LOS CABOS

LOS CABOS TOURISM OBSERVATORY

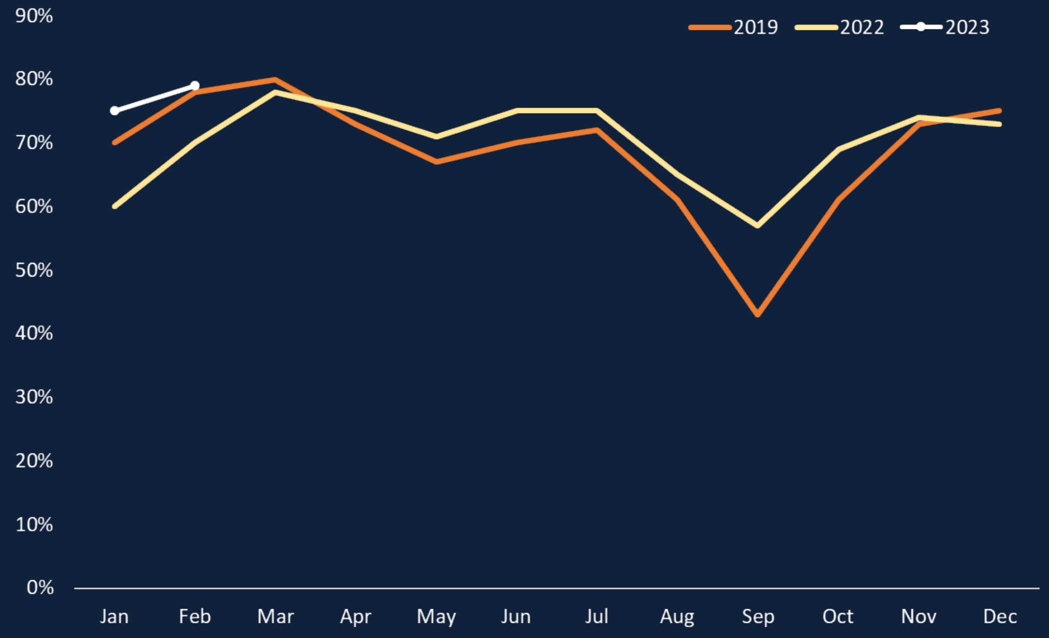
KEY PERFORMANCE INDICATORS

MARCH 2023

Key Perfomance Indicators (Feb-2023)

Hotel Activity

Hotel Occupancy:



Hotel Occupancy (Feb-2023):
79%
+9pp
(vs Feb-2022)

SOURCE: AHLC

Average Daily Rate (Feb-2023):
$518 USD
+13%
(vs Feb-2022)

SOURCE: AHLC

RevPAR (Feb-2023):
$409 USD
+28%
(vs Feb-2022)

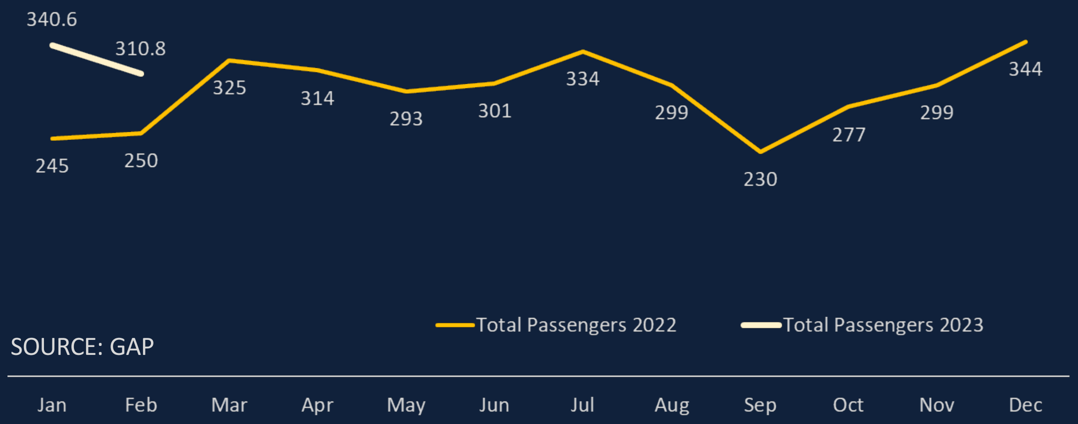
SOURCE: AHLC

Air Passenger Arrivals

Total Passengers (Feb-2023, '000s):
310.8
+24.5%
(vs Feb-2022)

Domestic Passengers (Feb-2023, '000s):
102.15
+30.1%
(vs Feb-2022)

International Passengers (Feb-2023, '000s):
208.65
+21.9%
(vs Feb-2022)



Tourist Satisfaction: More than Expected (Feb-2022):
77%
+15pp
(vs Feb-2022)

SOURCE: TURIST SURVEY

Satisfaction with Public Safety (Feb-2022):
0.4% bottom two
-0.9pp
(vs Feb-2019)

SOURCE: TOURIST SURVEY

Satisfaction with the Airport (Feb-2022):
2.8% bottom two
+1.2pp
(vs Feb-2019)

SOURCE: TOURIST SURVEY

This section shows results considering only the information available for the current month. To see the rest of the available and updated information for previous months, please refer to the corresponding sections in the body of the document.

Executive Summary (Feb-2023)

HOTEL: Occupancy in Los Cabos remains at levels above 2022 with growth in all sub-destinations. Average rate (especially in El Corredor) and RevPAR also continue to grow.

- Hotel occupancy in Los Cabos registers 79% in Feb-2023, 9pp higher than in 2022 (and 1pp higher than in 2019). At the sub-destination level, Cabo San Lucas reaches 80% (+7pp), San Jose del Cabo, 77% (+10pp), and El Corredor, 67% (+13pp) compared to 2022.
  - The Average Daily Rate at Los Cabos hotels during Feb-2023 was $518 USD; $77 USD higher than the average of the last 12 months; and $61 USD higher than in 2022. The highest rate and growth is found in El Corredor: $813 USD (+$210 USD, which is also the highest rate recorded since the beginning of this observatory). Cabo San Lucas registers $350 USD (+$68 USD vs 2022); and San Jose del Cabo, $390 USD (+$136).
  - In Feb-2023 the RevPAR was $409 USD; $89 USD more (+28%) than in 2022.
- The volume of available rooms in Los Cabos remains practically at the same levels as 20122, except for El Corredor (between Feb-2023 and 2022 its hotel supply fell 5.9%).
- On the other hand, lodging supply through online platforms accounts for 6,110 in Feb-2023 (15.4% increase when compared to 2022). Meanwhile, occupancy reached 73% (up 19 pp vs. 2022). Occupancy in this types of propertuies is lower than in traditional hotels, however, both its annual growth and average daily rate ($679 USD) are higher.
- During 2023, the St. Regis, Four Seasons, Park Hyatt, Soho House, Aman and a new Velas Resorts property (all-inclusive) are expected to join the destination's portfolio of luxury accommodations. This will add more than 600 new keys to Los Cabos' offerings.

TOURIST SATISFACTION: Overall tourist satisfaction continues to improve compared to previous years, as does satisfaction with safety; however, this has not yet translated into increases in the proportion of repeat tourists (which continues to decline).

- In Feb-2023, 77% of tourists rated their satisfaction with Los Cabos as "more than expected" (+15pp versus 2022). However, satisfaction with the Los Cabos airport drops and results in 2.9% with fair or poor perception (up 1.2 pp vs. 2022). Satisfaction with public security rises 0.8 pp and continues at a good level (0.4% with fair or poor perception).
- Repeat tourists drop 18pp when compared to 2022: 27% in Feb-2023.
- The proportion of restaurant visits increases 5pp this month and registers 95%. One of the highest proportions since the beginning of this observatory.

MEETINGS: The receipt of RFP's for group events continues to grow.

- In Feb-2023, 55 more RFPs are received for meeting events than in 2019, totaling 75.

Executive Summary (Feb-2023)

AIR ACTIVITY: Air passengers continued to grow, driven by the high performance of the domestic market (particularly Mexico City, Guadalajara and Tijuana) and the accelerating recovery of the Canadian market (specifically Vancouver).

- In Feb-2023, 340.6 thousand passengers arrived at Los Cabos airport (24.5% growth over 2022).
    - Passengers on domestic flights (102.15 thousand) represent 32.9% of the total (30.1% increase vs. 2022).
        - Of these, 49.5% come from Mexico City, followed by Guadalajara with 20.9% and Tijuana with 16.8%. Comparing the cumulative 2023 with 2022, Guadalajara grows 79.9% (+41.1 thousand) and Tijuana 33.2% (+4.8 thousand). Tijuana remains the Mexican market with the highest growth.
    - Passengers on international flights (208.65 thousand) represent 67.1% (+21.9%).
        - The main airports of origin are Los Angeles (47.9 thousand passengers or 19.3%), Dallas (34.1 thousand or 13.8%) and Phoenix (42.4 thousand or 17.1%).
        - In general, California continues to be the main state of origin of U.S. tourism to Los Cabos (30% of the total); however, Washington continues to be in the top three positions (7% of the total), while Texas continues to increase its share, reaching 16.2%. This result is due in part to the average cost of flying from LAX to San Jose del Cabo, which continues to be the cheapest option in the United States ($469, 26% cheaper than the average).
        - From Canada, the top sender in 2023 has been Vancouver (34% or 19.7 thousand passengers), followed by Calgary (24.8% or 14.4 thousand).
            - All airports show increases; however, Vancouver and Edmonton recorded the highest growth: 115.1% and 538.1%.
- 87.7% of foreign tourists arriving in Jan-2023 through SJD were U.S. residents and 11.7% were Canadian. The highest proportion since the beginning of the pandemic.
- Tourist arrivals from other strategic markets (Australia, South Korea and the United Kingdom) have not yet returned to pre-pandemic levels. However, in Jan-2023 there was an increase of 151% compared to 2022.
- A total of 4,501 commercial operations (15.9% more than in 2022) and 1,440 private operations (-22.4%) were recorded at Los Cabos International Airport (SJD).
    - Commercial operations averaged 69.1 passengers per operation, while private operations averaged 3.6.
- Additionally, in Jan-2022, 7,280 international tourists arrived on private flights (decrease of 10.6% versus 2022 and increase of 39.7% versus 2019).
    - The Cabo San Lucas (CSL) aerodrome received 32.4% of these.

Executive Summary (Feb-2023)

CRUISES AND YACHTS: Cruise ship arrivals to Los Cabos continue to grow. This month recorded the highest passenger arrivals since the beginning of this observatory (104 thousand).

- **In Jan-2023 Cabo San Lucas received 36 cruise ships. This represents an increase of 6 vessels compared to the same period in 2022 and 13 vs 2019. These vessels transported a total of 104 thousand passengers (+196.4% vs. 2022).**
- **Additionally, 28 yachts arrived at the Cabo San Lucas marina in Feb-2023 (+7 or 33% vs 2022).**

OUTLOOK: All forward-looking activity indicators show positive expectations (higher volumes of bookings for both flights and accommodation on AirBnb and other similar platforms, as well as increased flight scheduling). The Canadian market shows a high increase in flight scheduling for the next 6 months (despite the end of the winter season).

- **ADVANCE BOOKINGS: The volume of advance bookings to Los Cabos shows growth for the next 4 months, ranging between 2 and 11%, with respect to 2022. However, these increases are mainly due to an increase in bookings in the domestic market. These will continue to grow by more than 100% over the next 6 months, and even for Jun-2023, a growth of 271% is expected.**
- **ANTICIPATED PURCHASES: Advance sales for the domestic market show increases for travel in the next 7 months.**
- **North American (US and Canada) sales account for 90% of tickets sold and increases are recorded for Apr-May 2023 (but also declines from Jun 2023 onwards).**
- **FLIGHT SCHEDULING: Additionally, 946 thousand seats for domestic flights are scheduled for the next 6 months, i.e., 29.2% more seats than for the same period in 2022. While in Mar-2023, 34.6% more seats are expected.**
  - **Mexico City, GDL and Tijuana are the most relevant outbound markets with 42.9%, 19.1% and 19.2% of the total seats available (for the next 6 months). Guadalajara increased its share in programming by 3pp.**
  - **Internationally, for the U.S., 1.42 million seats are scheduled for the next 6 months, or 3.6% more seats than for the same period in 2022. The main increases Vs 2022 are at LAX (+14.8%), PHX (+9.3%), and DEN (+10.3%). However, decreases are recorded in HOU (-4.4%), DFW (-7.8%) and Chicago (-33.1%).**
  - **For Canada, 100.7 thousand seats are scheduled for the next 6 months, or 61% more seats than for the same period in 2022. Within the next 6 months, all origin airports are up: Calgary 32.4%. Toronto 74.4%, Vancouver 66.5%, and Edmonton 133.7% when compared to 2022.**

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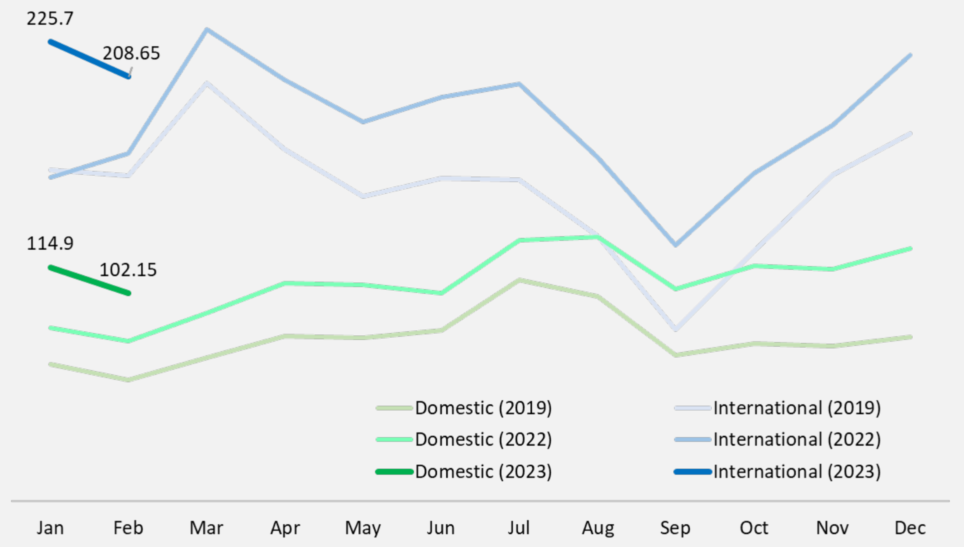
AIR PASSENGER ARRIVALS

Passenger Arrivals at Los Cabos Airport, 2019-2023

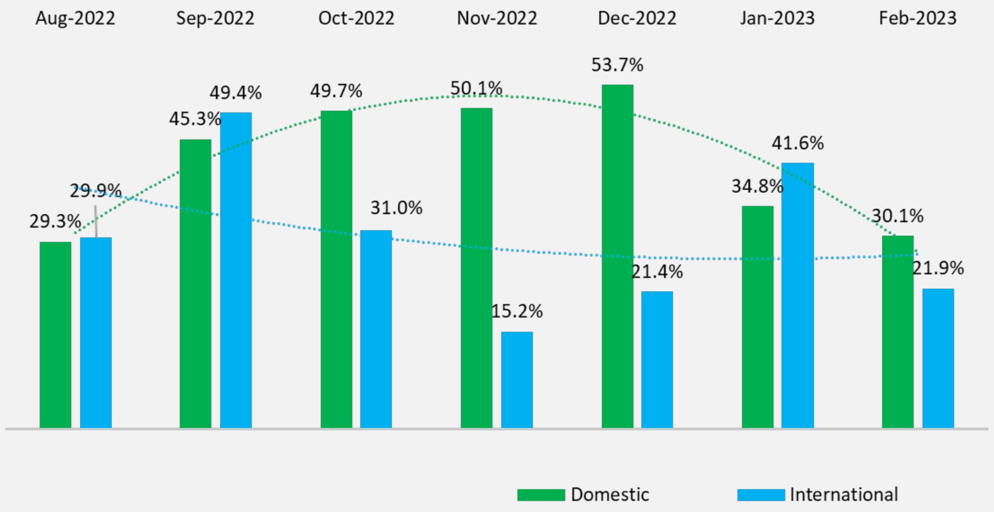
- **In Feb-2023, 310.8 thousand passengers arrived at Los Cabos International Airport. An increase of 24.5% over the same period in 2022 and 48.1% over 2019.**
    - **Passengers on domestic flights (102.15 thousand) accounted for 32.9% of total arrivals and had an increase of 30.1% over Feb-2022.**
    - **Passengers on international flights (208.65 thousand) accounted for 67.1% of total passengers and had an increase of 21.9%.**

SOURCE: GAP

Monthly arrivals, Jan-2023 vs. 2022, 2019 (thousands)



Change from previous year (2022 vs. 2019; 2023 vs. 2022)



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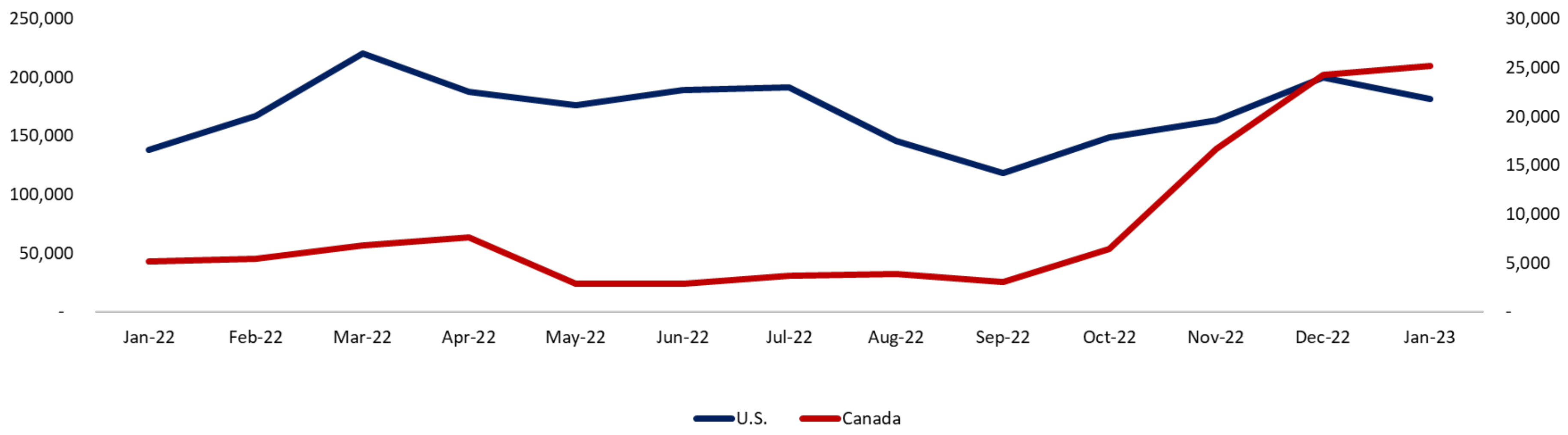
PASSENGER ARRIVALS BY NATIONALITY

Foreign Tourist Admittance through SJD by Country of Residence, monthly

Regions	Jan/2022	Feb/2022	Mar/2022	Apr/2022	May/2022	Jun/2022	Jul/2022	Aug/2022	Sep/2022	Oct/2022	Nov/2022	Dec/2022	Jan/2023	Δ Jan-23 / Jan-22	Δ Jan-Dec 22 / Jan-Dec-22
United States	137,967	166,842	220,094	187,961	176,380	189,451	191,412	146,061	118,447	148,776	163,034	199,602	181,783	31.8%	28.6%
Canada	5,176	5,388	6,760	7,578	2,888	2,838	3,651	3,884	3,022	6,457	16,650	24,241	25,135	385.6%	-44.0%
Europe	255	189	173	482	211	183	878	1,886	287	364	319	634	532	108.6%	-44.8%
Caribben, Central and South America	82	76	90	115	75	88	202	159	72	112	59	131	97	18.3%	-44.3%
Rest	150	150	170	365	218	284	782	776	419	351	208	602	536	257.3%	-56.8%
Gran total	143,630	172,645	227,287	196,501	179,772	192,844	196,925	152,766	122,247	156,060	180,270	225,210	208,083	44.9%	21.3%

Key Markets	Jan/2022	Feb/2022	Mar/2022	Apr/2022	May/2022	Jun/2022	Jul/2022	Aug/2022	Sep/2022	Oct/2022	Nov/2022	Dec/2022	Jan/2023	Δ Jan-23 / Jan-22	Δ Jan-Dec 22 / Jan-Dec-22
United Kingdom	98	66	60	228	97	84	121	147	94	128	109	160	115	17.3%	-60.9%
Australia	35	43	25	140	86	97	141	138	139	165	101	179	185	428.6%	-65.5%
South Korea	3	-	5	22	12	13	41	23	23	20	8	42	42	1300.0%	-84.7%
Total Key Markets	136	109	90	390	195	194	303	308	256	313	218	381	342	151.5%	-66.7%



SOURCE: INM- SIOM

Foreign Tourist Admittance through SJD by Country of Residence, monthly

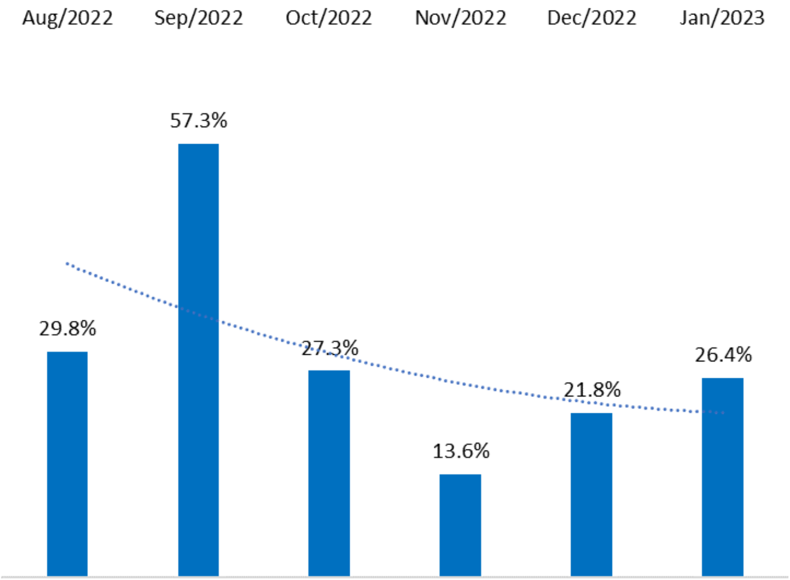
208,083
International Admittances in SJD (Dic-2022)

+44.9%
Jan-2023 vs 2022

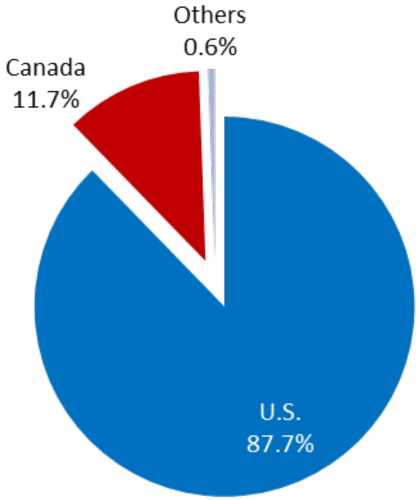
87.7%
U.S. Market Share.

11.7%
Canada Market Share

Annual change in foreign tourist arrivals to San Jose del Cabo airport (Jan-2023 vs. 2022)



Foreign Tourist Arrivals in San Jose del Cabo International Airport, per -Residence (Jan-2023)

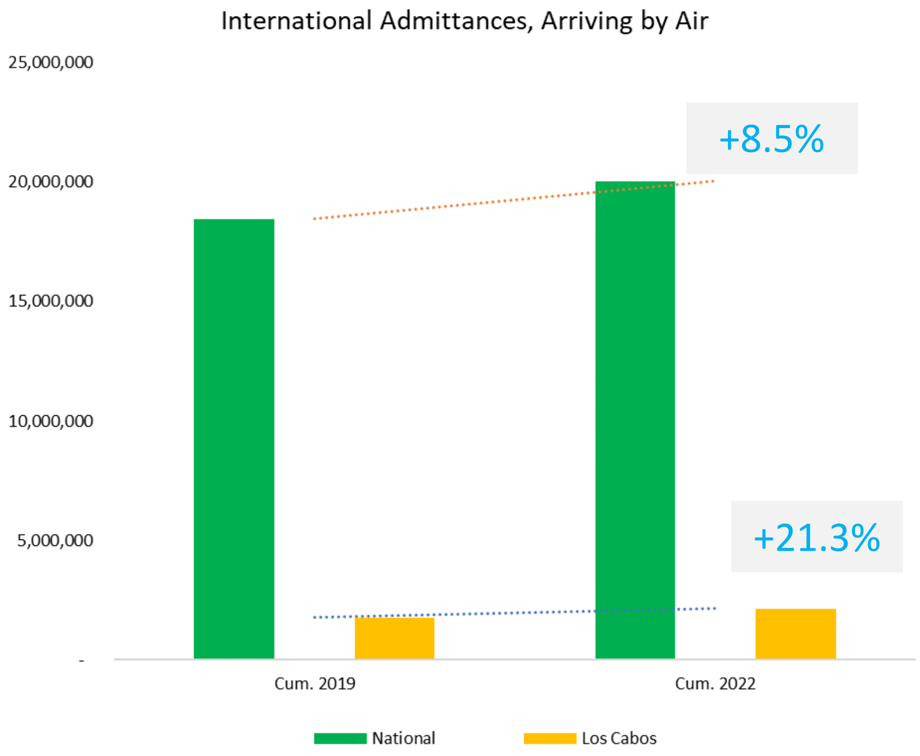


SOURCE: INM- SIOM

Foreign Tourist Admittance through SJD by Country of Residence, cumulative

Region	National			Los Cabos		
	Cum. 2019	Cum. 2022	Δ 2022/2019	Cum. 2019	Cum. 2022	Δ 2022/2019
United States	10,789,135	13,398,456	24.2%	1,590,530	2,046,027	28.6%
Canada	2,296,061	1,678,135	-26.9%	158,138	88,533	-44.0%
Europe	2,036,838	2,016,309	-1.0%	10,619	5,861	-44.8%
Caribbean, South and Central A.	2,685,601	2,498,701	-7.0%	2,265	1,261	-44.3%
Rest	657,174	448,247	-31.8%	10,369	4,475	-56.8%
Total	**18,464,809**	**20,039,848**	**8.5%**	**1,771,921**	**2,146,157**	**21.3%**

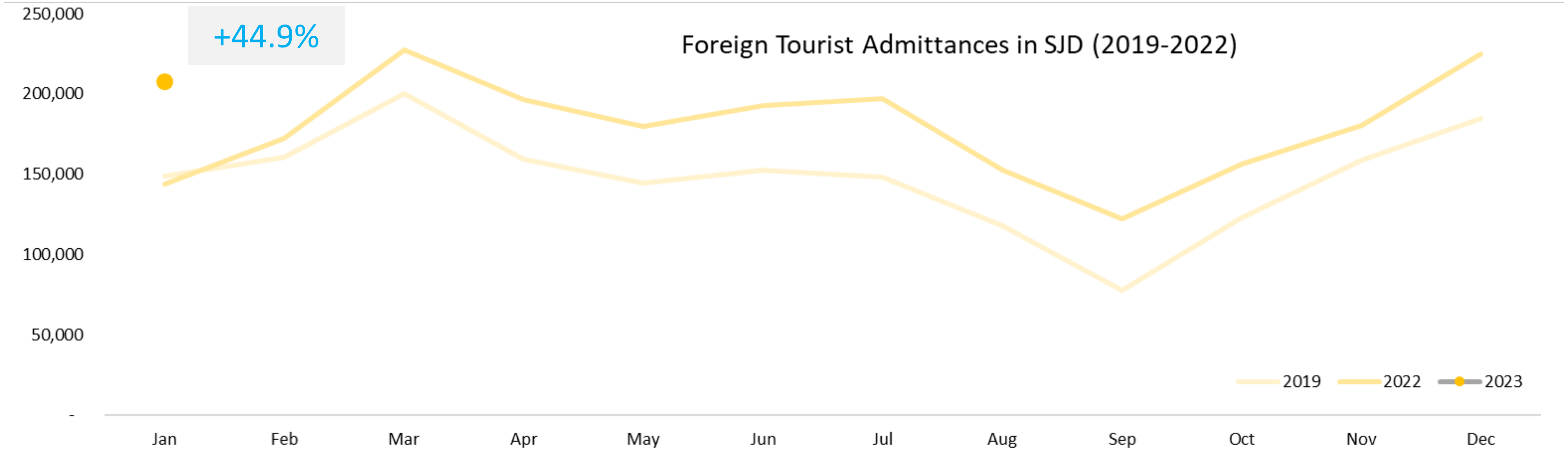
Key Market	National			Los Cabos		
	Cum. 2019	Cum. 2022	Δ 2022/2019	Cum. 2019	Cum. 2022	Δ 2022/2019
United Kingdom	559,037	540,406	-3.3%	3,559	1,392	-60.9%
Australia	64,809	28,955	-55.3%	3,738	1,289	-65.5%
South Korea	86,398	30,001	-65.3%	1,385	212	-84.7%
Total	**710,244**	**599,362**	**-15.6%**	**8,682**	**2,893**	**-66.7%**

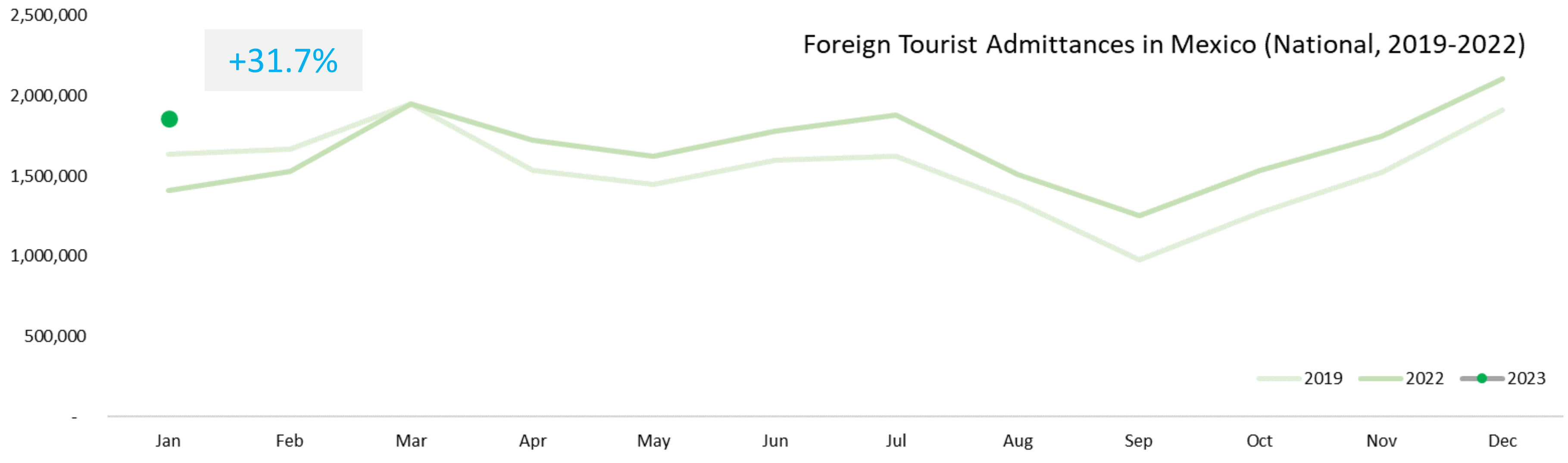


- Comparing the cumulative Jan-Dec 2022 versus 2019, at the national level, the number of tourists arriving by air grew 8.5%, while in Los Cabos it grew 21.3%.
  - The U.S. market increased 24.2% and the Canadian market fell 26.9%.
  - At the Los Cabos airport, the U.S. market grew 28.6% and the Canadian market fell 44% when comparing both periods.

SOURCE: INM- SIOM

Monthly Foreign Tourist Arrivals by Air to SJD and All Mexico





SOURCE: INM- SIOM

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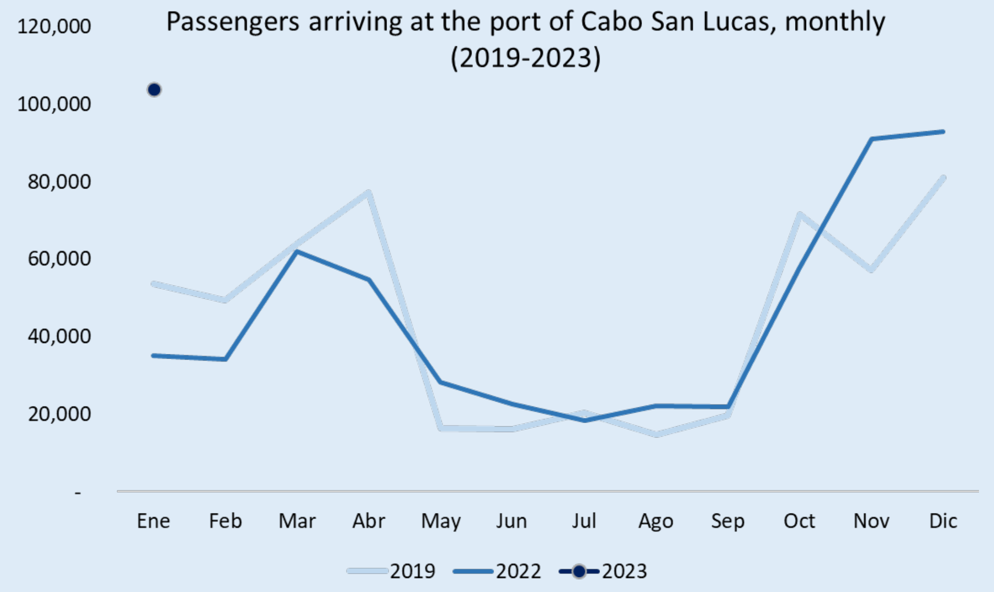
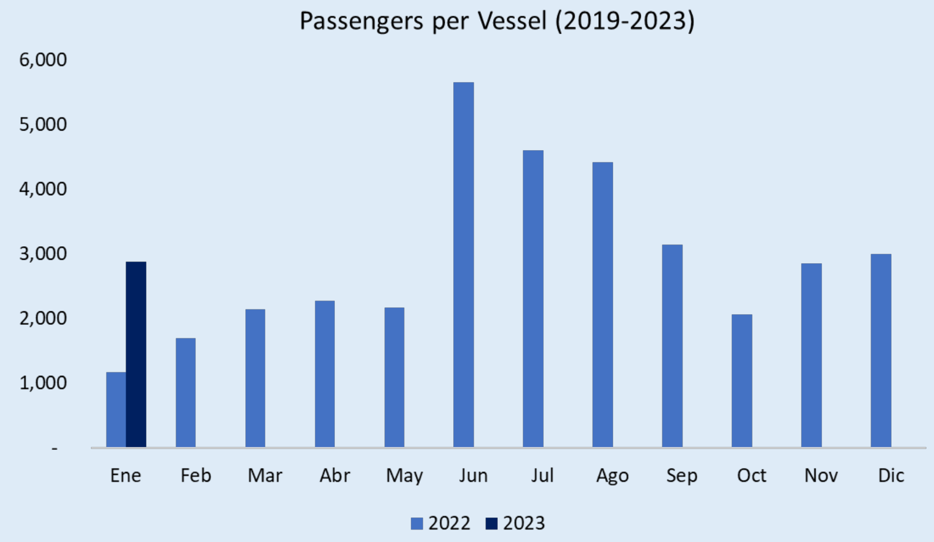
CRUISE AND YACHT ACTIVITY

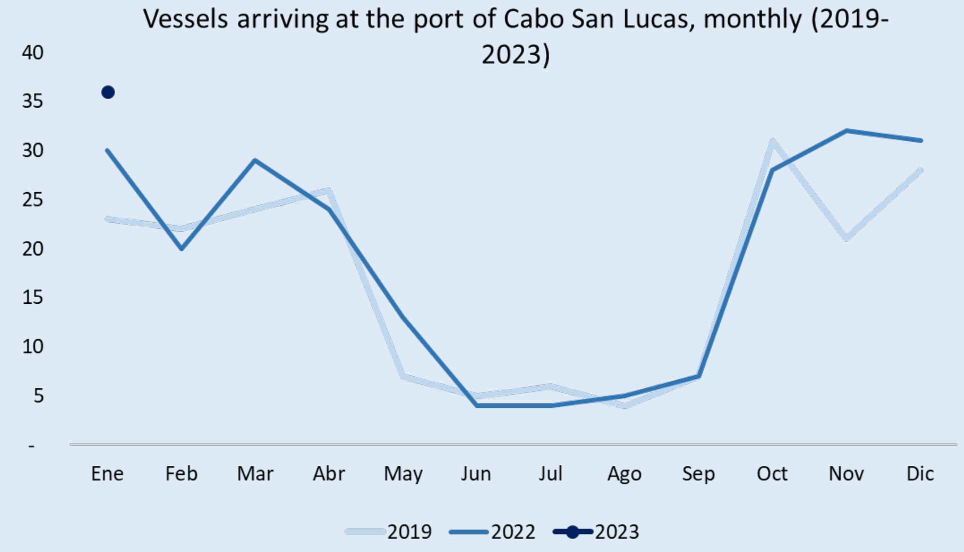
Cruise Activity (Jan-2023)

- **In Jan-2023, the port of Cabo San Lucas received 36 vessels carrying a total of 103,846 passengers was recorded.**
  - **This is the highest volume since the beginning of this observatory.**
- **When compared to 2022, this translates into an increase of 196.4% (+93.3% vs. 2019).**

SOURCE: DATATUR - SCT



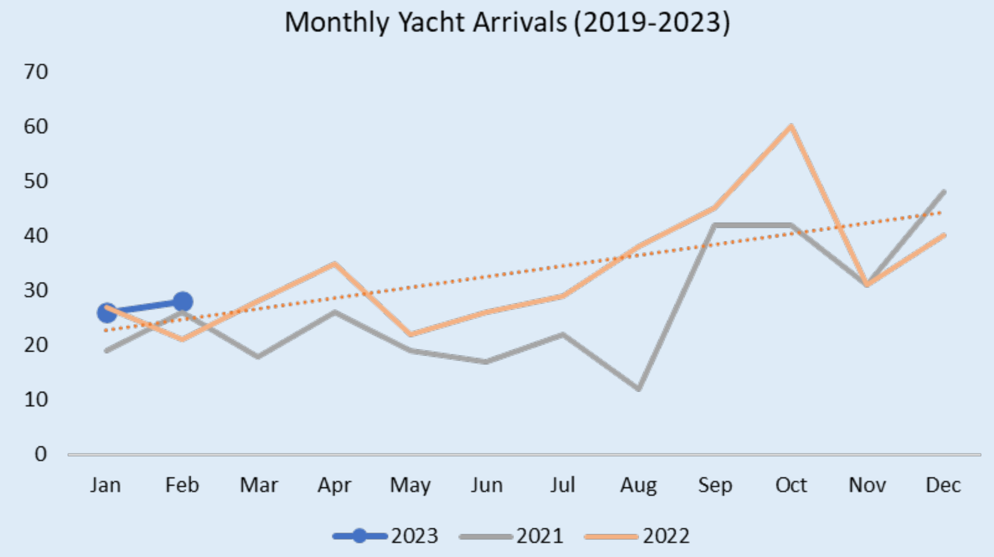


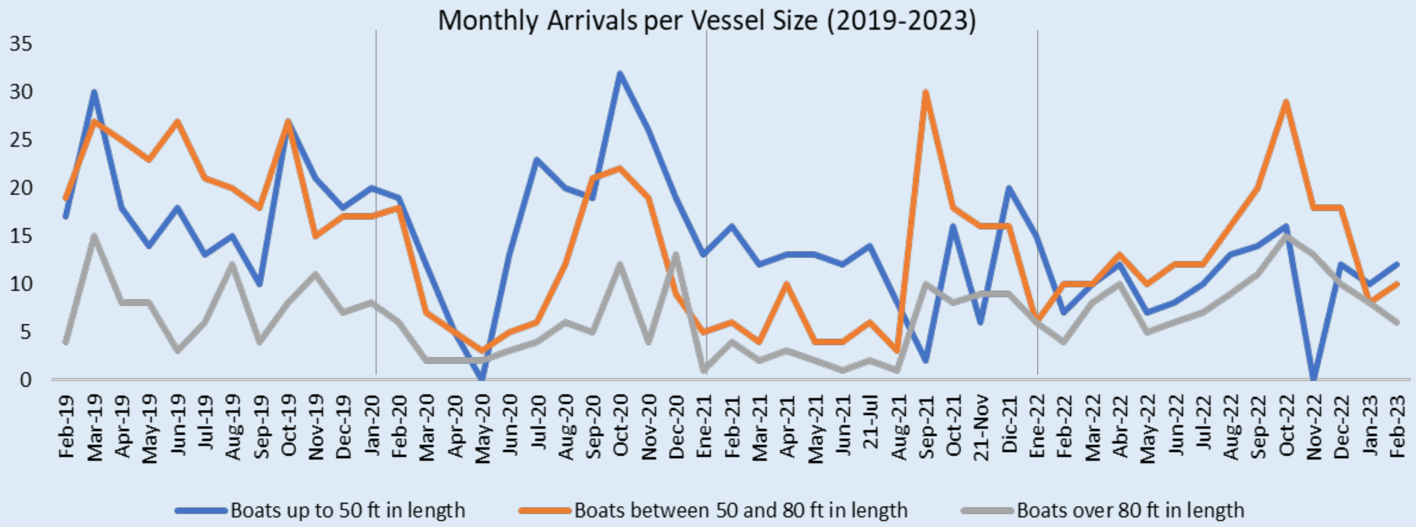


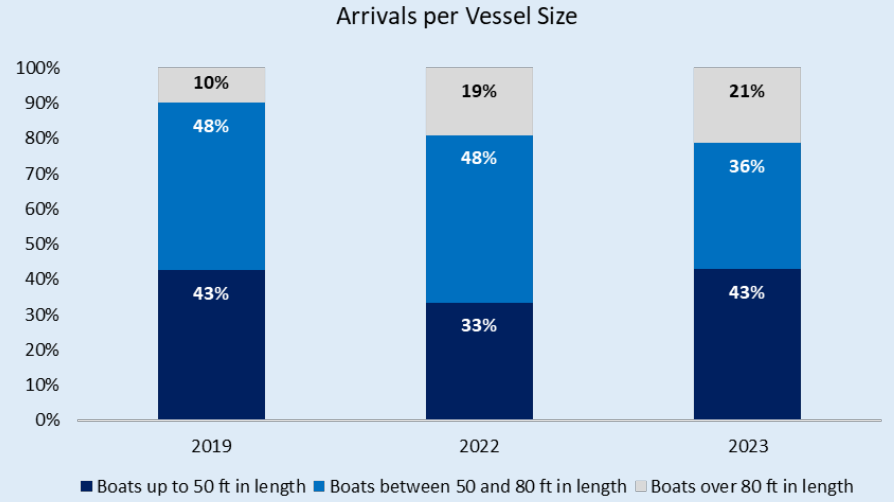
Yacht Arrivals in Cabo San Lucas (Feb-2023)

- **In Feb-2023, 26 yachts arrived at the Cabo San Lucas marina. This represents an increase of 33%; that is to say, 7 boats in relation to the same period of 2022.**
    - **Of these, 43% were small vessels under 50 feet in length.**

SOURCE: API Cabo San Lucas







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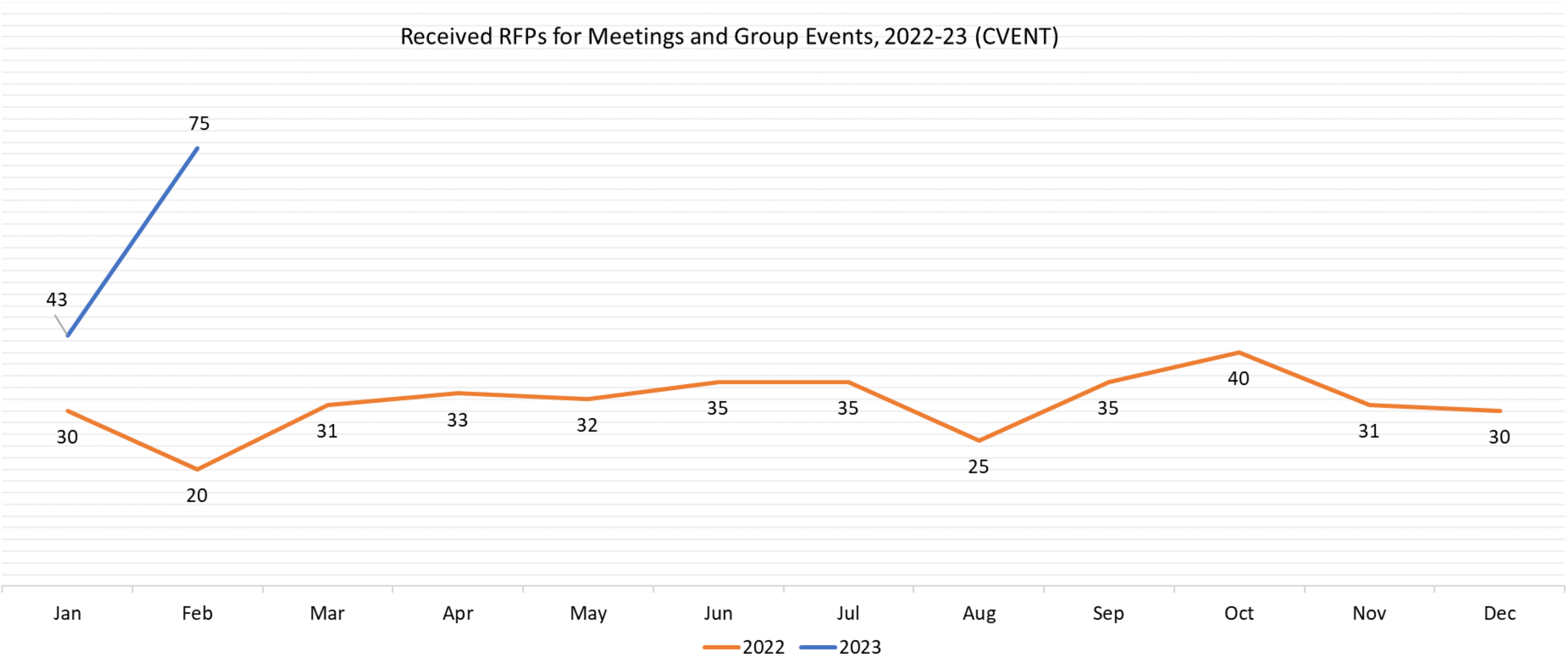
TOURIST SURVEYS AND MEETINGS

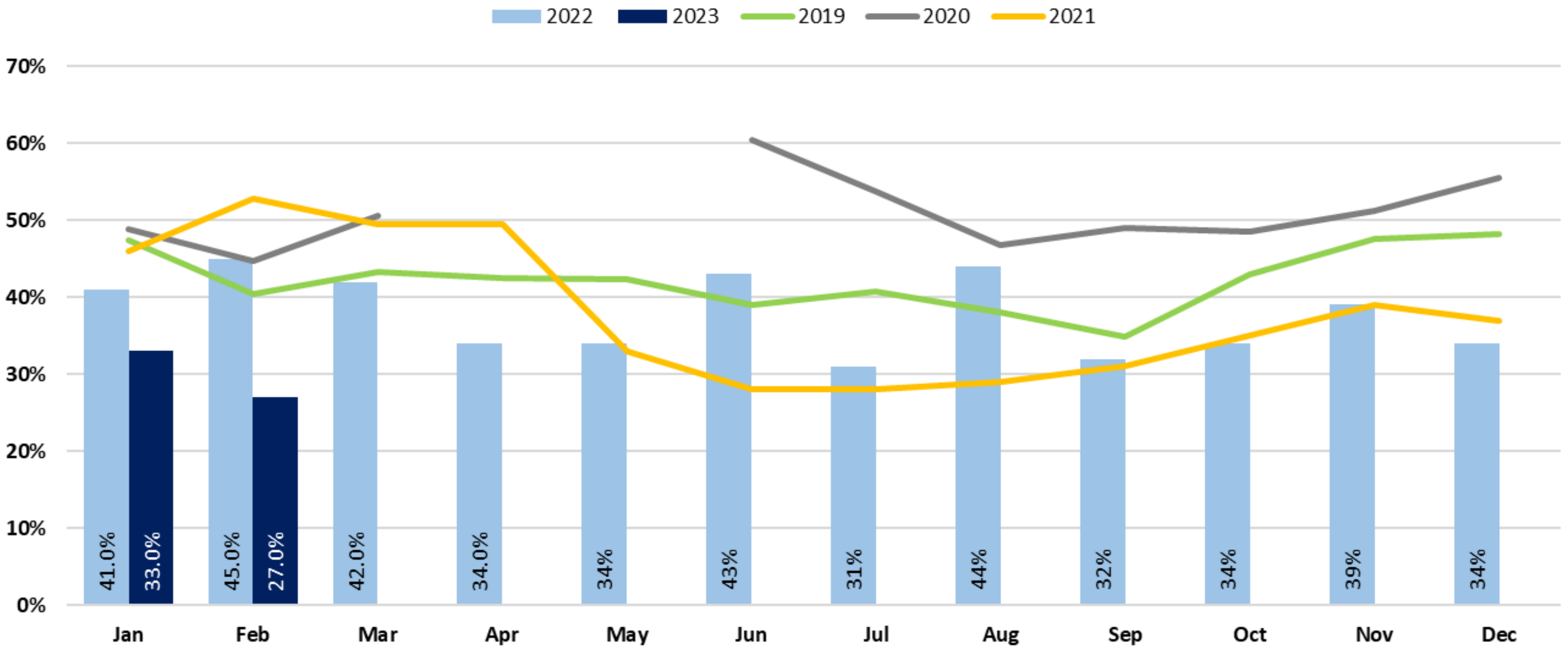
Meetings



- 75 RFPs received for meetings and group events in Los Cabos during Feb-2023.
  - 55 more than 2022.

SOURCE: CVENT

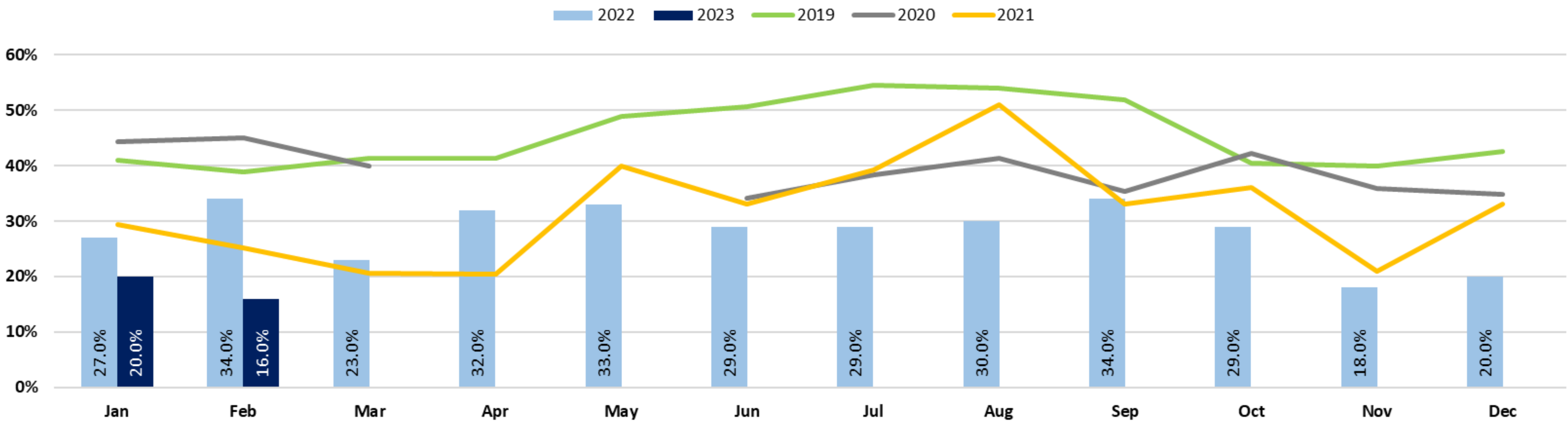
Returning Tourists



- Feb-2023: 27% of tourists had already visited the destination, down 18pp vs. Feb-2022.

SOURCE : ENCUESTAS A TURISTAS

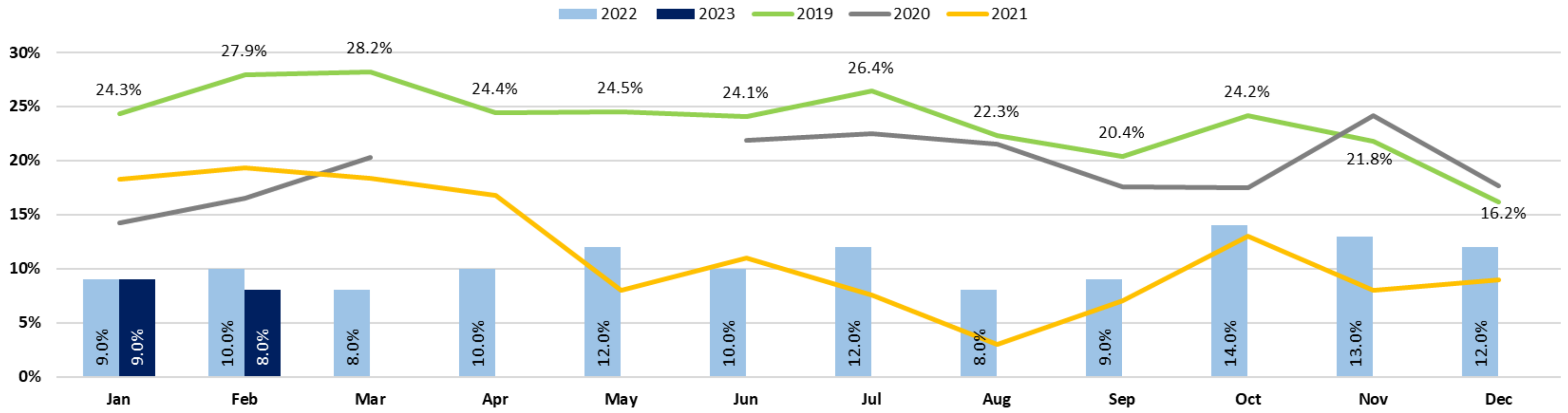
Package Tours



- 16% of tourists bought their trip as a package, 18pp below vs Feb-2022.

SOURCE : ENCUESTAS A TURISTAS

Timeshares



- Timeshare usage in Feb-2023: 8% of tourists, down 2pp vs Feb-2022.

SOURCE : ENCUESTAS A TURISTAS

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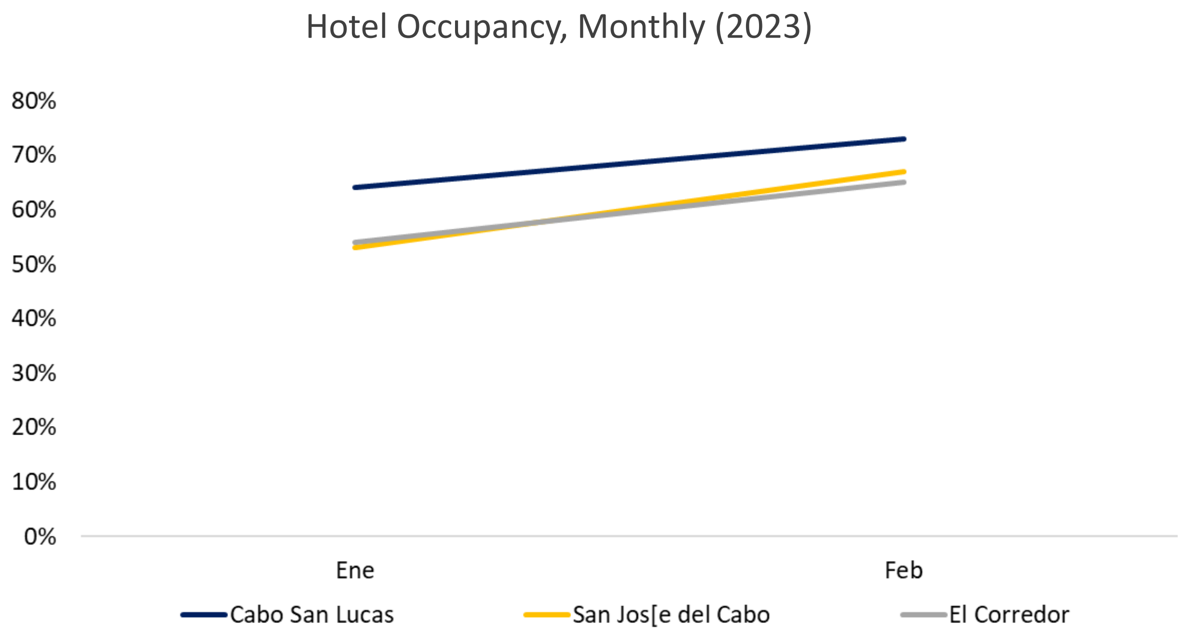
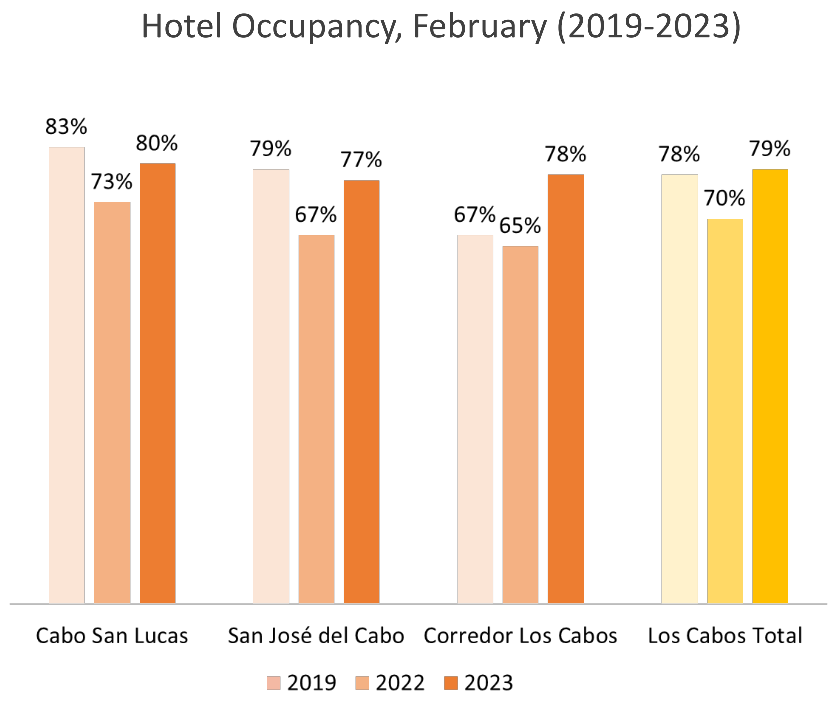
HOTEL ACTIVITY

Hotel Occupancy



SOURCE: AHLC

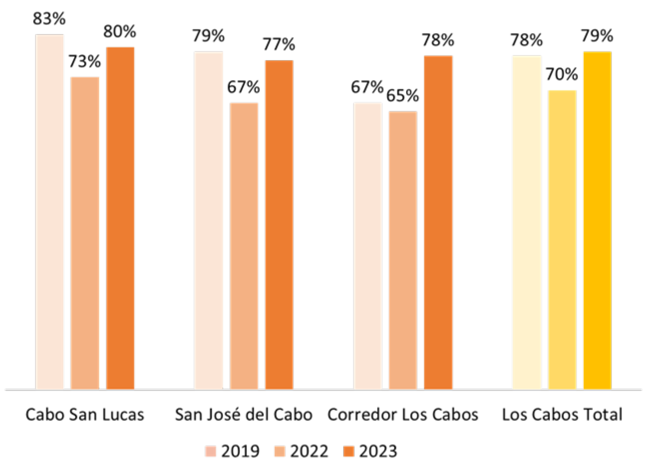


SOURCE: AHLC

- **Hotel Occupancy Rate in Los Cabos reaches 79%, 9pp more than 2022 (+5pp vs 2019).**
  - **Cabo San Lucas records 80% (+7pp), San José del Cabo, 77% (+10pp), and El Corredor, 78% (+13pp)**

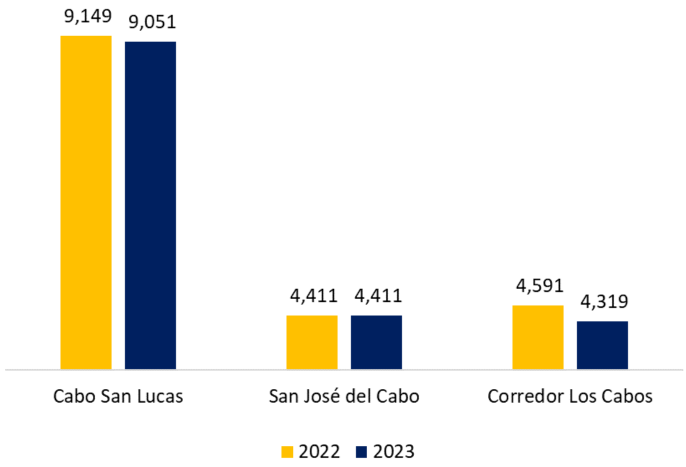
Hotel Occupancy

Hotel Occupancy Rate (2019-2023)



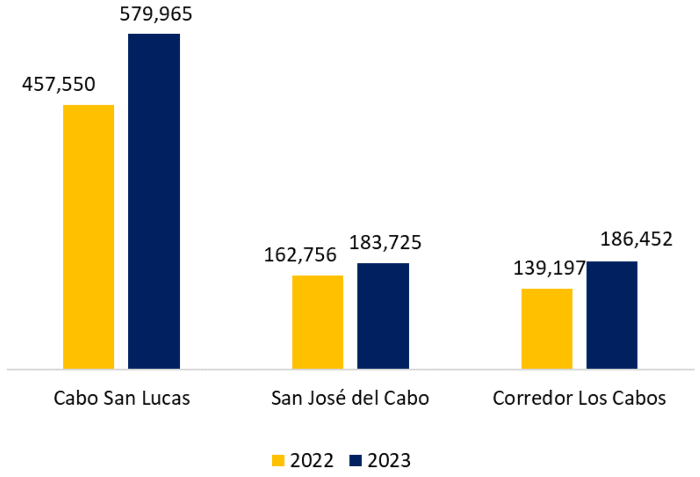
SOURCE: AHLC

Available Rooms (2019-2022)



SOURCE: DATATUR

Room Nights (2019-2022)



SOURCE: DATATUR

CABO SAN LUCAS

- **Occupancy in Feb-2023 reached 80%, 7pp more than in 2022 (AHLC).**
- **Between Jan-2023 and 2019 its hotel supply decreased 1.1%, totaling 9 thousand rooms (DATATUR).**
- **Room nights increased 26.8% between Jan-2023 and 2022 (DATATUR).**

SAN JOSÉ DEL CABO

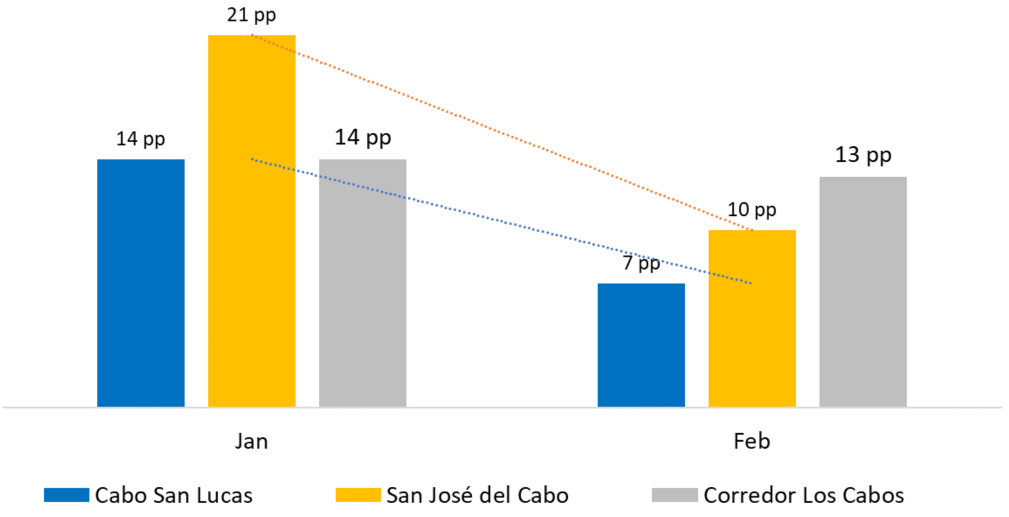
- **Occupancy in Feb-2023 records 77%, 10pp more than in 2022 (AHLC).**
- **Between Jan-2023 and 2019 its hotel supply remained unchanged (DATATUR).**
- **Room nights grew 12.9% between Jan-2023 and 2022 (DATATUR).**

CORREDOR LOS CABOS

- **Occupancy in Feb-2023 reaches 78%, which represents 13pp more than in 2022 (AHLC).**
- **Between Jan-2023 and 2019 its hotel supply fell 5.9%, registering 4.3 thousand rooms (DATATUR).**
- **Room nights rose 33.9% between Jan-2023 and 2022 (DATATUR).**

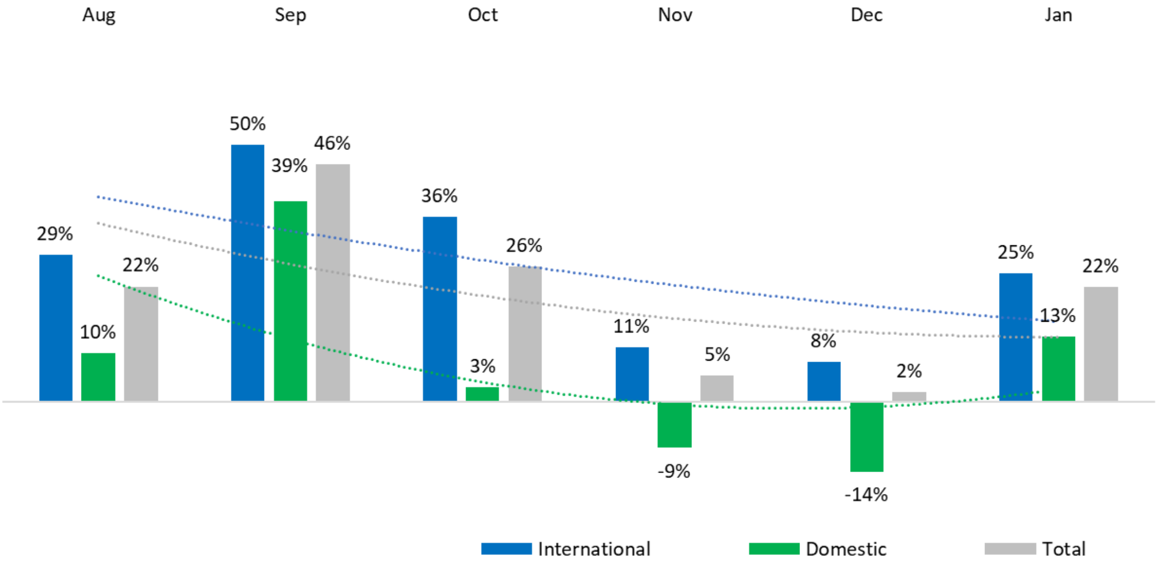
Annual Variations in Hotel Occupancy and Tourist Arrivals

Annual Variation in Hotel Occupancy, by destination
(2023 vs 2022)



SOURCE: AHLC

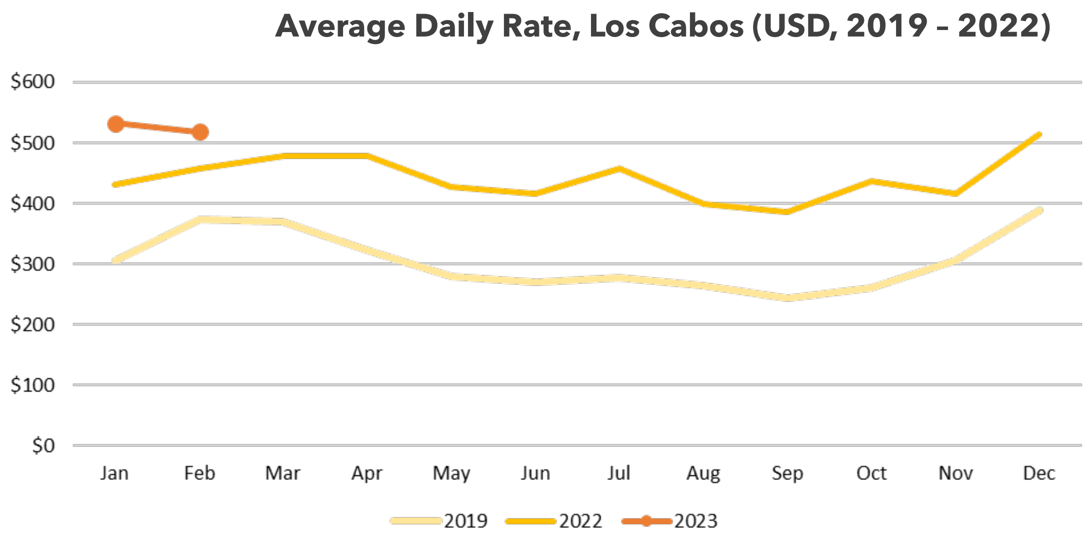
Annual Variation in Tourist Arrivals to Hotels, by Origin.
(Aug-2022 to Jan-23, vs. 2019)

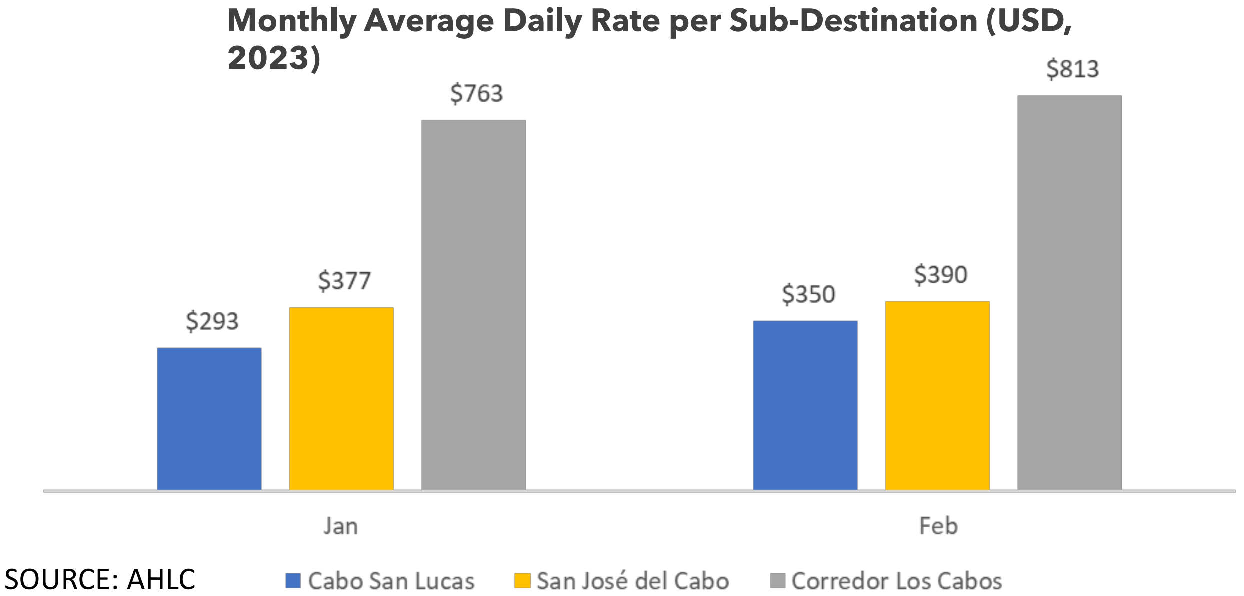


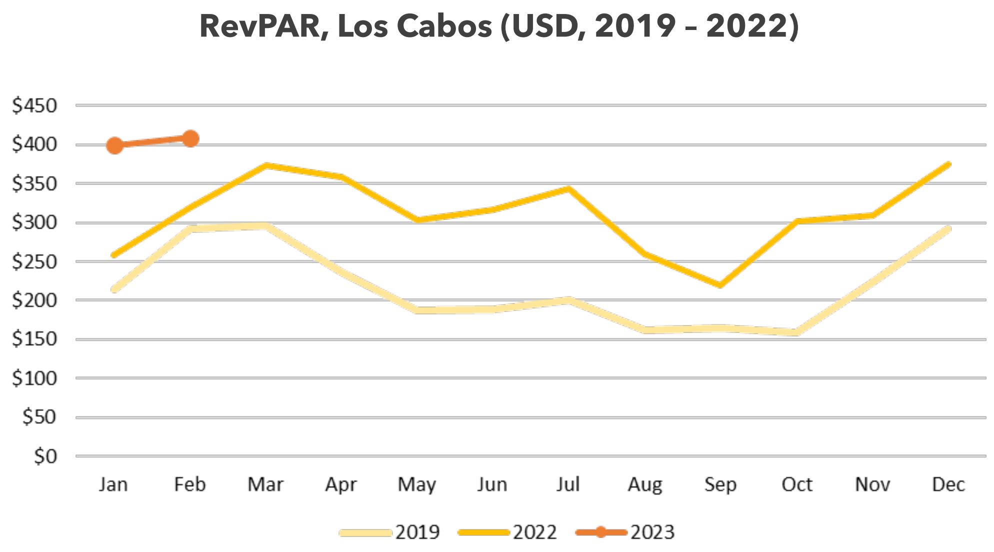
SOURCE: DATATUR

Average Daily Rate and RevPAR

- **The average daily rate in Los Cabos in Feb-2023 was $518 USD; +$63 USD vs. last 12 months; +$61 USD vs. 2022.**
- **At the sub-destination level:**
  - **Cabo San Lucas registered $350 USD (+$68 USD vs 2022); San Jose del Cabo, $390 USD (+$54); and El Corredor, $813 USD (+$35 USD).**
- **In Feb-2023 the RevPAR was $399 USD; $141 USD more (+55%) than in 2022.**







SOURCE: AHLC

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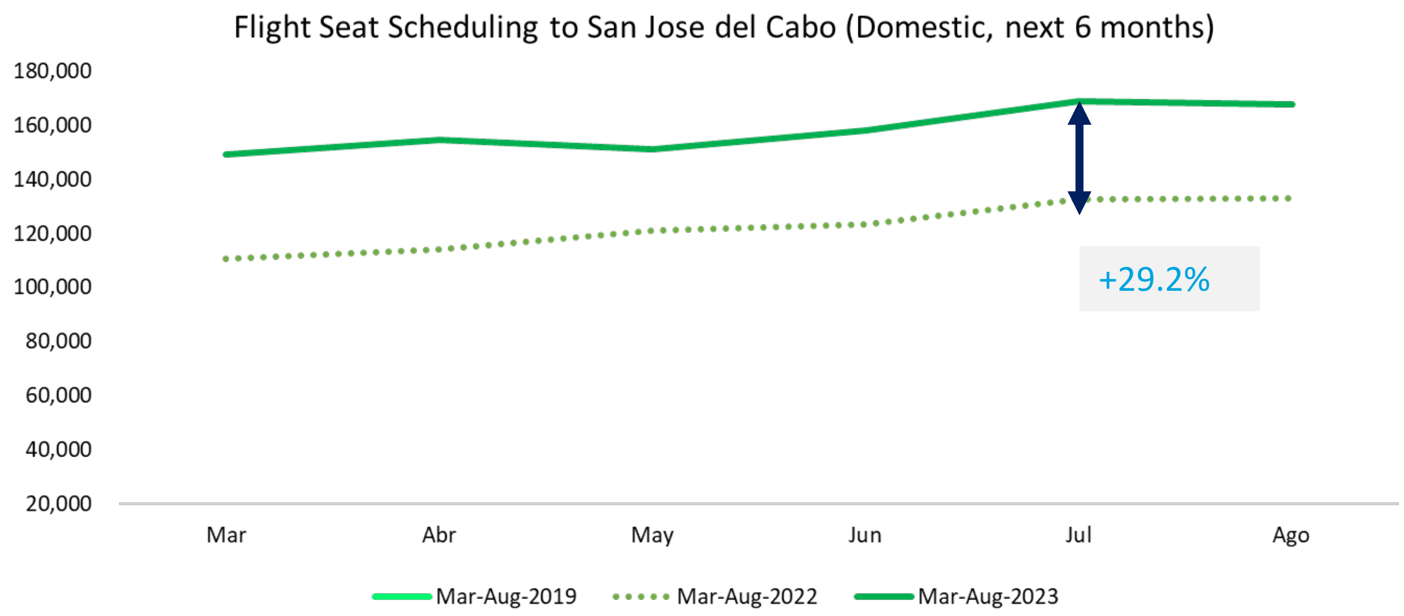
AIR TRAVEL CONNECTIVITY

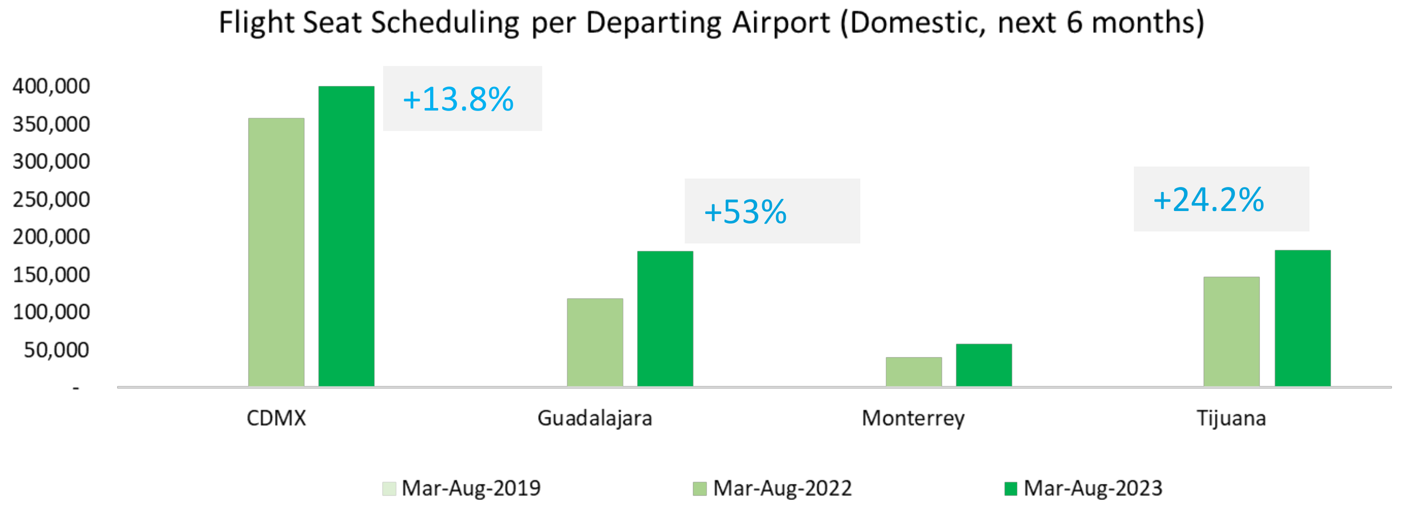
SOURCE: OAG

Domestic Air Connectivity

SCHEDULED SEATS FOR MAR-AUG-2023

- **There are 946 thousand seats scheduled for the upcoming 6 months (+29.2% vs. 2022).**
  - **An increase of 34.6% for Mar-2023.**
- **Market share: CDMX 42.9%, GDL 19.1% and TIJ 19.2%.**
- **Seats from CDMX are up 13.8%, while GDL is up 53% and Tijuana 24.2% vs. 2022.**
- **In the next 6 months, 54% of available seats will be offered by Volaris, 30% by VivaAerobus and 16.1% by Aeromexico.**
- **The occupancy factors of domestic airlines (Dec-2022) are: Aeromexico (80%), VivaAerobus (30.6%), and Volaris (53.3%).**





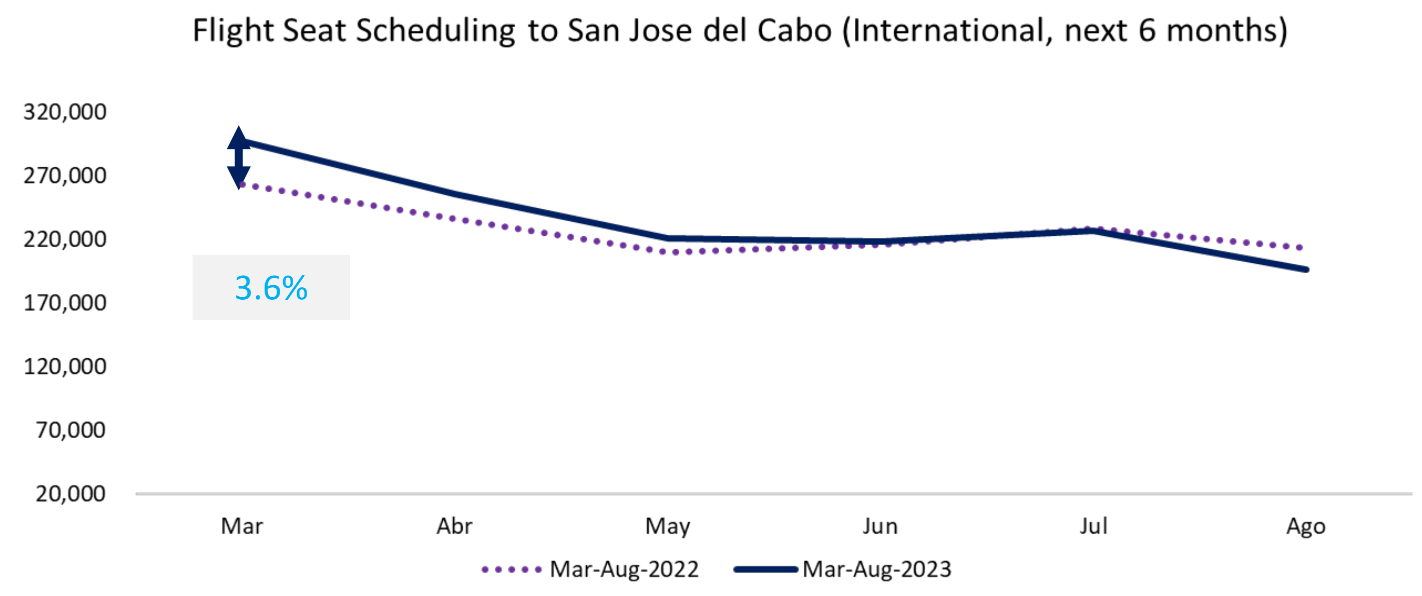
SOURCE: OAG

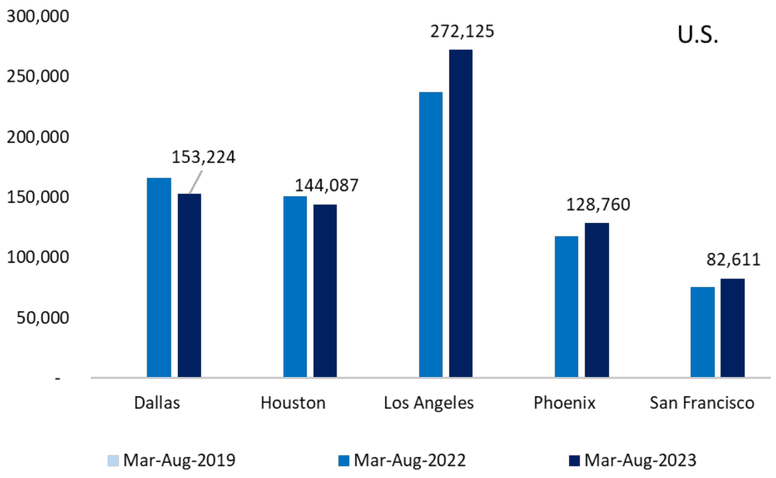
International Air Connectivity

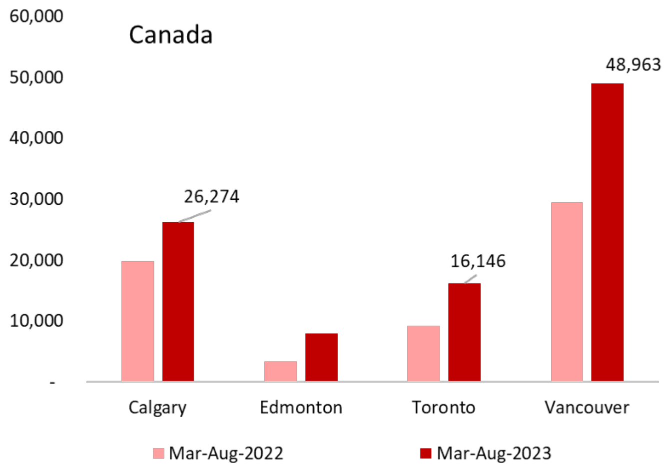
ASIENTOS PROGRAMADOS PARA MAR-AGO-2023

- For the U.S. there are 1.31 million seats are scheduled for the next 6 months (+0.8% vs. 2022). For Mar-2023 there are 8.4% more.
  - Market share: LAX 26.7%, Dallas 15.1%, Houston 14.2% and Phoenix 12.6%.
    - LAX is up 14.8%, while PHX is up 9.3%; and HOU and DFW are down 4.4% and 7.7%, respectively, versus 2022.
  - In the next 6 months, 26.1% of available seats will be offered by American, 18% by Alaska, 16.4% Southwest and 16.2% United.
- Occupancy factors (Dec-2022): Aeromexico (80%), VivaAerobus (30.6%), and Volaris (53.3%).

- For Canada there are 100.1 thousand seats scheduled for the next 6 months (+61% vs. 2022). For Mar-2023 there are 58.7% more.
  - Market share: Vancouver 49.3%, Calgary 26.5%, Toronto 16.3% and Edmonton 8%.
    - Vancouver is up 66.5%, Calgary 32.4%, Toronto 74.4% and Edmonton 133.7% versus 2022.
  - In the next 6 months, 50.5% of available seats will be offered by Westjet, 17.8% by Swoop and 11.6% by Sunwing.
- Occupancy factors (Dec-2022): Aeromexico (80%), VivaAerobus (30.6%), and Volaris (53.3%).







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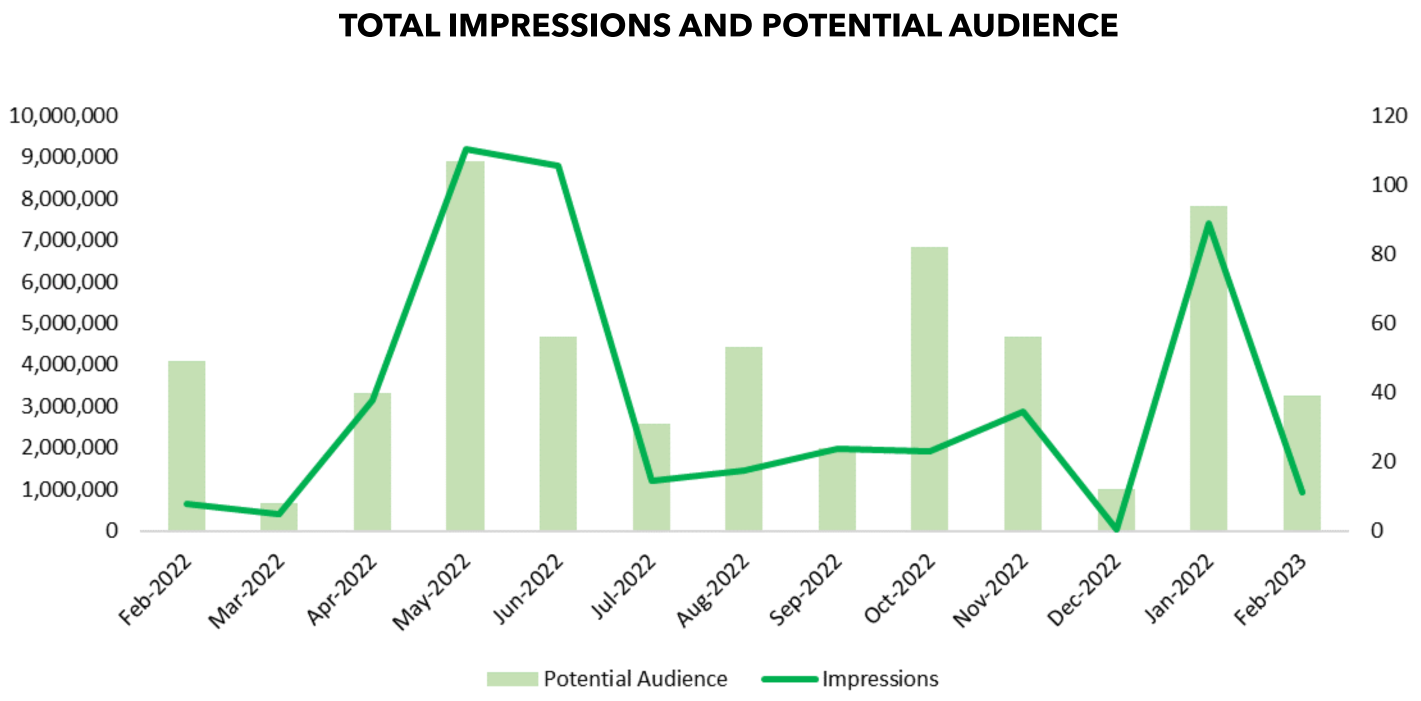
TOURISM OBSERVATORY

PUBLIC RELATIONS

Public Relations (National Market)

- **39 impressions in total during Feb-2023, generating 940 thousand impacts. Since the beginning of the pandemic, in April 2020, an average of 49 monthly inserts have been published, with a reach of 3.6 million.**

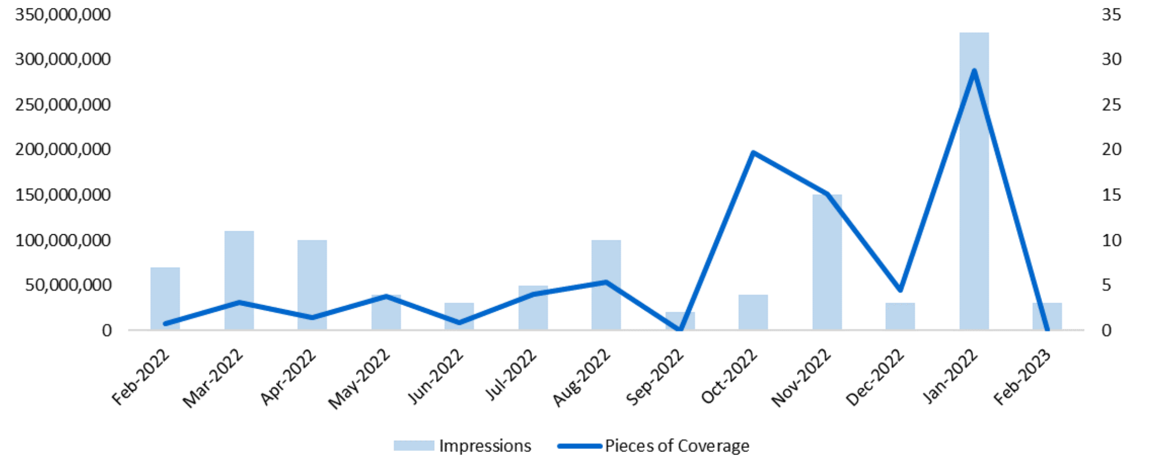


SOURCE: GAUDELLI (Feb-18 a Ene-19), LLORENTE Y CUENCA (Feb-19 a la fecha)

Public Relations (International Markets)

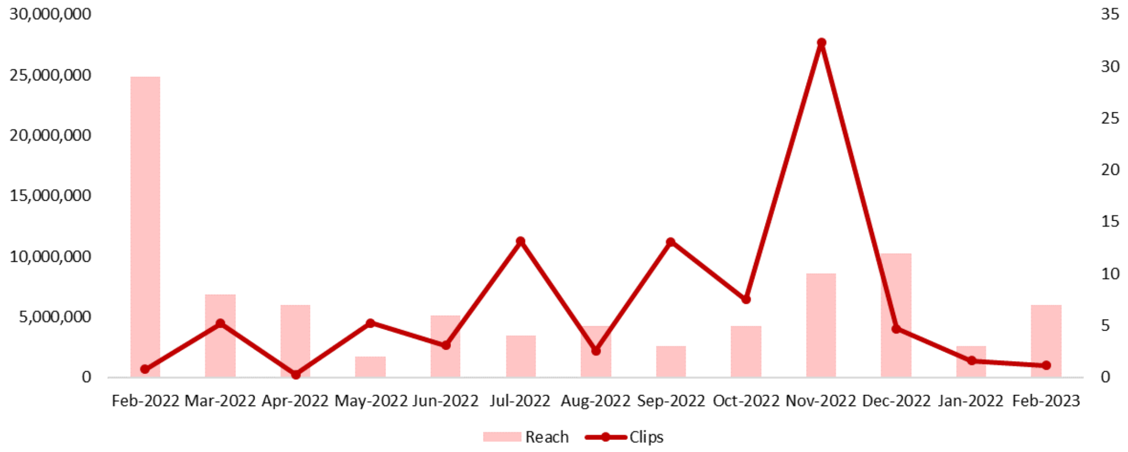
- For the the U.S. in Feb-2023, a total of 3 placements and 1.39 million impacts were achieved. Since the beginning of the pandemic, a monthly average of 17 placements have been published, with a monthly reach of 424 million.
- For Canada, 7 inserts were generated with a reach of 1.4 million impacts. Since April, a monthly average of 7 inserts have been published, with a monthly reach of 5.6 million.
- For Spain, 16 notes were generated during Jan-2023, representing a potential audience of 7.8. Since Jul-2022, an average of 9 inserts have been published, with a monthly reach of 25.5 million.

U.S. MARKET



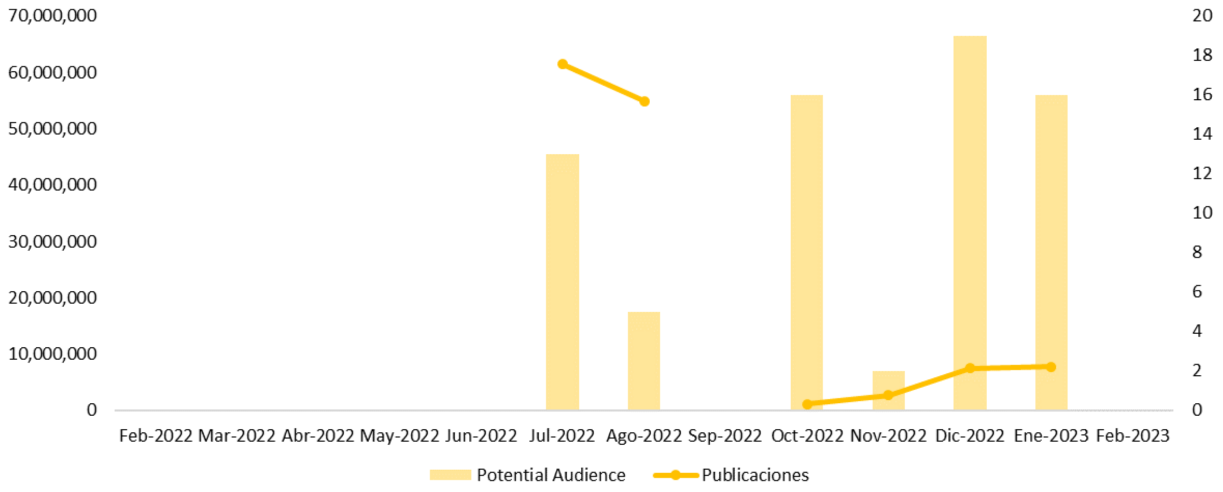
SOURCE: NJF (Feb-18 to Jan-19), OGILVY (Feb-19 to date)

CANADA MARKET



SOURCE: JESSON+CO.

SPAIN MARKET



SOURCE: ROMAN.

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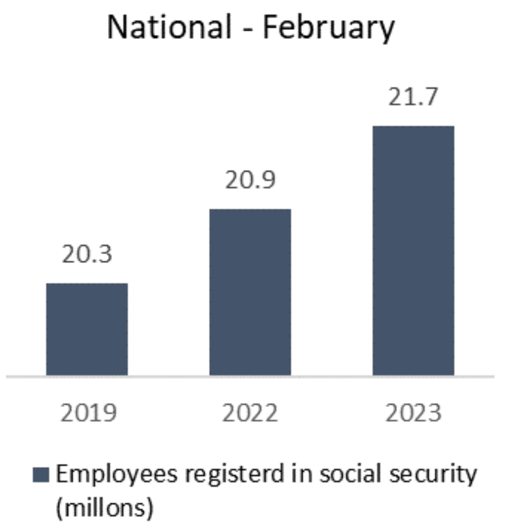
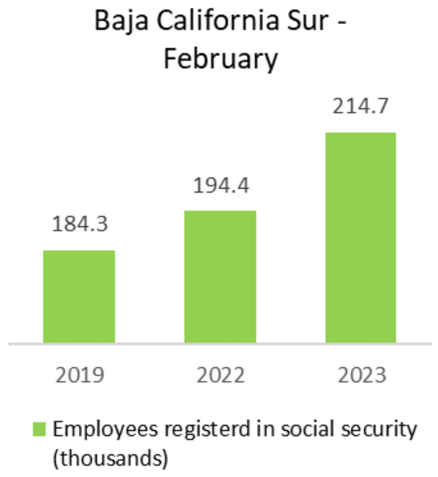
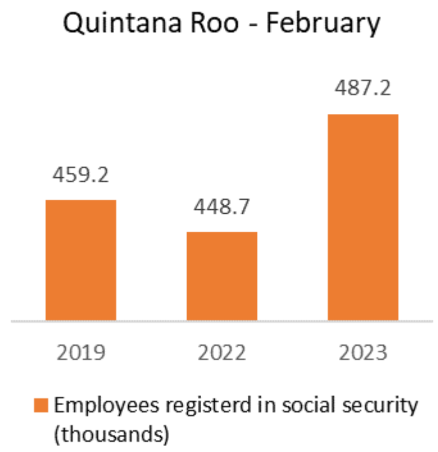
COVID-19 IMPACT

Impacts on the Mexican tourism sector as a consequence of the COVID-19 pandemic.

Impactos al empleo en México







- In Jan-2023 there is a 6.5% increase in the number of jobs compared to those registered in Jan-2019.
-
- As of Jan-31-2023, 21,484,595 jobs are registered in the IMSS, 5.2% more than the Dec-2019.

- 16.7% more jobs in Jan-2023 vs Jan-2019.

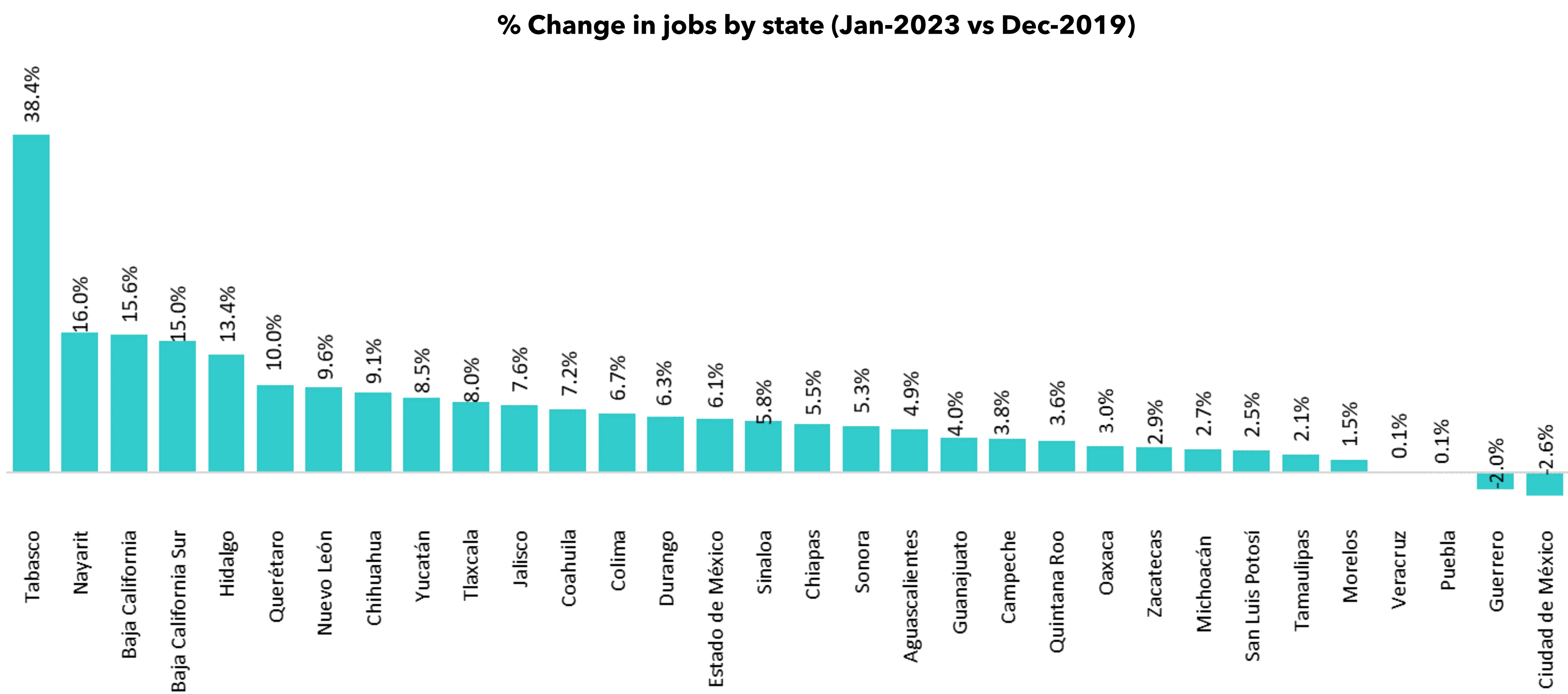
- Baja California Sur closes Jan-2023 with 210,964 jobs, this is 15% more vs Dec-2019.

- In the case of Quintana Roo, in Jan-2023 there are 4.6% more jobs than those registered in Jan-2019.

- Jan-2023 closes with 479,784 jobs, 3.6% more vs. Dec-2019.

SOURCE : IMSS

Impactos al empleo en México



- Baja California Sur closes Jan-2023 with 15% more jobs than those registered at the close of Dec-2019 (it is the 4th state with the highest increase). Quintana Roo grows 3.6% vs. 2019.

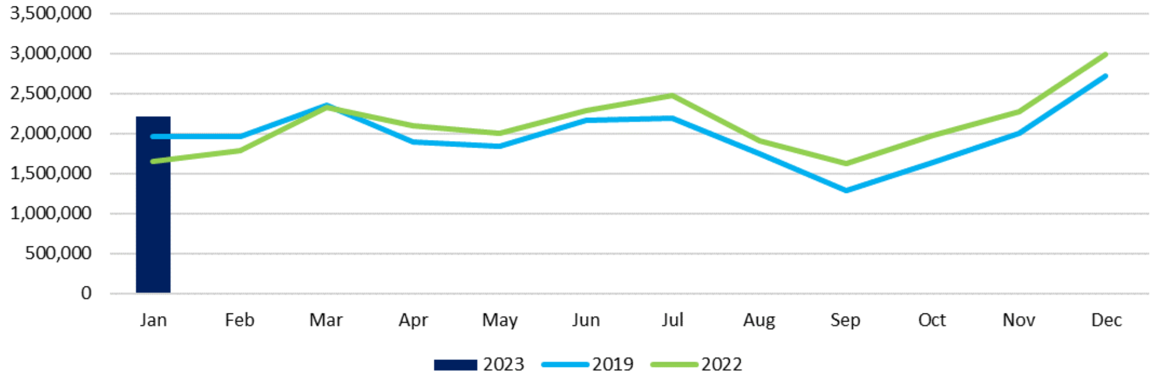
SOURCE : IMSS

International Tourist Arrivals in Mexico

International tourists entering the country

Jan-2023	Jan-2022	VAR
3,397,200	2,644,596	28.5%

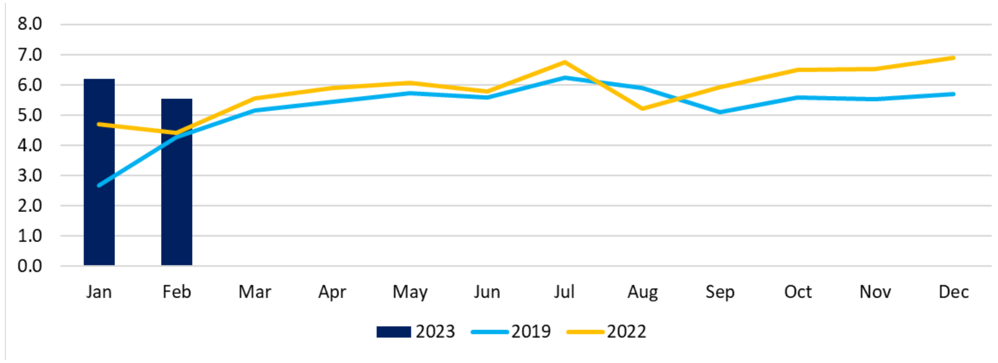
Inbound Tourists



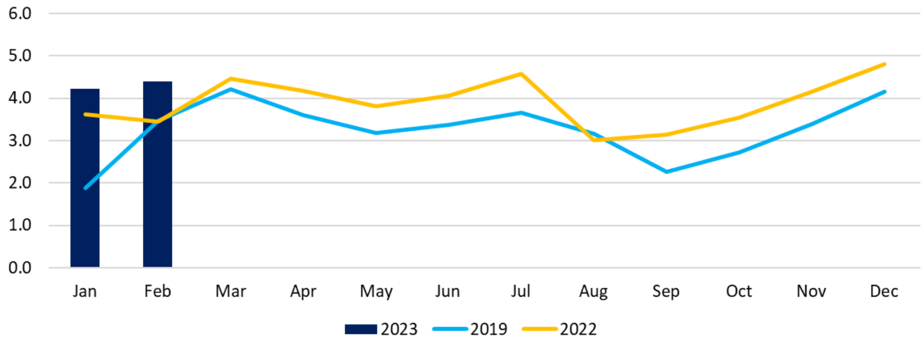
- In Dec-2022, 4.26 million international tourists entered the country, (9.7% less than Dec-2019). 70% were inbound tourists.
- 10.2% more inbound tourists vs. Dec-2019 (76% by air, 24% by land). The average spend of those who entered the country by air was $1,068 dollars (12% more than the average spend in Dec-2019).

Air Activity in Mexico. Airport Groups

Passenger traffic in domestic operations (millions)



Passenger traffic in international operations (millions)



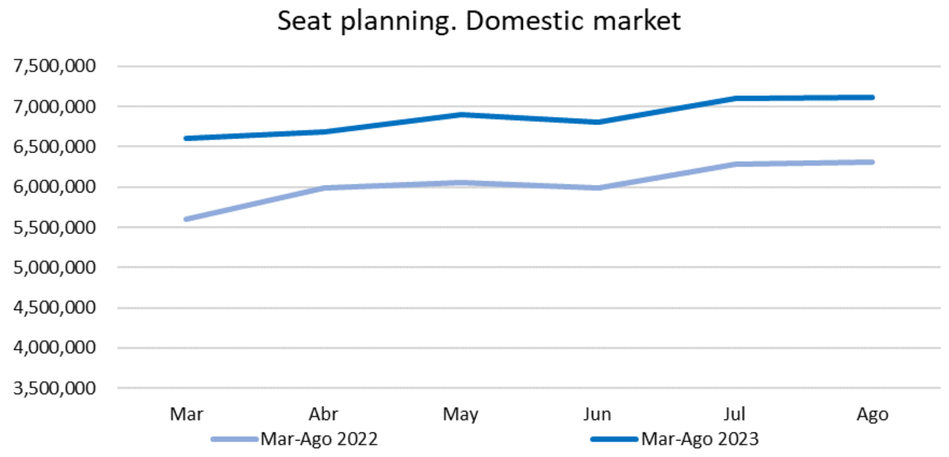
- Passenger traffic in domestic operations during Jan-2023 was 32% higher than Jan-2022 (6.2 million passengers).
- International operations increased 17% vs. Jan-2022 (4.23 million passengers).

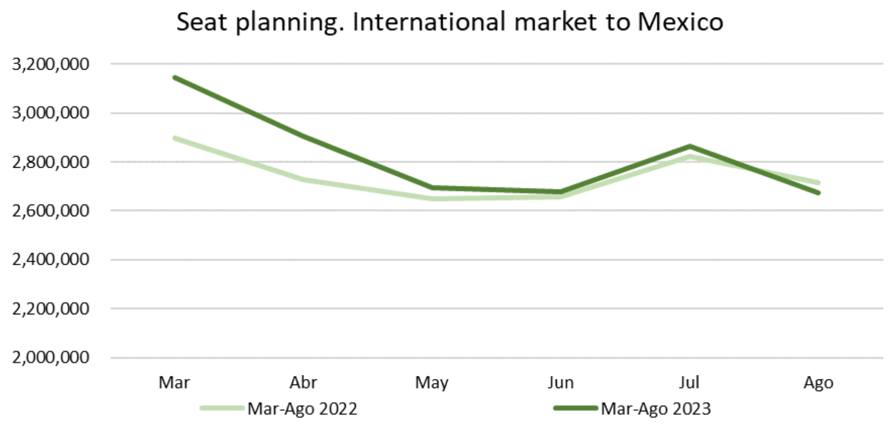
SOURCE: INEGI

***TOTAL TRAFFIC OF THE THREE AIRPORT GROUPS (ARRIVALS AND DEPARTURES), INFORMATION FROM MEXICO CITY IS NOT INCLUDED.**

SOURCE: ASUR, OMA,GAP

Seat planning for Mexico (Feb-2023 and beyond)





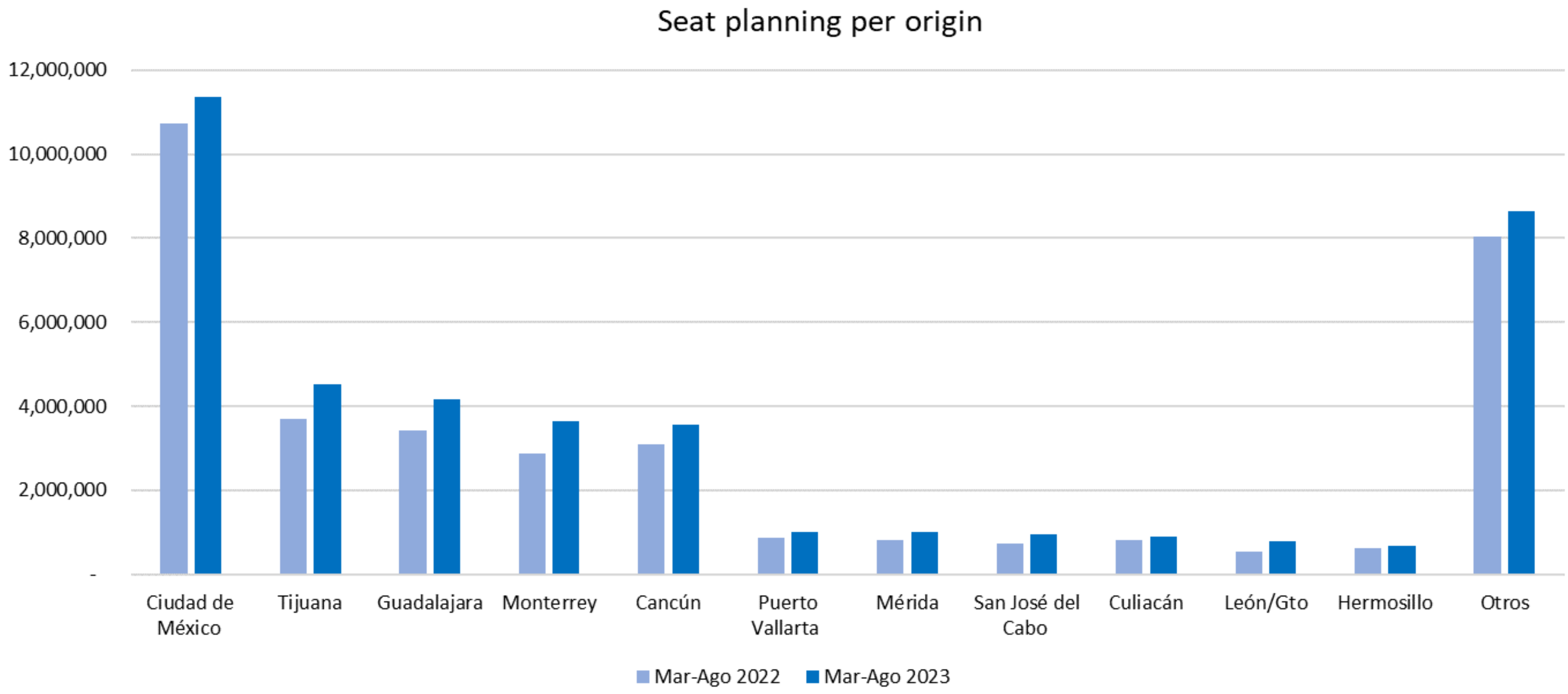
- Domestic seat planning for the next months remains higher than the planning for the same period last year.
- This is 40.9 million domestic seats, 17.5% more vs. Feb-Jul 2023.
- The largest supply of seats are being planned for the summer (Jul-2023) with 7.2 million seats (15.1% more vs Jul-2022).

- 17.1 million international seats are planned for the next six months, up 4.2% vs. Feb-Jul 2022.
- For Mar-2023, 3.2 million seats are planned, up 8% vs. Mar-2022. For Apr-2023 (Easter) there is an increase of 3.5%.

SOURCE : OAG

Seating plans as of the last week of January 2022 and 2023, respectively.

Seat Planning for Mexico for the Coming Months

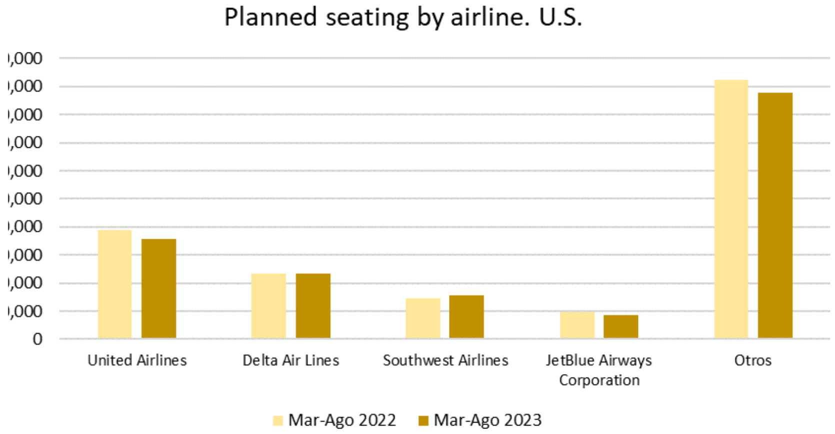


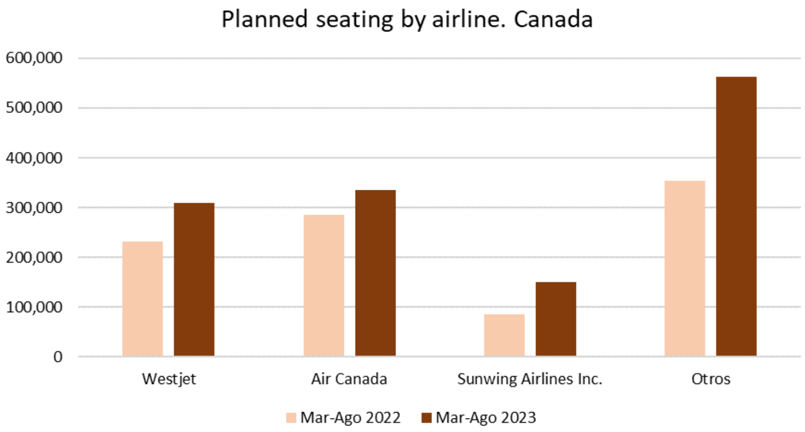
Domestic
Feb-Jul 2023 vs.
Feb-Jul 2022

- CDMX: 12.12 million
  +17.8%
- Tijuana: 4.09 million
  +13.0%
- Guadalajara: 4.03 million
  +19.1%
- Monterrey: 3.62 million
  +32.8%
- Cancún: 3.49 million
  +16.5%
- Puerto Vallarta: 1.07 million
  +30.0%
- San José del Cabo: 921 million
  +29.4%

SOURCE : OAG
Seating planning as of the last week of January 2022 and 2023, respectively.

Seat Planning for Mexico for the Coming Months





U.S.

- 67.3% of Feb-Jul 2023 international seat planning (72.2% of planning for the same period in 2022).
- 11.50 million seats for the next six months (-2.9% vs. Feb-Jul 2022).

%VAR planned seats

- Houston: 1.4 million
- -9.7%
- Dallas: 1.4 million
- -4.1%
- Los Angeles: 1.3 million
- +1.1%
- Chicago: 933 thousand
- +2.2%
- New York: 727 thousand
- +10.5%

Canada

- 9.3% of Feb-Jul 2023 international seat planning (6.8% in 2022 planning).
- 1.59 million seats for Feb-Jul 2023 (+43.2% vs. same period in 2022).

%VAR planned seats

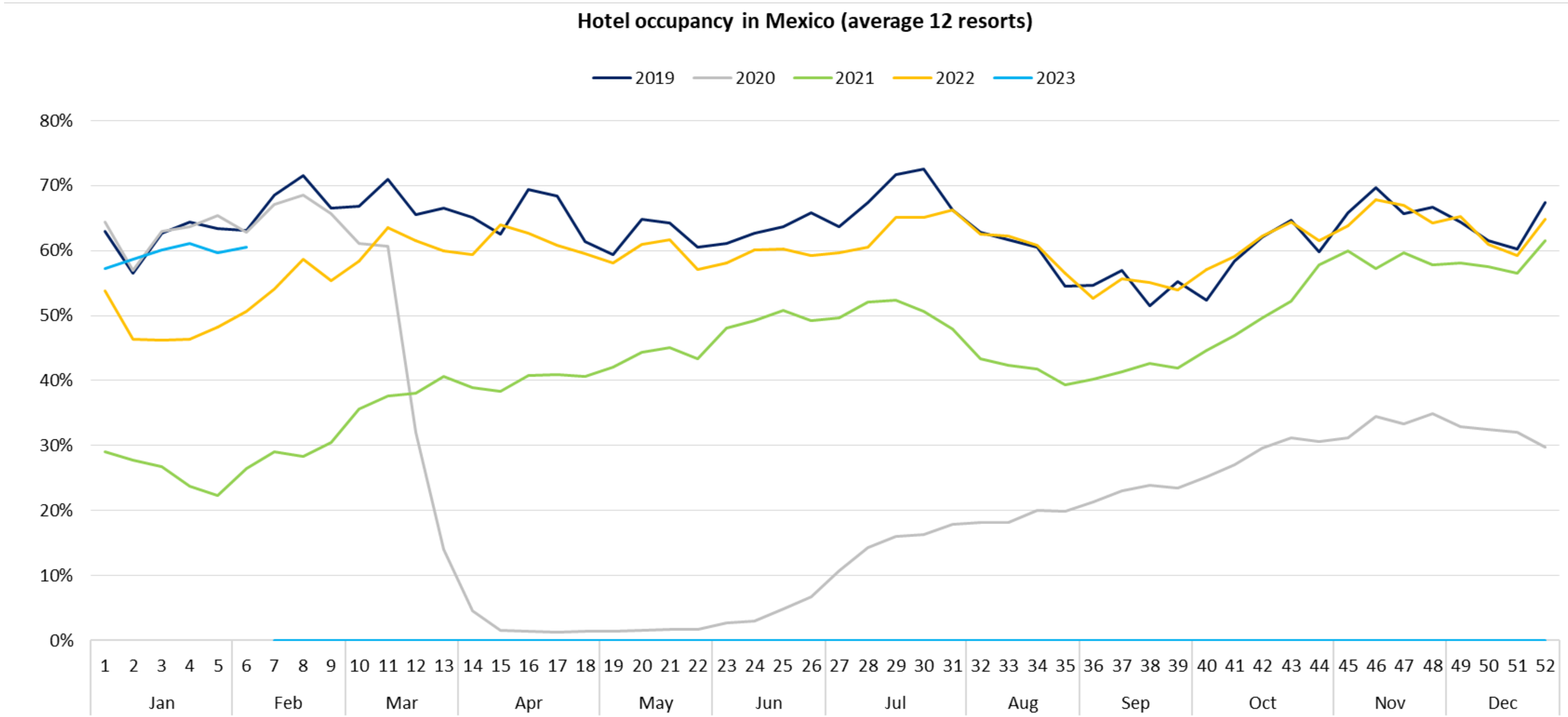
- Toronto: 494 thousand
- +33.1%
- Vancouver: 333 thousand
- +42.8%
- Montreal: 299 thousand
- +45.7%
- Calgary: 195 thousand
- +32.2%

SOURCE : OAG

Seating planning as of the last week of January 2022 and 2023, respectively.

LOS CABOS

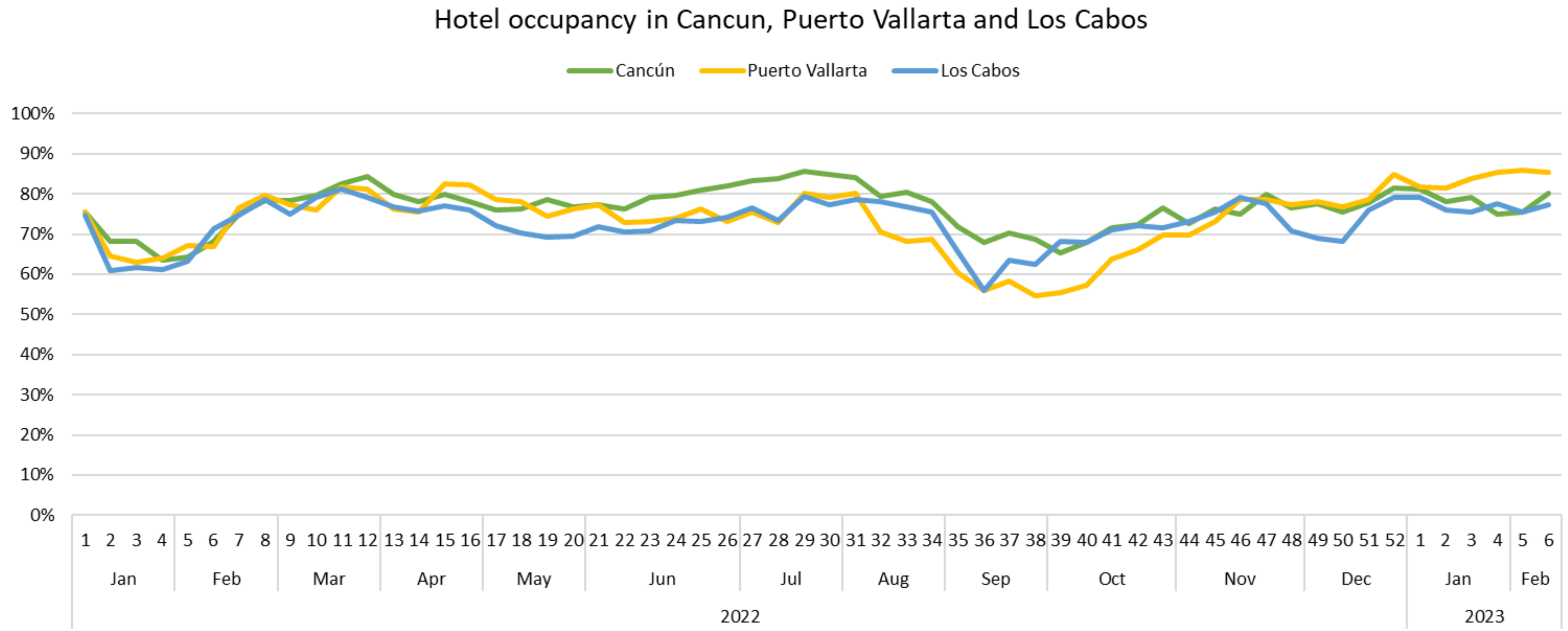
Hotel Indicators in Mexico



- At the closing of week 6, the average occupancy was 60.6%, which places it 2.5pp below the occupancy registered in the same week of 2019 and 9.9pp above the same week of 2022.

SOURCE : DATATUR. MONITORED DESTINATIONS: VILLAHEROMSA, AGUASCALIENTES, TUXTLA GUTIÉRREZ, QUERÉTARO, PUEBLA, PUERTO VALLARTA, SAN CRISTOBAL DE LAS CASAS, LOS CABOS, CANCÚN, CIUDAD DE MÉXICO, ACAPULCO Y SAN MIGUEL DE ALLENDE.

Hotel Indicators in Mexico



- At the close of week 6 (February 6 to 12, 2023), Los Cabos shows an occupancy 2.8pp below Cancun and 8.1pp below Puerto Vallarta:
  - Los Cabos: 77.3%.
  - Cancun: 80.1%.
  - Puerto Vallarta: 85.4%.

SOURCE: DATATUR

LOS CABOS

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GLOSSARY

Glossary

- **Congress**. Non-business-oriented meetings in which large groups of individuals gather, generally to discuss and exchange points of view on a topic of interest. They usually have a duration of several days and simultaneous sessions, as well as a predefined multiannual or annual frequency.
- **Convention**. Trade or business meetings usually sponsored by a corporation, in which participants represent the same company, corporate group or customer or supplier relationships. Sometimes participation is mandatory and travel expenses are paid by the corporation. Includes those general and formal meetings of a legislative, social or economic body, in order to provide information, deliberate or establish consensus or address policies on the part of the participants, as well as to address business issues around a market, product or brand. They may contain a secondary exhibition component.
- **Rooms available**. The number of rooms in service. It does not include rooms that are out of service due to repairs or any other cause.
- **Tourist destination**. The primary destination of a tourist trip that is fundamental to the decision to make the trip. See also main reason for a tourist trip.
- **Seasonality**. Means that tourist flows tend to concentrate around certain times of the year, repeating this process annually.
- **Length of stay.** It is the result of dividing the total number of overnight tourists by the number of tourist arrivals per month. The result obtained expresses the number of days of stay of the tourist.
- **Events or incentive trips**. Incentive travel is a modern management strategy focused on recognizing people who achieved or exceeded objectives commonly related to sales or productivity, targeting participants who demonstrate improved job performance with an extraordinary travel experience.
- **Room nights**. This is obtained from the daily record of the number of tourists occupying the establishment's rooms, by length of stay (number of nights spent in the establishment) and is classified according to their place of origin, into residents or non-residents.
- **Inflation**. Continuous and generalized growth in the prices of goods and services sold in an economy. It is the average growth rate from one period to another of the prices of a basket of goods and services.
- **Underlying inflation**. It is the increase in prices of a subset of the CPI (National Consumer Price Index), which contains the least volatile items. It measures the inflation trend in the medium term. The 283 generic concepts that make up the CPI basket of goods and services are classified or grouped into subsets that respond to particular needs of analysis, among the best-known classifications are by object of expenditure, that which refers to the sector of origin of goods and services, and that of durability of goods and underlying inflation.
- **Passenger arrivals**. Passengers transported on airline aircraft with established routes and itineraries.
- **Tourist arrivals**. Corresponds to the number of tourists registered by the establishment during the month.

Glossary

- **Nationality of a visitor.** That of the country issuing the passport or other identity document, even if they habitually reside in another country.
- **Non-Resident.** A person whose usual place of residence is outside Mexican territory and who visits Mexico for a period of less than twelve months for any reason (business, vacations and others). Excluded if remuneration is received for the activities carried out in the place visited.
- **Hotel occupancy.** The occupancy rate of accommodations is a concept based on supply. It is an important indicator for many purposes. It provides information on the differences in utilization among the various types of lodging establishments. It also indicates the seasonal pattern for tourist accommodations.
- **RevPAR.** RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or chain. It is an abbreviation of Revenue Per Available Room. It always refers to a specific period (weekly, monthly, yearly, etc.). One way to calculate RevPAR is through the formula: RevPAR = It/ΣHt, where It is equal to the total revenue generated by rooms in a period t. and ΣHt is equal to 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 period t minus the unavailable rooms.
- **Resident.** Individual whose usual environment is in Mexican territory.
- **Residence.** The place/country where the traveler has stayed for most of the previous year (12 months) or has stayed for a shorter period and expects to return within 12 months to live in that country.
- **Average daily rate** (commonly referred to as ADR) is a statistical unit that represents the average revenue per occupied room paid in each period. The ADR along with the occupancy of the property are the basis for the financial performance of the property. ADR is calculated by dividing room revenue by the number of rooms sold. House guest rooms (known as house use) and complimentary rooms (known as complementary) should be excluded from the denominator.
- **Tourist**. Any person traveling away from his or her usual location for a period of less than 12 months and for any reason, except persons engaged in activities that will generate income for them at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers; or tourism employees.
- **Visitor**. Any person who travels away from his or her usual location for a period of less than 12 months for any reason, except persons who engage in activities that will generate income for them at the travel destination: refugees or migrant workers; diplomats; seasonal or border workers; tourism employees; or persons seeking to establish a new residence or employment.

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