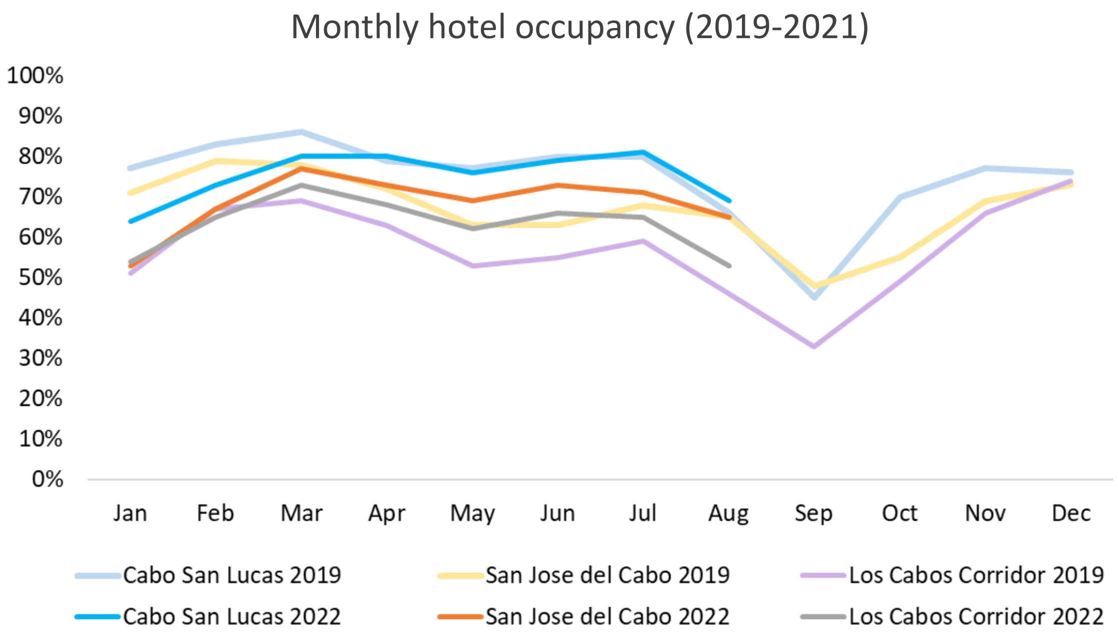
- 12% of tourists in Jul-2022 made use of timeshares. This ratio is 14.4pp below Jul-2019 and 4.4pp above Jul-2021.

SOURCE: TOURIST SURVEYS

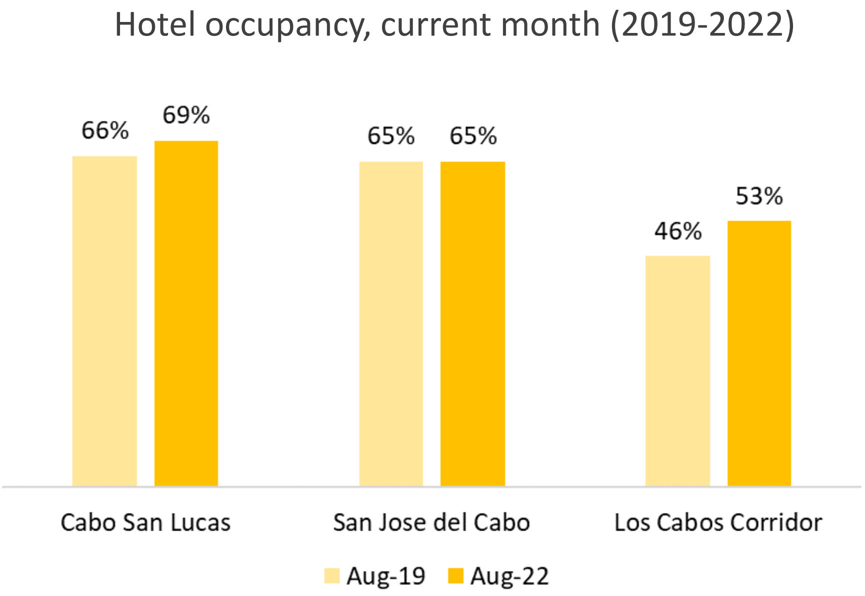
LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Hotel Performance

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



SOURCE: AHLC



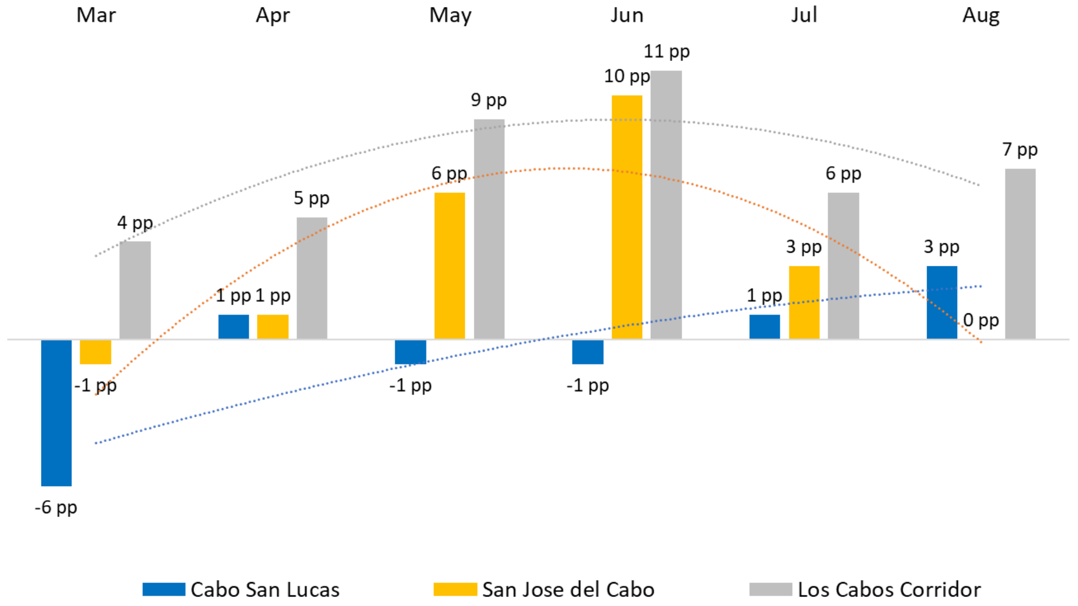
SOURCE: AHLC

- **According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 65% in Aug-2022, 4 pp more than 2019.**
- **In Jul-2022, 299 thousand tourists arrived at hotels in Los Cabos, 9.8% more than in 2019. At the same time, the average stay decreased by 0.33 nights (4.68, according to DATATUR).**
- **Domestic tourist arrivals at hotels decreased by 18% in this period, while international tourism grew by 22.4%.**
- **In Jul-2022, domestic tourism represented 23.3% of the total. A share of 31.2% was recorded in 2019.**

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

Annual variation in hotel occupancy, by destination

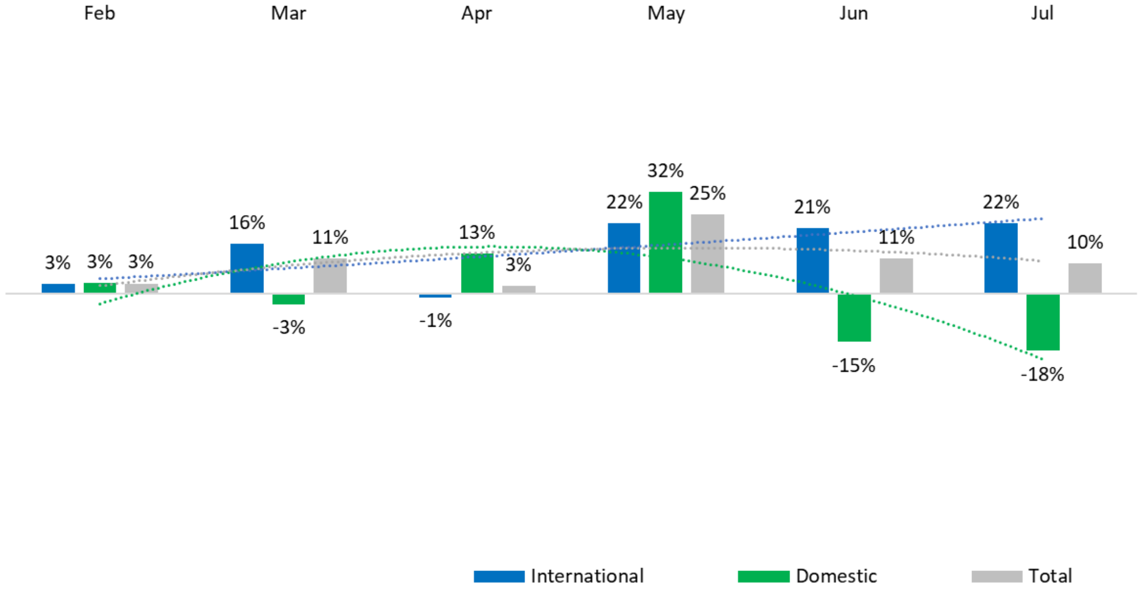
(Jan-Aug 2022 versus 2019)



SOURCE: AHLC

Annual variation of tourist arrivals at hotels, by origin

(Feb-Jul 2022 versus 2019)

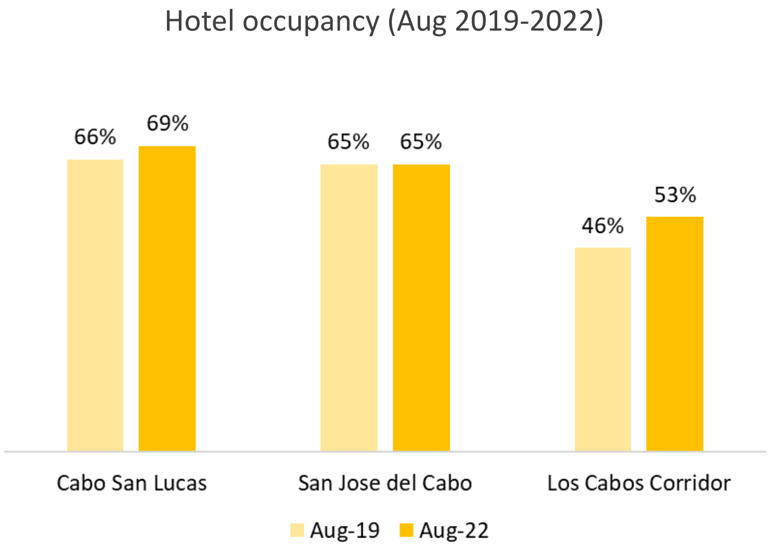


SOURCE: DATATUR

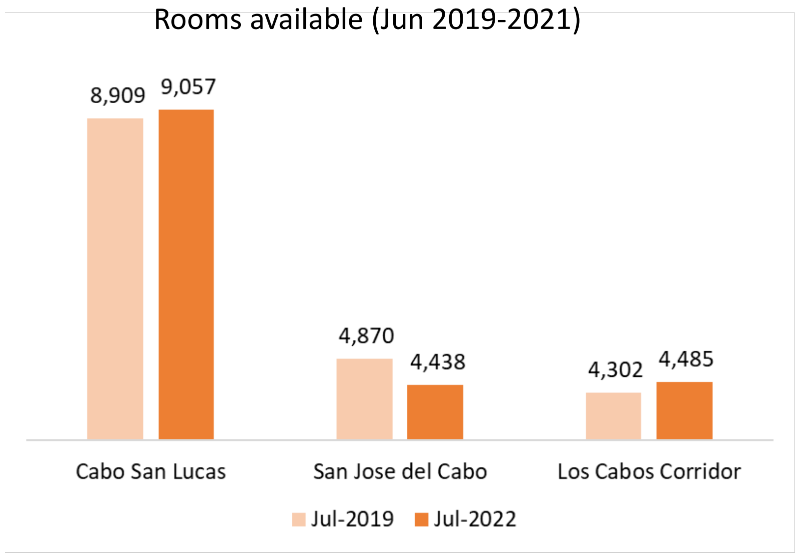
- **In Cabo San Lucas, there is an increase of 3 pp in hotel occupancy compared to 2019; in the Corridor, there is an increase of 7pp, while in San Jose the same level is recorded.**

LOS CABOS

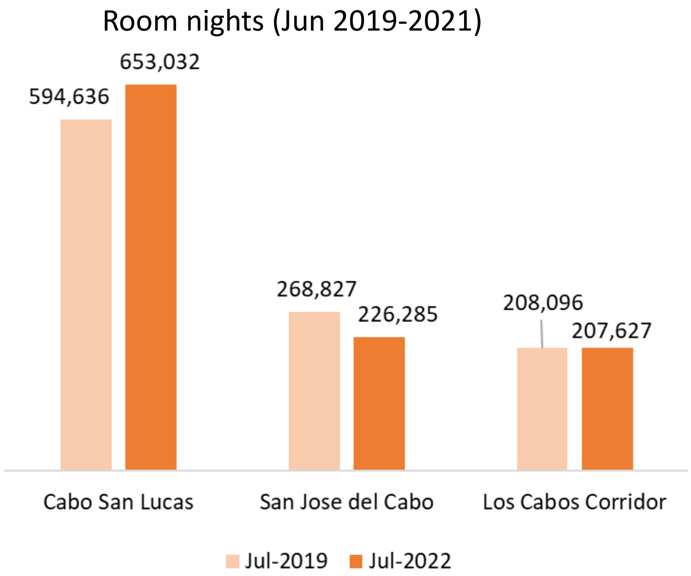
Evolution of the hotel supply in Los Cabos and sub-destinations



SOURCE: AHLC



SOURCE: DATATUR



SOURCE: DATATUR

CABO SAN LUCAS

- **Occupancy in Aug-2022 was 69%, 3 pp more than in 2019 (AHLC).**
- **Its hotel supply increased 1.7% between Jul-2022 and 2019, registering 9 thousand rooms (DATATUR).**
- **Occupied room nights increased 9.8% between Jul-2019 and 2022 (DATATUR).**

SAN JOSE DEL CABO

- **Occupancy in Aug-2022 was 65%, same level than 2019 (AHLC).**
- **Its hotel supply decreased 9.1% between Jul-2022 and 2019, registering a total of 4.4 thousand rooms (DATATUR).**
- **Occupied room nights decreased 15.8% between Jul-2019 and 2022 (DATATUR).**

LOS CABOS CORRIDOR

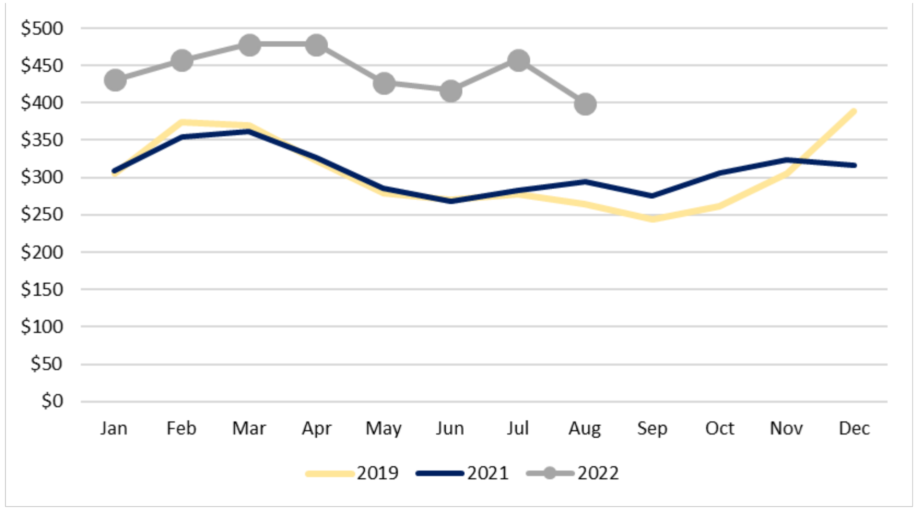
- **Occupancy in Aug-2022 reached 53%, which is 7 pp more than in 2019 (AHLC).**
- **Its hotel supply increased 4.3% between Jul-2022 and 2019, registering 4.5 thousand rooms (DATATUR).**
- **Occupied room nights increased 0.2% between Jul-2019 and 2022 (DATATUR).**

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

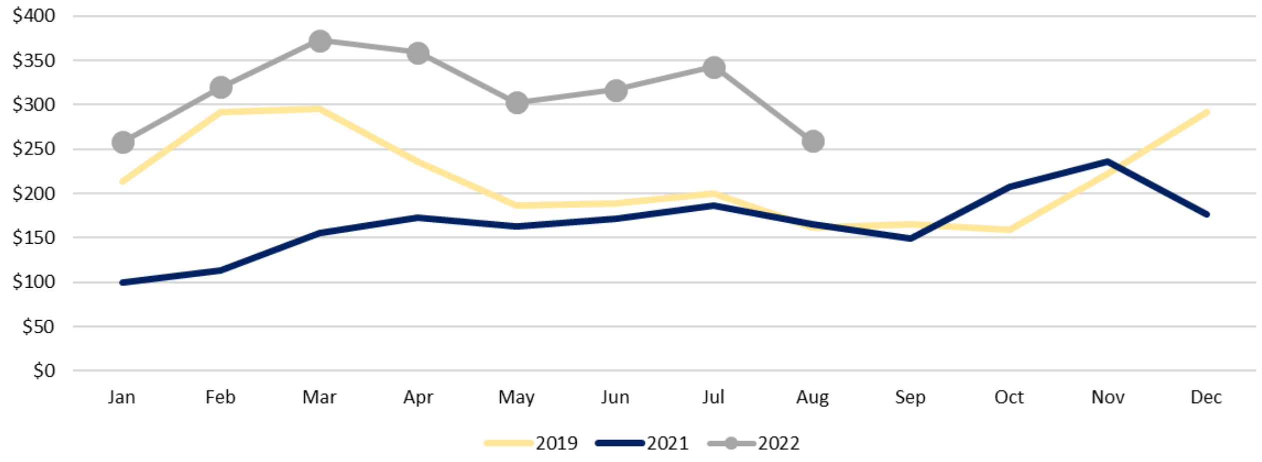
- **The average hotel rate in Los Cabos for Aug-2022 was USD 399, 2 dollars above the last 12-month average ($397) and 134 dollars above that of 2019.**
  - **Cabo San Lucas recorded an increase of $11 or 4.3%compared to 2019 and now stands at $266.**
  - **San Jose del Cabo now stands at $298 USD, recording an increase of its rate by $92 (44.7%) compared to 2019.**
  - **Compared to 2019, the rate in Los Cabos Corridor increased by USD 301, or 90.1% and recorded USD 635.**

- **The RevPAR in Aug-2022 was USD 259; that is, USD 97 (+59.9%) higher than that of 2019.**

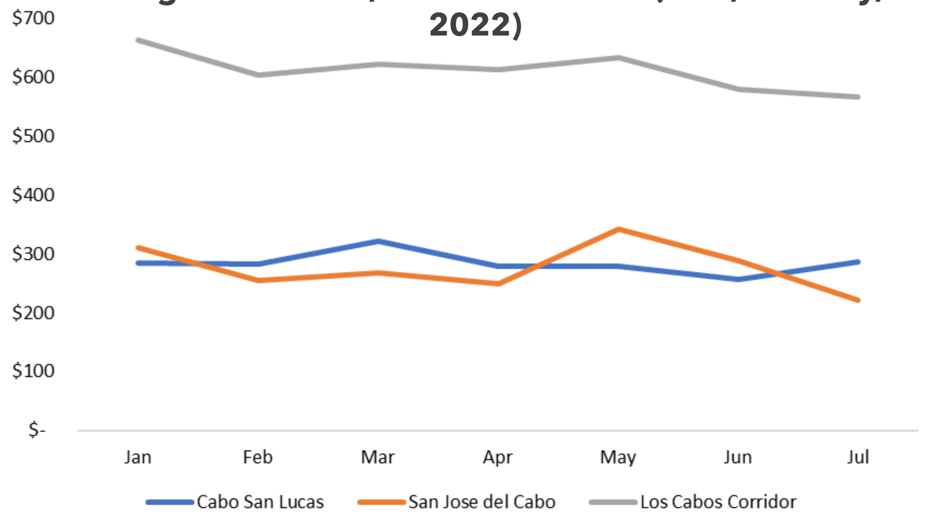
Average Hotel Rate, Los Cabos (USD, 2019-2022)



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

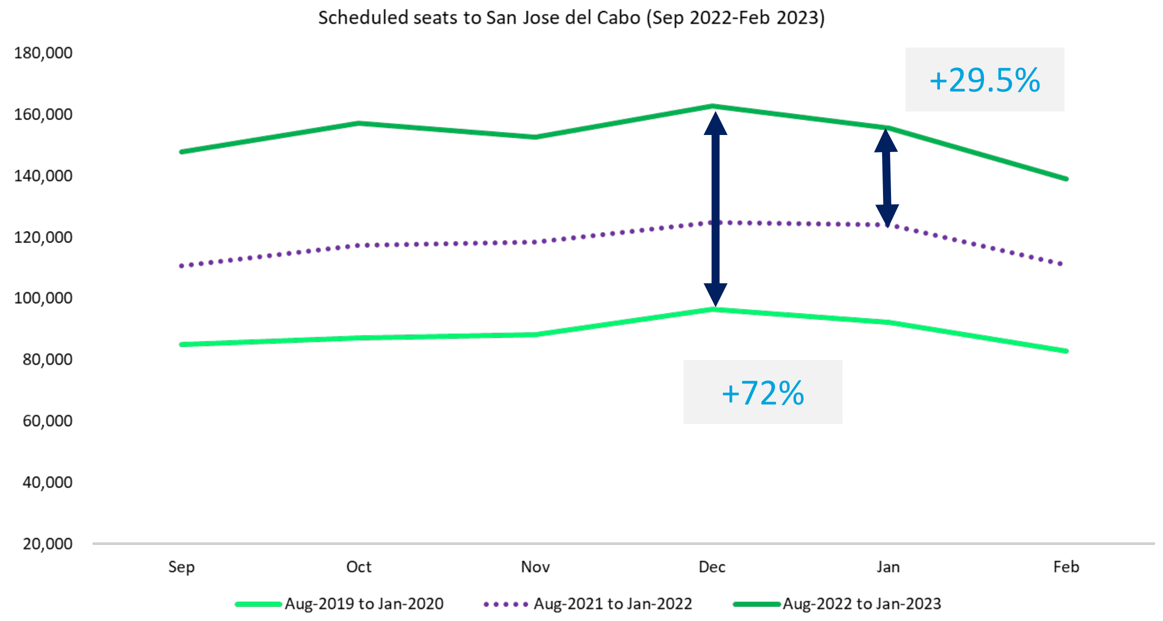
SOURCE: OAG

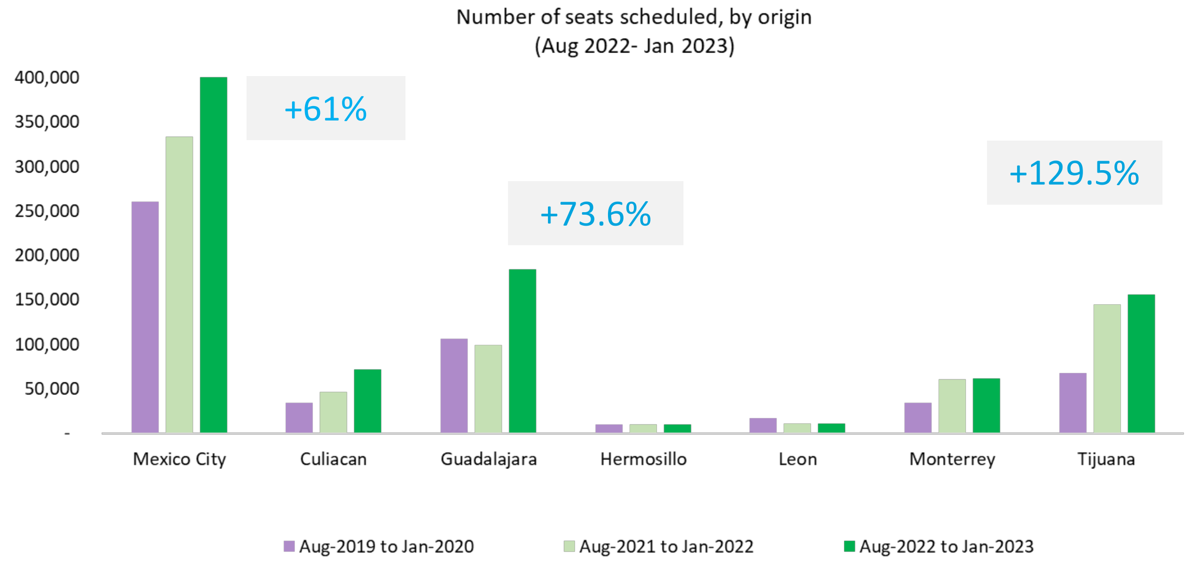
Domestic air connectivity

SEATS SCHEDULED FROM SEP-2022 TO FEB-2023

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

- **There are 915 thousand seats scheduled for the next six months, 72% more compared to the same period in 2019.**
    - **However, when comparing the seats scheduled for the next 6 months against the 2021 schedule, the volume of programmed seats is 21.5% higher.**
    - **73.9% more available seats are expected in Sep-2022 than those scheduled for 2019.**
- **Mexico City, Guadalajara, and Tijuana are the most relevant issuing markets, with 46%, 20%, and 17% of total available seats, respectively (for the next 6 months). Followed by Monterrey (8%), Culiacan (7%), Leon (1%) and Hermosillo (1%).**
    - **Flight seats departing from CDMX, GDL and TIJ increased by 61.1%, 73.6% and 129.5%, respectively (when compared to 2019). However, BJX decreased by 33%. Consequently, TIJ's market share grew 4pp during these 6 months, and BJX's dropped by 2pp.**
- **For the next 6 months, 55% of the available seats will be provided by Volaris, followed by VivaAerobus with 34% and Aeromexico with 16%. Interjet exited the market.**
- **Load factors of domestic airlines for Jun-2022 were: Aeromexico (82%), VivaAerobus (81%), and Volaris (83%).**





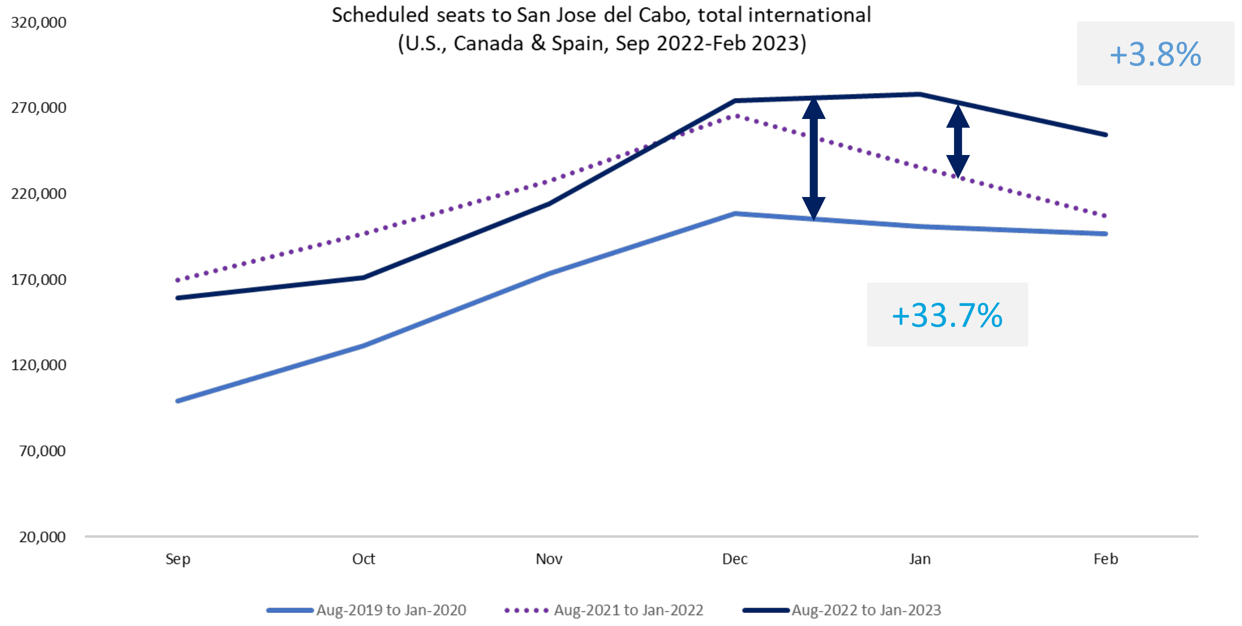
SOURCE: OAG

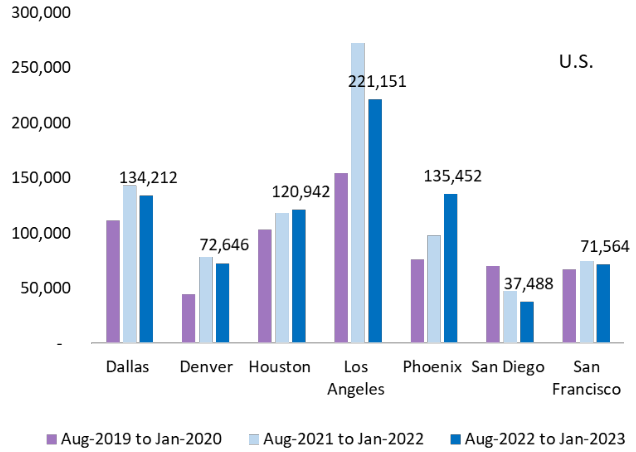
International air connectivity

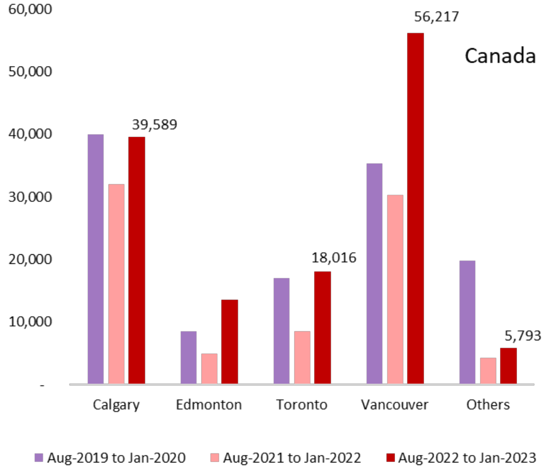
SEATS SCHEDULED FROM SEP-2022 TO FEB-2023

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

- **There are 1.21 million seats scheduled for the U.S. in the next 6 months, which is 37.5% more than the same period in 2019.**
  - **However, when comparing the seats scheduled for the next 6 months against the 2021 schedule, the volume is 0.4% less.**
  - **LAX (+43%), PHX (+77.5%), HOU (+17%), DFW (20.3%), and DEN (+64.2%)**
    had the most significant increase vs. 2019.However, San Diego showed a decrease of 46.2%.
  - **Los Angeles is the main issuing market in the U.S. (18% of the market), followed by DFW (11%), Houston (10%), and Phoenix (11%).**
  - **American, Alaska, Delta, Southwest, and United Airlines are the most relevant (92% as a whole).**
  - **62.9% more available seats are expected in Sep-2022 than those scheduled for 2019.**
- **There are 133.1 thousand seats scheduled for Canada in the next six months,**
  which is 10.3% more seats compared to the same period in 2019.
  - **When comparing the seats scheduled for the next 6 months against the 2021 schedule, the volume of programmed seats is 66.6% higher.**
  - **6% more available seats are expected in Sep-2022 than those scheduled for 2019.**
  - **Within the next 6 months, Calgary falls 1.1% while Vancouver grows by 59.1%, Edmonton by 57.7% and Toronto by 5.9% compared to 2019.**
  - **During this period, Air Canada (+5.4) and WestJet (+6.4%) and Swoop (+90.9%) increase the number of seats. Sunwing decreased by 55%.**
- **Load factors of international airlines for Jun-2022 were: American 86%, Alaska 84%, Delta 74%, United 89%, Southwest 75%, Sunwing 94%, and WestJet 95%.**







LOS CABOS

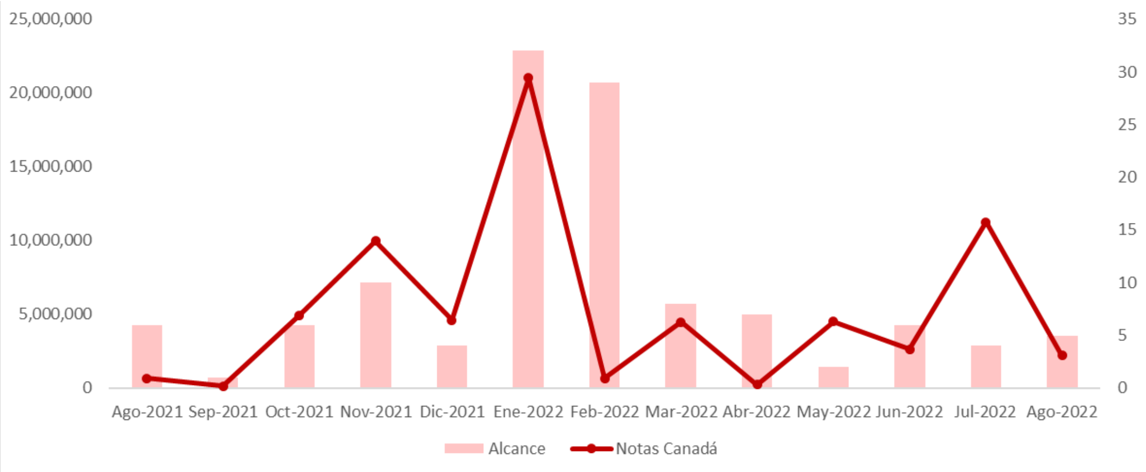
LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope

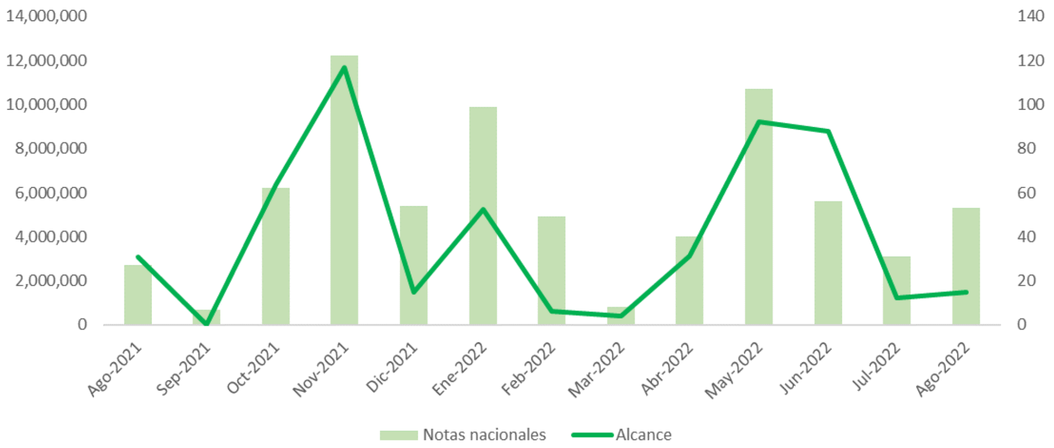
- **In the domestic market:**
  - **During Apr-2022, 53 placements were introduced, accounting for 1.5 million impressions. An average of 48 placements has been published monthly since the pandemic started in April 2020, with a monthly reach of 3.8 million.**
- **In the international market:**
  - **In Aug-2022, 10 placements and 53.8 million impressions were achieved in the United States. An average of 19 placements has been published monthly since the pandemic started, with a monthly reach of 487 million.**
  - **5 notes were generated for the Canadian market throughout Aug-2022, achieving 2.2 million impressions. An average of 7 placements has been published monthly since April, with a monthly reach of 4.9 million.**

NOTES MADE FOR THE CANADIAN MARKET – TOTAL & REACH



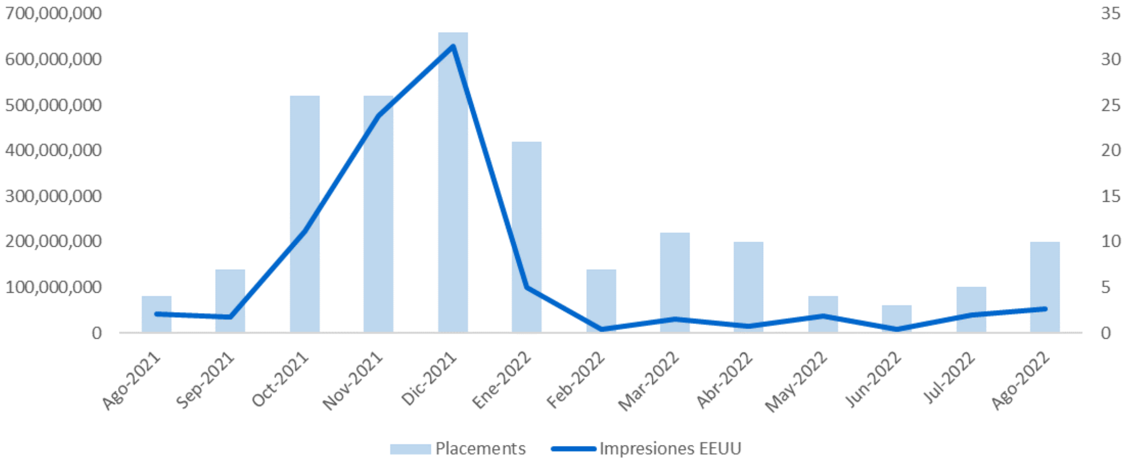
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET – TOTAL & REACH



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

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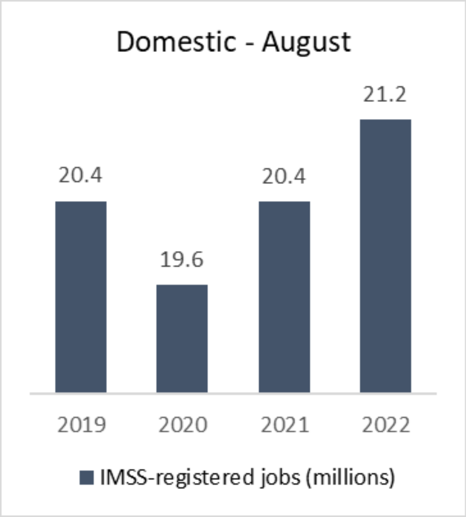
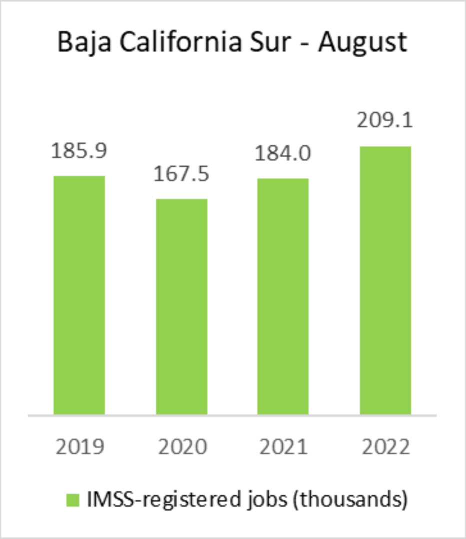
LOS CABOS TOURISM OBSERVATORY

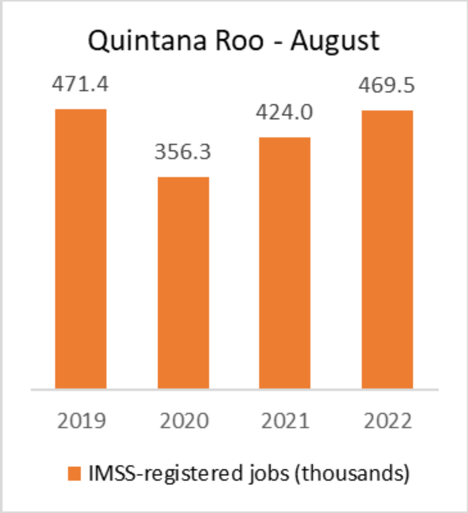
IMPACT OF COVID-19

Effects of COVID-19 on Mexico's tourism sector

Effects on employment in Mexico







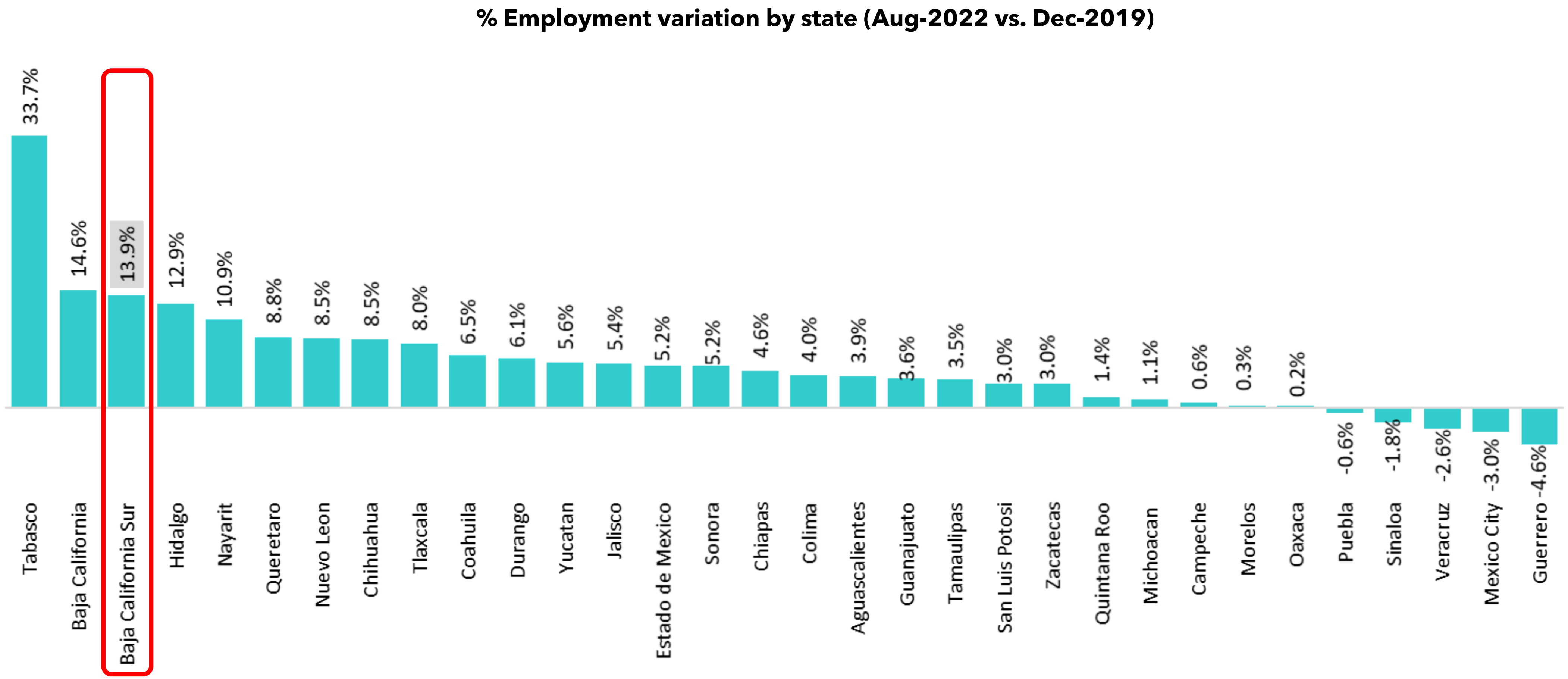
- In Aug-2022, there was a 4% increase in jobs compared to those recorded in Aug-2019.
- As of August 31, 2022, IMSS had registered 21,236,866 jobs in the country, which is 4% more than those reported in Dec-2019.

- There are 12.5% more jobs in Aug-2022 than Aug-2019.
- Baja California Sur closed Aug-2022 with 209,081 jobs, 13.9% more than in Dec-2019.

- In the case of Quintana Roo, in Aug-2022 there were 0.4% fewer jobs than those recorded in Aug-2019.
- Aug-2022 closed with 469,458 jobs, 1.4% more than in Dec-2019.

SOURCE: IMSS

Effects on employment in Mexico



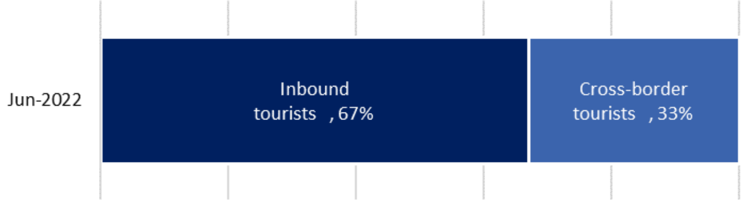
- Baja California Sur ended Aug-2022 with 13.9% more jobs than at the end of Dec-2019. (It's the third state with the highest increase). Quintana Roo grew 1.4% compared to 2019 figures.

SOURCE: IMSS

International tourist arrivals in Mexico

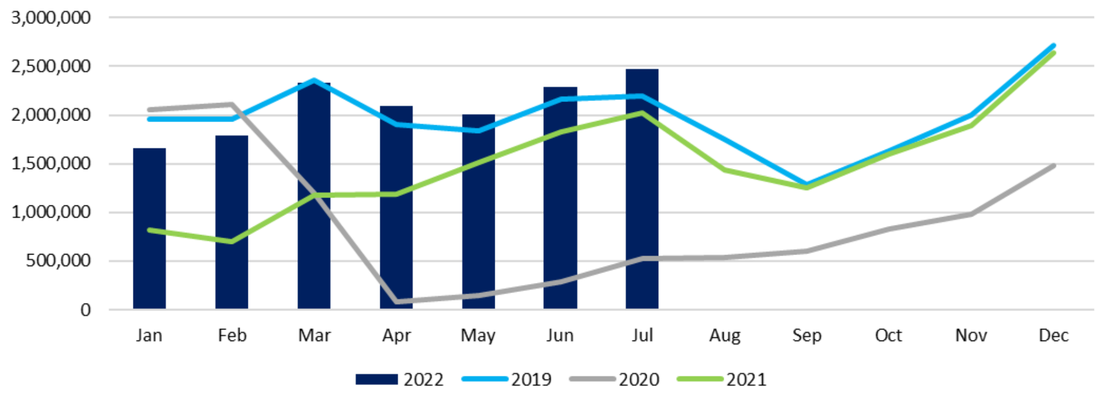
Air traffic in Mexico. Airport groups

International tourists who entered the country



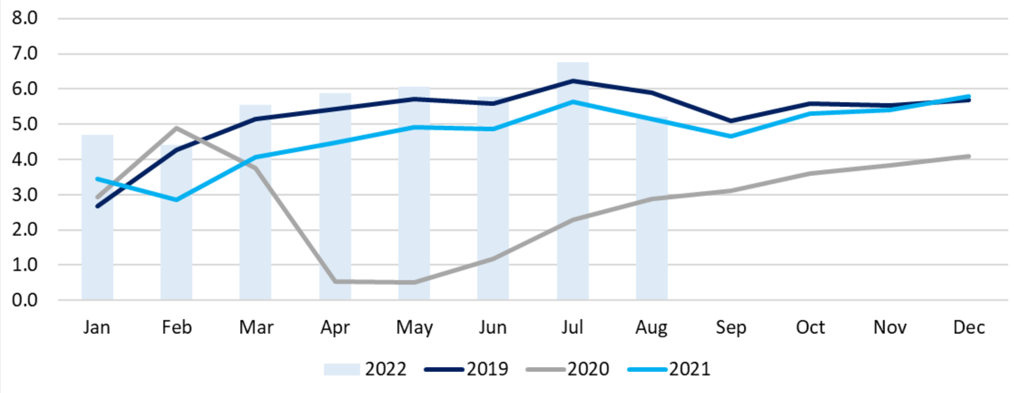
Jul-2022	Jul-2019	VAR
3,684,709	4,161,664	-11.5%

Inbound tourists

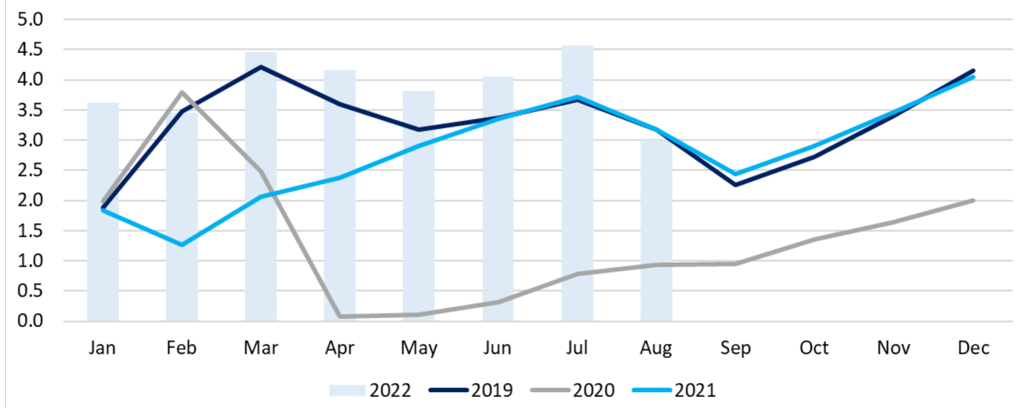


- In Jul-2022, 3.68 million international tourists arrived in the country (11.5% fewer than in Jul-2019). 67% were inbound tourists.
- 12.7% more inbound tourists vs Jul-2019 (81% by air, 19% by land). The average spending of those arriving by air was USD 1,122 (12% more than the average spending in Jul-2019).

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



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



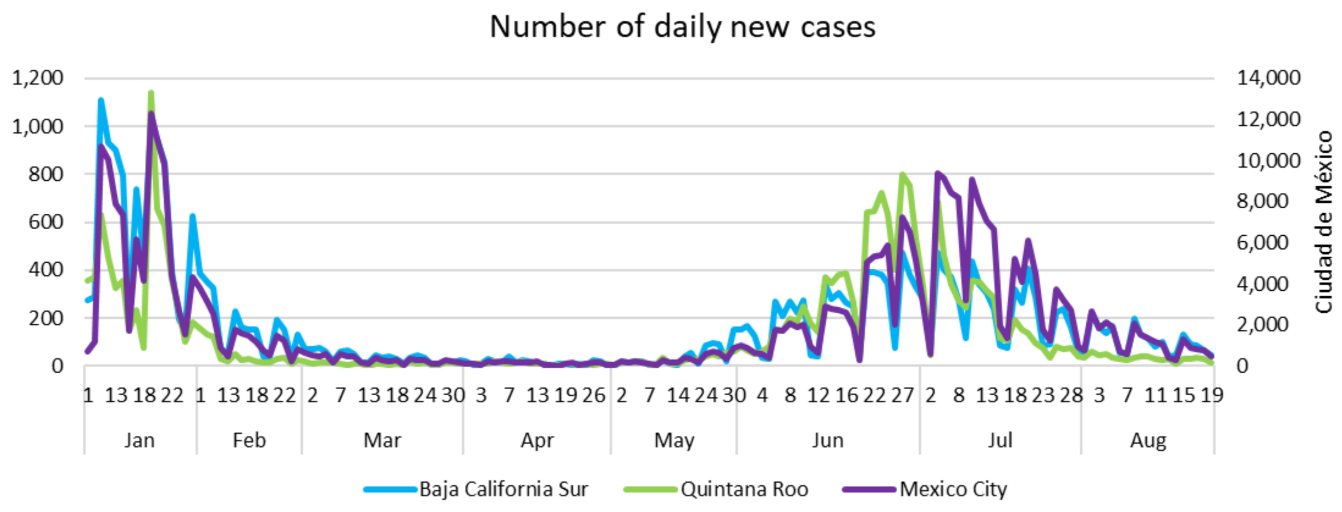
- Passenger traffic in domestic operations during Aug-2022 was 13% higher than Aug-2019 (5.2 million passengers).
- In international operations, the increase was 5% compared to Aug-2019 (3.0 million passengers).

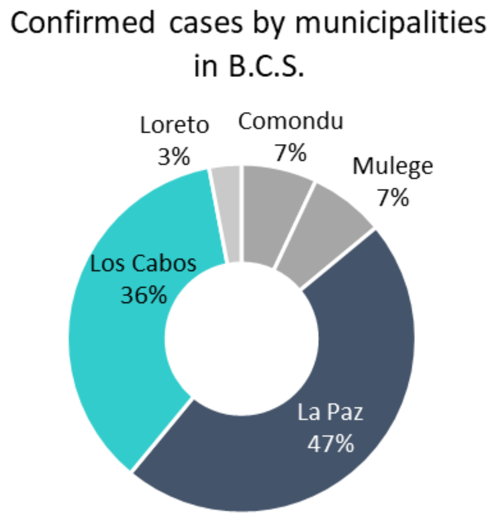
SOURCE: INTERNATIONAL TOURIST SURVEYS. INEGI

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

SOURCES: ASUR, OMA, GAP

Confirmed COVID-19 cases – overview





Total confirmed cases as of August 19th, 2022

Domestic

6.98 million

- 427 thousand more cases since July 19th.

Baja California Sur

123,209

- 5,445 more cases than those recorded since July 19th.

Quintana Roo

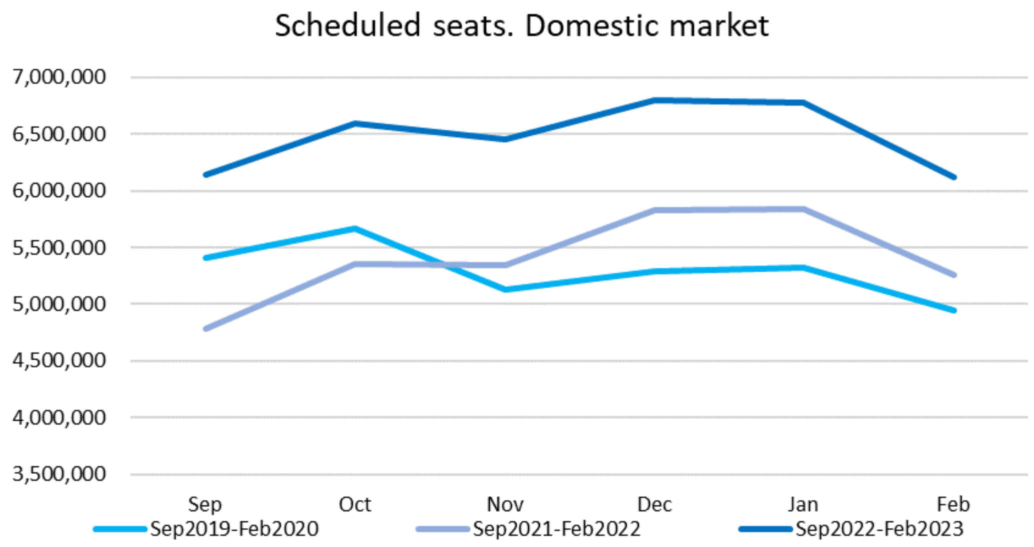
111,313

- 1,650 more cases in the same period.

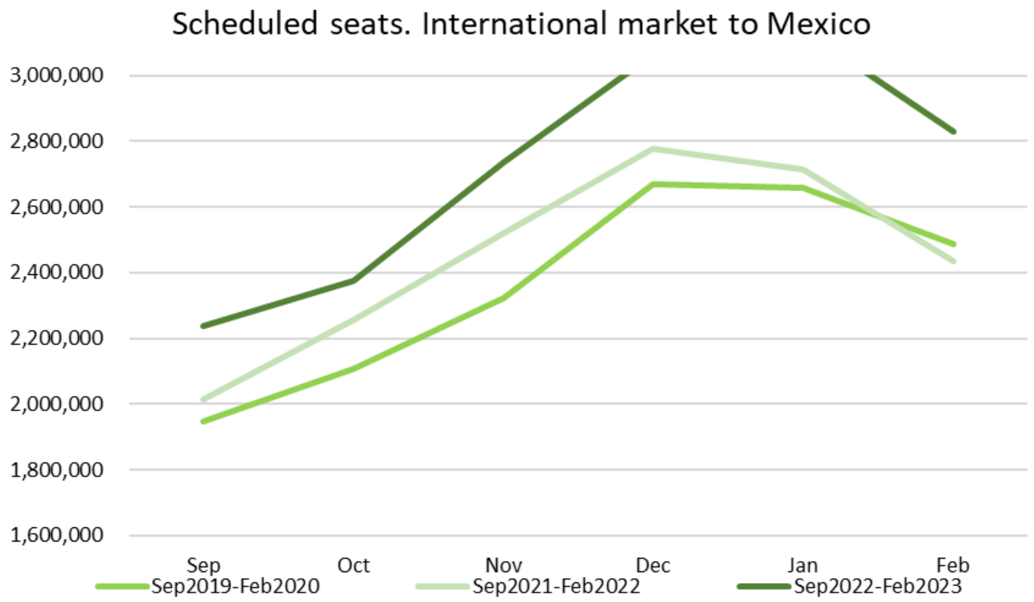
- La Paz and Los Cabos jointly account for 83% of the total confirmed cases statewide.
- In Los Cabos, 2.9% more cases were recorded compared to July 19, 2022, adding 44,488 cases.
- La Paz has 5.7% more cases in the same period, accumulating a total of 57,479 confirmed cases.
- Loreto accumulates 3,830 cases (1.7% more).

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

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



- The supply of domestic and international seats planned for the next months remains higher than that of the same period in 2019 and 2021.
- That's 38.9 million domestic seats, 22.4% more than Sep 2019-Feb 2020.
- 28.4% more seats are planned for Dec-2022 than those planned for Dec-2019.

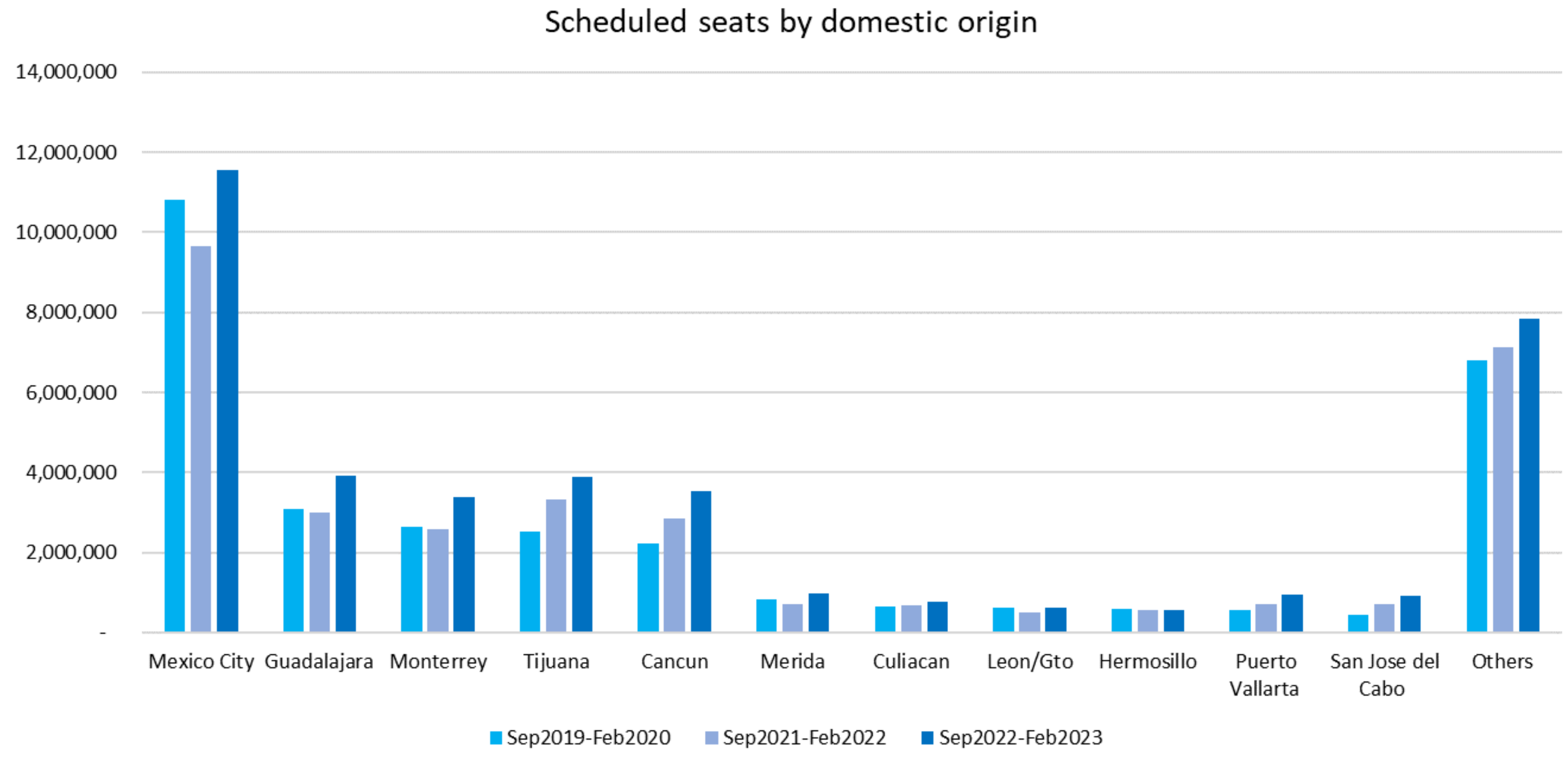


- 16.4 million international seats are planned for the next 6 months, 15.4% more than Sep 2019-Feb 2020.
- There is an increase of 14.8% for Dec-2022 compared to Dec-2019, and an increase of 18.1% for Jan-2023.

SOURCE: OAG

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

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

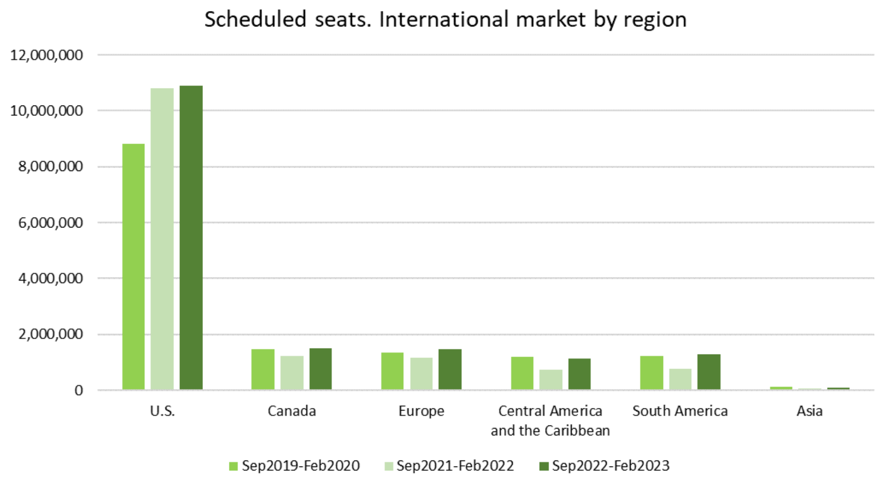


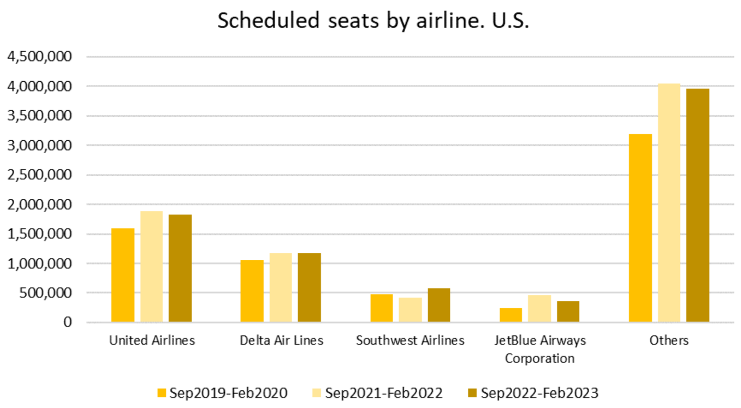
Domestic
Sep2022-Feb2023
vs Sep2019-Feb2020

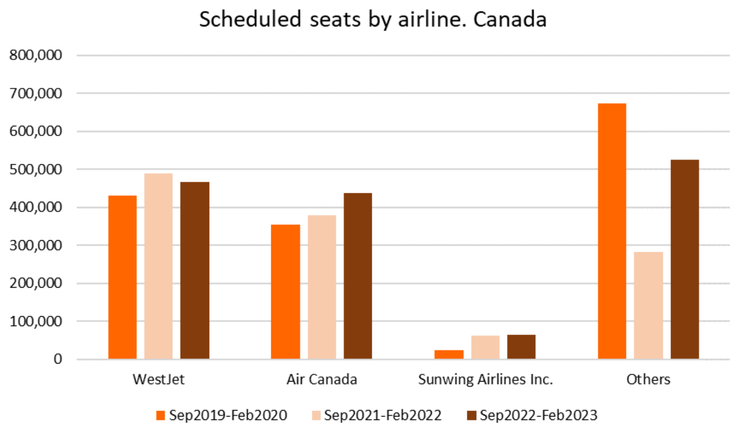
- CDMX: 11.55 million
  +6.8%
- Guadalajara: 3.91 million
  +27.3%
- Monterrey: 3.37 million
  +28.3%
- Tijuana: 3.89 million
  +53.5%
- Cancun: 3.54 million
  +60.1%
- Merida: 978 thousand
  +18.1%
- San Jose del Cabo: 904 thousand
  +99.2%

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

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







U.S.

- Accounts for 66.6% of the scheduled international seats from Sep 2022-Feb 2023 (62.2% in the same period of 2019).
- 10.90 million seats for the next six months (+23.6% compared to the period of Sep 2019-Feb 2020).

%VAR of scheduled seats

- Houston: 1.4 million +25.3%
- Dallas: 1.4 million +37.8%
- Los Angeles: 1.3 million +10.4%
- Chicago: 937 thousand +27.1%
- New York: 722 thousand + 8.5%

Canada

- Accounts for 9.1% of the scheduled international seats from Sep 2022-Feb2023 (10.4% of the scheduling for 2019).
- 1.49 million seats from Sep-2022-Feb2023 (+0.8% compared to the same period of 2019).

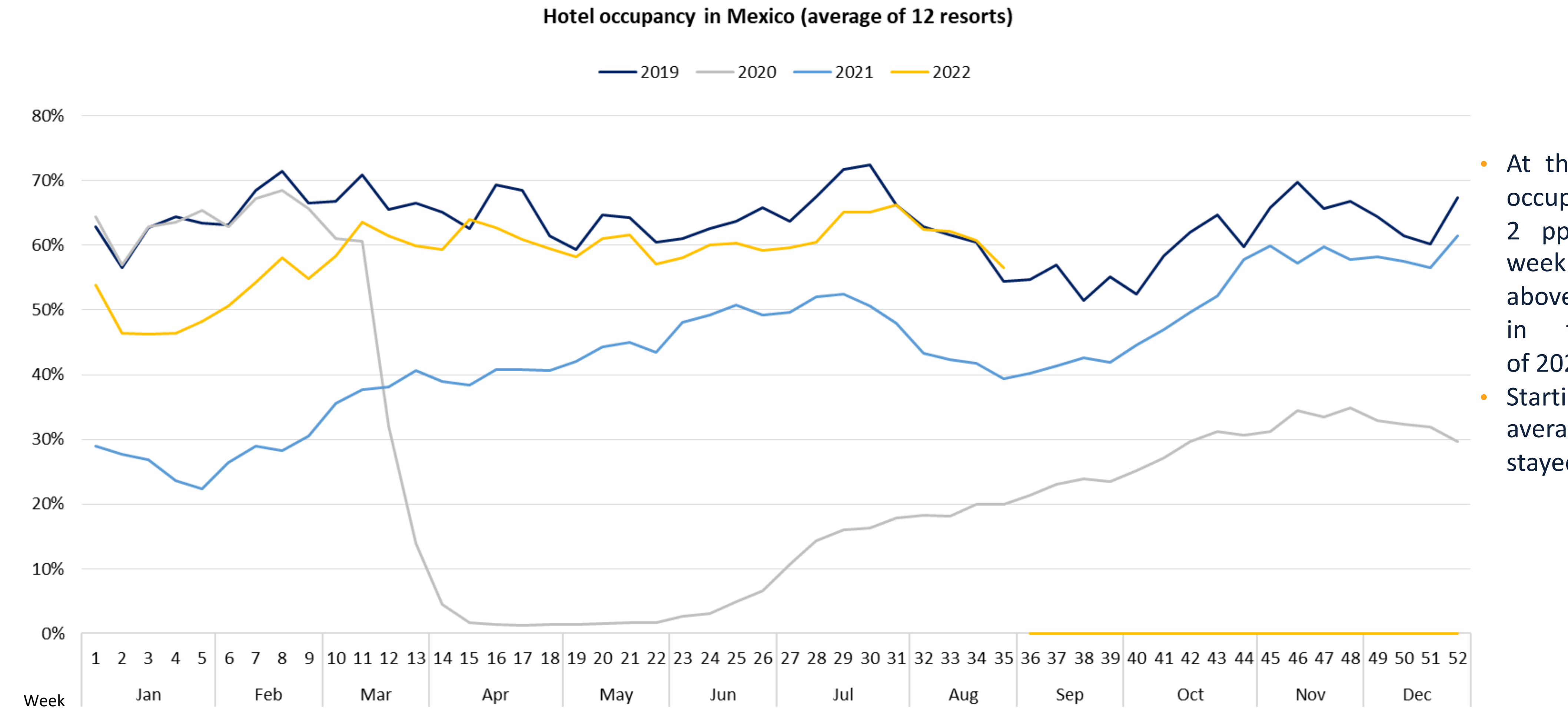
%VAR of scheduled seats

- Toronto: 485 thousand +1.7%
- Vancouver: 304 thousand +5.5%
- Montreal: 283 thousand +3.4%
- Calgary: 220 thousand -0.2%

SOURCE: OAG

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

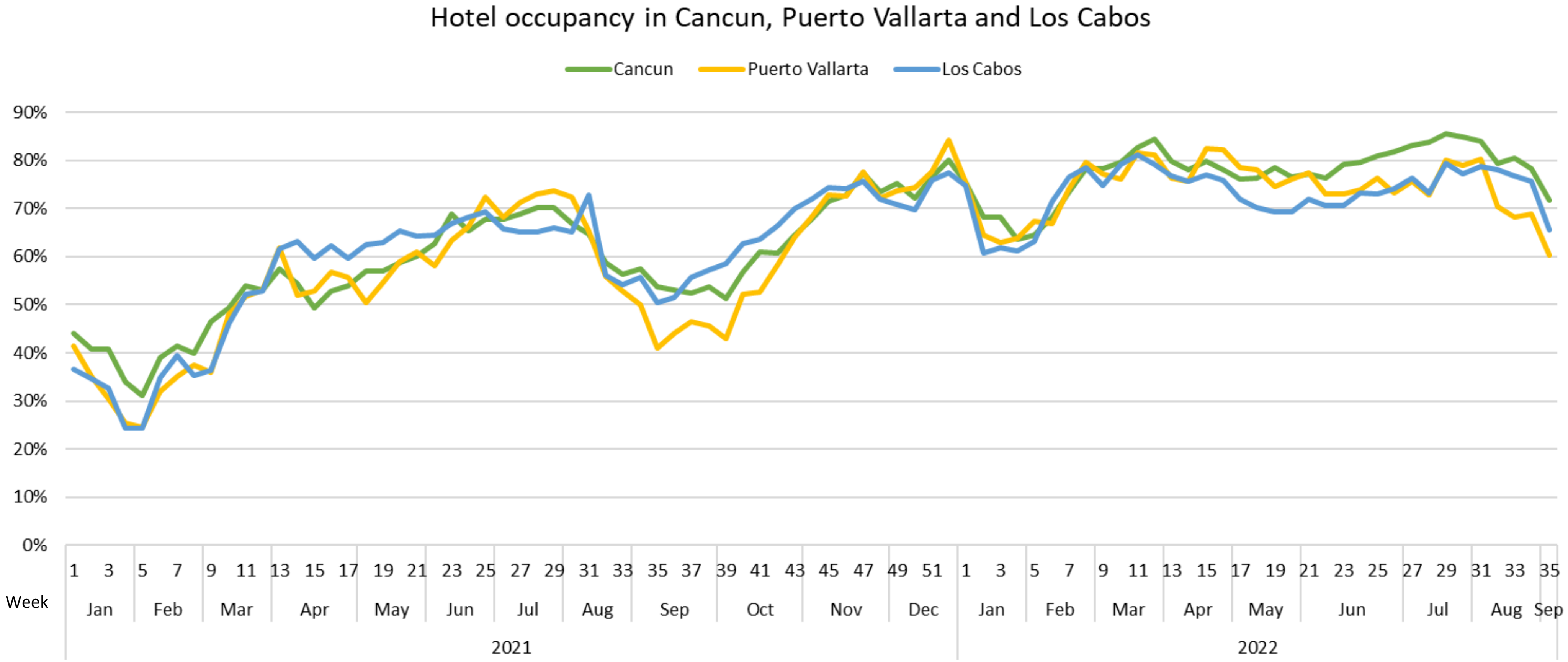
Hotel indicators in Mexico



- At the end of week 35, occupancy was 56.5%, 2 pp below the same week in 2019 and 17.4 pp 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 35 (August 29 to September 4, 2022), Los Cabos had an occupancy 6.2 pp below Cancun and 5.2 pp above Puerto Vallarta:
  - Los Cabos: **65.6%**
  - Cancun: **71.8%**
  - Puerto Vallarta: **60.4%**

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

Los Cabos Tourism Observatory aims to provide the destination's investors and participants with an overview of its current and future situation contextualizing all available information.
It has been published every month since February 2019.