According to the Concession Agreement, once a 25% cumulative annualized internal rate of return hurdle (“IRR Hurdle”) is reached (as measured from the date of the first equity contribution to the concessionaire), any equity distributions above the IRR Hurdle to MBJA’s shareholders must be matched by an equal payment to the AAJ as owner of the concession assets (“Excess Benefit Payment”). Equity distributions include any dividend, capital reduction, interest, fee, loan or other payment to MBJA’s shareholders. To date, MBJA’s IRR Hurdle has not been reached; the aggregate as of December 2021 was 19.0%.

The concession fee applied in 2019 was U.S.$2.93 per workload unit serviced. In 2019, the sum of these monthly and annual concession fees was Ps.611.5 million. The concession fee applied in 2020 was U.S.$2.94 per workload unit serviced. In 2020, the sum of these monthly and annual concession fees was Ps.208.2 million. The concession fee applied in 2021 was U.S.$3.06 per workload unit serviced. In 2021, the sum of these monthly and annual concession fees was Ps.173.0 million.

The additional concession fee for the concession year ending March 2019, March 2020 and March 2021 was U.S.$16.9 million, U.S.$17.2 million and U.S.$8.5, respectively.

Under the terms of the NMIA Concession Agreement and the relevant tax legislation, PACKAL is required to pay a monthly concession fee of 62.01% of the total aeronautical and non-aeronautical revenues based on the gross revenues of NMIA, to the Jamaican government to allow it to use and develop the assets subject to the concession, except for certain cost recovery allowances.

From October 10, 2019 through December 31, 2019 PACKAL paid Ps.107.6 million in concession fees. For 2020 and 2021, PACKAL paid Ps.294.1 million and Ps.395.5 million, respectively, in concession fees.

Depreciation and Amortization

Depreciation and Amortization of Mexican Assets

Our depreciation and amortization expenses primarily reflect the amortization of our investment in our twelve Mexican concessions, which we began amortizing for accounting purposes in August 1999, the date on which the value of our Mexican concessions was determined based on the value assigned by AMP to our Series BB shares as part of its winning bid to acquire its 15% interest in us. In addition, we amortize the value of certain fixed assets we acquire or build at our Mexican airports pursuant to the investment requirements under our Master Development Programs. In 2019, these write-offs totaled Ps.46.8 million. In 2020, we did not write off any amounts. In 2021, these write-offs totaled Ps.10.3 million. For further information regarding depreciation and amortization expenses, refer to Notes 7, 8, 9, 10 and 11 to our audited consolidated financial statements.

Depreciation and Amortization of Jamaican Assets

Our depreciation and amortization expenses in Jamaica primarily reflect the amortization of our investment in our Jamaican airports, the value of certain fixed assets the airports acquired pursuant to the investment requirements under their respective Capital Development Programs and amortization of MBJA and NMIA concessions’ fair value. For further information regarding depreciation and amortization expenses, refer to Notes 7, 8, 9, 10 and 11 to our audited consolidated financial statements.

Cost of Improvements to Concession Assets

In compliance with our Master Development Programs in Mexico and the Capital Development Program in Jamaica, we invest in additions and upgrades to our concession assets and these investments are reflected according to IFRIC 12. In our case, because we hire third parties to provide construction and upgrade services and we do not recognize a premium on the cost of services, our revenues from improvements to concession assets are equal to the cost of improvements to concession assets such that the application of IFRIC 12 does not have a cash impact on our results.

Taxation

We and each of our subsidiaries pay taxes on an individual (rather than consolidated) basis.

Our effective tax rates in 2019, 2020 and 2021 were 25.8%, 19.6% and 22.8%, respectively.

In 2021, our effective tax rate increased 323 basis points as compared to 2020, resulting from a Ps.1,593.2 million increase in our current tax expense due to a 220.8% increase in our income before income taxes as a result of the recovery from the COVID-19 pandemic lockdowns. This increase was also due to a Ps.274.7 million increase in deferred income tax benefits due to higher inflation, which increased from an inflation rate of 3.2% in 2020 to an inflation rate of 7.4%, in 2021.

In 2020, our effective tax rate decreased 610 basis points as compared to 2019, resulting from a Ps.1,333.3 million decrease in our current tax expense due to a 67.6% decrease in our earnings before income taxes as a result of the effects of the COVID-19 pandemic. This decrease was partially offset by a Ps.91.1 million increase in deferred income tax benefits due to higher inflation, which increased from an inflation rate of 2.8% in 2019 to an inflation rate of 3.2% in 2020.

In 2019, our effective tax rate decreased 80 basis points as compared to 2018, resulting from a Ps.61.7 million decrease in our current tax expense mainly due to an exception for airports located along the Mexican border with the United States of America, for which the income tax rate for 2019 was 20%, applying the Decree for Fiscal Incentives in the Northern Border Region (*Decreto de Estímulos Fiscales Región Fronteriza Norte*) which reduces the applicable income tax by a third and a decrease in deferred income tax of Ps.84.1 million, derived from a lower inflation rate, which went from an inflation rate of 4.8% in 2018 to an inflation rate of 2.8% in 2019, partially offset by an increase in our earnings before income taxes of 4.8%.

We paid Ps.2,163.1 million, Ps.812.0 million and Ps.1,017.1 million, in corporate taxes in 2019, 2020 and 2021, respectively, representing 29.4%, 34.0% and 13.0% of our earnings before taxes.

Taxation in Mexico

Beginning in 2014, the Mexican income tax rate was set at 30%. The income tax rate applies to all of our Mexican entities except for those entities with operations located on the Mexican side of the border with the United States, which is subject to an income tax rate of 20% pursuant to the Decree for Fiscal Incentives in the Northern Border Region (*Decreto de Estímulos Fiscales Región Fronteriza Norte*). On December 30, 2020, the Mexican government published a decree in the Official Gazette that extends the period during which the 20% income tax rate will apply to December 31, 2024.

We regularly review our deferred tax assets for recoverability, which are reduced as necessary to the extent that a future tax benefit is no longer probable, based on an analysis of historical taxable income, projected future taxable income and the expected timing of the reversals of existing temporary differences. In addition, Mexican tax law allows Mexican companies utilizing tax amortization rates that are lower than the maximum allowable rates to modify their tax amortization rates every five years, without exceeding the maximum allowable rate. Beginning in 2000, we utilized rates lower than the 15% maximum allowable rate to amortize our airport concessions and rights to use airport facilities for tax purposes.

According to the mechanism established to recover existing asset tax credit carryforwards, which ultimately benefit us, we had ten years beginning in 2008 to recover those existing asset tax credits. Based on our financial projections for 2008 to 2017, we recognized a Ps.354.9 million previously paid recoverable tax on assets in 2007. In 2019 and 2020, we recovered Ps.18.5 million and Ps.14.9 million, respectively, of such amount recognized in 2007. In 2021, we did not recover additional asset tax credit carryforwards and believe no additional asset tax credit carryforward is recoverable.

Taxation in Jamaica

Jamaican companies, including our Jamaican airports, are required to pay corporate income tax on taxable profit, employer taxes on certain employee costs and a value-added tax on services offered.

Corporate income tax is applicable on taxable profit at a rate of 25%, but taxable profit may be reduced by an employer tax credit of up to the total amount of employer and certain obligatory employee taxes timely paid during any fiscal year. However, this employer tax credit is clawed back if any dividends are paid to shareholders in the subsequent fiscal years, based on a prescribed formula. In 2019, 2020 and 2021, MBJA incurred U.S.$9.7 million (Ps.186.8 million), U.S.$1.0 million (Ps.21.1 million) and U.S.$6.9 million (Ps.139.2 million), respectively, in corporate income tax liabilities. From October 10, 2019 through December 31, 2019 and in 2020 and 2021, PACKAL did not incur corporate income tax liabilities for the period due to the fact that expenses exceeded income for the period.

Employee Profit Sharing

Employee Profit Sharing in Mexico

We are subject to the statutory employee profit sharing regime established under the Mexican Federal Labor Law (*Ley Federal del Trabajo*). Under this regime, 10% of each unconsolidated company’s annual profits (as calculated for tax purposes) must be distributed among its employees, other than its chief executive officer. The profit sharing is derived from the taxable income for the year as adjusted by the income tax for the year as modified per certain provisions. As a result of the 2021 Labor Reform, the employee profit sharing distribution is capped at three months’ employee salary or the average distribution made over the previous three years, whichever is higher. Therefore, the effective payment for this concept is significant less than the established percentage.

Employee Profit Sharing in Jamaica

Our Jamaican airports are not subject to an employee profit sharing regime.

Employee Retirement Plans

Employee Retirement Plans in Mexico

Under Mexican legislation, we must make payments equivalent to 2% of our workers' comprehensive daily salary to a defined contribution plan that is part of the retirement savings system. This expense amounted to Ps.8.0 million in 2019, Ps.8.7 million in 2020 and Ps.9.7 million in 2021.

Employee Retirement Plans in Jamaica

MBJA participates in a defined contribution pension scheme, the assets of which are held in a separate fund administered by trustees and a fund Administrator. Under this contribution pension scheme MBJA pays fixed percentage contributions to the fund, which are funded by payments from employees and the company. MBJA's contributions are charged to the statement of comprehensive income for the year to which they relate. This expense amounted to Ps.2.7 million in 2019, Ps.0.9 million in 2020 and Ps.1.6 million in 2021.

As of October 10, 2020 PACKAL participates in a defined contribution pension scheme, given that all employees are permanent. The assets of the pension are held in an Approved Retirement Scheme. Under this contribution pension scheme, PACKAL pays fixed percentage contributions to the fund, which are funded by payments from employees and the company. PACKAL's contributions are charged to the statement of comprehensive income for the year to which they relate. This expense amounted to Ps.0.4 million in 2020 and Ps.1.0 million in 2021.

Effects of Devaluation and Inflation

The following table sets forth, for the periods indicated, the percentage change in the price of the Mexican peso against the U.S. dollar, the Mexican inflation rate, the U.S. inflation rate, and the Mexican GDP, each as compared to the previous period:

	Year ended December 31,		
	2019	2020	2021
(Appreciation) Depreciation of the Mexican peso as compared to the U.S. dollar (1)	(4.3)%	5.9%	3.3%
Mexican inflation rate (2)	2.8%	3.2%	7.4%
U.S. inflation rate (3)	2.3%	1.4%	7.0%
Increase in Mexican GDP (4)	(0.1)%	(8.2)%	5.0%

(1) Based on changes in the rates for calculating foreign exchange liabilities, as reported by the Mexican Central Bank (*Banco de México*), at the end of each period, which were as follows: Ps.18.8452 per U.S.$1.00 as of December 31, 2019, Ps.19.9487 per U.S.$1.00 as of December 31, 2020 and Ps.20.5835 per U.S.$1.00 as of December 31, 2021.
(2) Based on changes in the Mexican CPI from the previous period, as reported by INEGI. The Mexican CPI at year-end was 105.934 in 2019, 109.272 in 2020 and 117.308 in 2021.
(3) As reported by the U.S. Bureau of Labor Statistics.
(4) Estimated as reported by INEGI.

The general condition of the Mexican economy, changes in the value of the peso as compared to the U.S. dollar, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect, our:

- Depreciation and amortization expense. According to IFRS, if inflation rates over a three-year period approach or exceed 100.0%, the incorporation of inflation in an entity's financial statements becomes necessary. Therefore, non-monetary assets would be restated, and as a result depreciation and amortization of those assets would be higher, negatively affecting our net income.
- Passenger charges. Passenger charges for international passengers are currently denominated in U.S. dollars but are invoiced and collected in pesos. Meanwhile, passenger charges for domestic passengers are denominated in pesos. Consequently, an appreciation of the peso against the U.S. dollar could cause declines in our revenues from passenger charges for international passengers and consequently our aeronautical revenues. This would also produce a decline in peso-denominated revenues when compared with the previous year, because our tariffs for the services we provide to international flights or international passengers are denominated in U.S. dollars but are generally invoiced and paid for in Mexican pesos based on the average exchange rate for the month prior to each flight on which the charge is incurred.
- Finance income (cost). As required by IFRS, our finance income (cost) reflects gains or losses from foreign exchange and gains and losses from interest earned or incurred, and as a consequence a depreciation or appreciation of the peso would impact the finance income (cost).

- Maximum rates in pesos. Our tariffs for the services we provide in our Mexican airports to international flights or international passengers are denominated in U.S. dollars but are generally invoiced and paid in Mexican pesos based on the average exchange rate for the month prior to each flight. During 2019, 2020 and 2021, we collected passenger charges from airlines within an average period of 54, 67 and 62 days, respectively. We intend to charge prices that are as close as possible to the maximum rates that we can charge. Since we are usually only entitled to adjust our specific prices once every six months (or earlier upon a cumulative increase of 5% in the Mexican PPI, excluding petroleum), a depreciation of the peso as compared to the U.S. dollar, particularly late in the year, could cause us to exceed the maximum rates at one or more of our airports, possibly leading to the termination of one of our Mexican concessions if it is repeated and sanctioned by the SCT at least three times. In the event that any one of our Mexican concessions is terminated, our other Mexican concessions may also be terminated. In addition, if the peso appreciates as compared to the U.S. dollar, we may underestimate the specific prices we can charge for regulated services and be unable to adjust our prices upwards to maximize our regulated revenues.
- Non-aeronautical revenues. In addition, some of our non-aeronautical revenue contracts are denominated and invoiced in U.S. dollars; however, some of them are collected in Mexican pesos. Consequently, an appreciation of the peso against the U.S. dollar would cause declines in our revenues from these U.S. dollar-denominated contracts.

Results of Operations by Subsidiary

Historically, our most profitable airports have been our Guadalajara, Los Cabos, Montego Bay and Puerto Vallarta international airports, which handle the majority of our international passengers. However, in 2020 due to the impact of the COVID-19 pandemic on our airports in tourist areas, our Tijuana airport was our second airport with the most passenger traffic. In 2020, our Tijuana airport had the lowest percentage decrease in passenger traffic (a decrease of 29.2% as compared to 2019). In 2021, our Tijuana airport had the highest percentage increase in passenger traffic (an increase of 8.4% as compared to 2019).

We determine profitability per airport by dividing income from operations at each airport by total revenues for that airport. Operating margins at our Tijuana airport historically have been lower than at our other principal airports because the maximum rates applicable to aeronautical services provided at our Tijuana airport are lower than those applicable to our other principal airports. This results from the amortization of our concession relative to the level of revenues being much higher at our Tijuana airport than at our other principal airports because the original concession value assigned to Tijuana International Airport was proportionately higher.

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The following table sets forth our results of operations for the years indicated for each of our principal airports and our other subsidiaries:

Results of Operations

	Year ended December 31,		
	2019	2020	2021
	(thousands of pesos, except percentages)		
Guadalajara:			
Revenues:			
Aeronautical services	Ps. 2,978,617	Ps. 2,103,574	Ps. 3,296,419
Non-aeronautical services	938,445	591,789	783,252
	3,917,062	2,695,364	4,079,672
Improvements to concession assets (1)	858,807	614,479	1,463,854
Total revenues	4,775,868	3,309,842	5,543,525
Total costs	2,176,553	1,837,386	1,465,468
Costs of operations (2)	867,224	752,508	972,506
Cost of improvements to concession assets (1)	858,807	614,479	1,463,854
Depreciation and amortization	346,587	368,964	390,393
Other expense	103,935	101,435	102,569
Income from operations	2,599,316	1,472,456	2,614,203
Operating margin (3)	54.43%	44.49%	47.16%
Tijuana:			
Revenues:			
Aeronautical services	Ps. 1,568,297	Ps. 1,192,187	Ps. 1,944,451
Non-aeronautical services	454,098	335,419	431,706
	2,022,396	1,527,606	2,376,156
Improvements to concession assets (1)	300,221	681,755	876,292
Total revenues	2,322,617	2,209,360	3,252,448
Total costs	1,047,716	1,407,306	1,756,191
Costs of operations (2)	447,599	406,858	550,855
Cost of improvements to concession assets (1)	300,221	681,755	876,292
Depreciation and amortization	206,983	254,634	255,470
Other expense	92,914	64,059	73,574
Income from operations	1,274,901	802,055	1,496,257
Operating margin (3)	54.89%	36.30%	46.00%
Los Cabos:			
Revenues:			
Aeronautical services	Ps. 1,364,746	Ps. 971,021	Ps. 2,003,087
Non-aeronautical services	787,424	460,939	839,580
	2,152,170	1,431,961	2,842,667
Improvements to concession assets (1)	299,155	339,231	520,812
Total revenues	2,451,326	1,771,191	3,363,479
Total costs	1,053,998	1,014,561	1,401,722
Costs of operations (2)	475,215	367,048	577,543
Cost of improvements to concession assets (1)	299,155	339,231	520,812
Depreciation and amortization	234,669	265,581	261,466
Other expense	44,958	42,702	41,901
Income from operations	1,397,328	756,630	1,961,757
Operating margin (3)	57.00%	42.72%	58.33%

	Year ended December 31,		
	2019	2020	2021
	(thousands of pesos, except percentages)		
Puerto Vallarta:			
Revenues:			
Aeronautical services	Ps. 1,183,610	Ps. 776,424	Ps. 1,336,177
Non-aeronautical services	455,699	266,442	389,823
	1,639,309	1,042,866	1,726,000
Improvements to concession assets (1)	57,697	67,026	285,667
Total revenues	1,697,007	1,109,892	2,011,667
Total costs	645,337	583,131	929,510
Costs of operations (2)	357,132	294,821	393,268
Cost of improvements to concession assets (1)	57,697	67,026	285,667
Depreciation and amortization	156,383	168,579	176,562
Other expense	74,125	52,705	74,012
Income from operations	1,051,669	526,761	1,082,157
Operating margin (3)	61.97%	47.46%	53.79%
Montego Bay:			
Revenues:			
Aeronautical services	Ps. 1,512,164	Ps. 695,879	Ps. 1,004,076
Non-aeronautical services	585,325	327,158	454,519
	2,097,489	1,023,037	1,458,595
Improvements to concession assets (1)	136,363	138,768	93,205
Total revenues	2,233,853	1,161,805	1,551,800
Total costs	1,604,825	1,250,706	1,145,544
Costs of operations (2)	1,068,338	598,063	565,828
Cost of improvements to concession assets (1)	136,363	138,768	93,205
Depreciation and amortization	399,738	512,098	485,814
Other expense	386	1,777	697
Income from operations	629,027	(88,901)	406,256
Operating margin (3)	28.16%	(7.65)%	26.18%
Guanajuato:			
Revenues:			
Aeronautical services	Ps. 584,650	Ps. 338,633	Ps. 570,402
Non-aeronautical services	180,327	113,826	131,977
	764,976	452,459	702,379
Improvements to concession assets (1)	32,853	36,334	8,947
Total revenues	797,829	488,793	711,326
Total costs	320,512	272,749	294,703
Costs of operations (2)	169,099	137,900	188,934
Cost of improvements to concession assets (1)	32,853	36,334	8,947
Depreciation and amortization	101,688	72,362	75,962
Other expense	16,873	26,153	20,860
Income from operations	477,317	216,044	416,623
Operating margin (3)	59.83%	44.20%	58.57%

	Year ended December 31,					
	2019		2020		2021	
	(thousands of pesos, except percentages)					
Hermosillo:						
Revenues:						
Aeronautical services	Ps.	337,380	Ps.	204,650	Ps.	341,493
Non-aeronautical services		97,696		64,609		70,135
		435,076		269,260		411,628
Improvements to concession assets (1)		3,332		19,329		17,148
Total revenues		438,408		288,588		428,776
Total costs		247,329		230,818		273,085
Costs of operations (2)		152,523		116,891		168,077
Cost of improvements to concession assets (1)		3,332		19,329		17,148
Depreciation and amortization		75,028		76,330		75,820
Other expense		16,446		18,269		12,040
Income from operations		191,079		57,770		155,691
Operating margin (3)		43.58%		20.02%		36.31%
Other Airport Subsidiaries (4) :						
Revenues:						
Aeronautical services	Ps.	1,018,256	Ps.	943,372	Ps.	1,487,850
Non-aeronautical services		265,281		283,982		343,913
		1,283,537		1,227,354		1,831,763
Improvements to concession assets (1)		218,371		295,658		102,587
Total revenues		1,501,910		1,523,012		1,934,350
Total costs		1,151,659		1,557,645		1,629,097
Costs of operations (2)		637,879		938,431		1,199,842
Cost of improvements to concession assets (1)		218,371		295,658		102,587
Depreciation and amortization		210,358		240,766		269,678
Other expense		85,051		82,790		56,990
Income from operations		350,251		(34,633)		305,253
Operating margin (3)		23.32%		(2.27%)		15.78%
Other Subsidiaries (5) :						
Revenues:						
Non-aeronautical services	Ps.	7,205	Ps.	3,889	Ps.	217,534
Total revenues		7,205		3,889		217,534
Total costs		(37,633)		(107,918)		(201,460)
Costs of operations (2)		349,624		253,651		130,041
Depreciation and amortization		44,703		41,046		59,373
Other (income)		(431,960)		(402,615)		(390,874)
Income from operations		44,838		111,807		418,995
Total:						
Revenues:						
Aeronautical services	Ps.	10,547,720	Ps.	7,225,742	Ps.	11,983,954
Non-aeronautical services		3,771,500		2,448,053		3,662,441
		14,319,220		9,673,795		15,646,395
Improvements to concession assets (1)		1,906,801		2,192,578		3,368,511
Total revenues		16,226,021		11,866,373		19,014,906
Total costs		8,208,783		8,046,384		10,157,714
Costs of operations (2)		4,524,633		3,866,170		4,746,895
Cost of improvements to concession assets (1)		1,906,801		2,192,578		3,368,511
Depreciation and amortization		1,776,137		2,000,361		2,050,539
Other expense (income)		1,212		(12,725)		(8,231)
Income from operations		8,017,238		3,819,989		8,857,192
Operating margin (3)		49.41%		32.19%		46.58%

(1) Corresponds to recognition of revenues and costs pursuant to IFRIC 12.
(2) Cost of operations includes cost of services, technical assistance fees and concession taxes.

(3) We determine operating margin per airport by dividing income from operations at each airport or group of airports by total revenues for that airport or group of airports.

(4) Reflects the results of operations of our Morelia, La Paz, Aguascalientes, Mexicali, Los Mochis and Manzanillo airports. It also includes information for the Kingston airport for the period from October 10 to December 31, 2019 and for the full year in 2020 and 2021.

(5) Other subsidiaries data reflects the results of operations of our principal holding company as well as those of our administrative, operating and car parking services providers.

The following table sets forth a summary of our consolidated results of operations for the years indicated:

Summary Consolidated Results of Operations

	Year ended December 31,			
	2019(1)	2020	2021	% change
	(thousands of pesos, except percentages)			
Revenues:				
Aeronautical services	Ps. 10,547,720	Ps. 7,225,742	Ps. 11,983,954	65.90 %
Non-aeronautical services	3,771,500	2,448,053	3,662,441	49.60 %
	14,319,220	9,673,795	15,646,395	61.70 %
Improvements to concession assets	1,906,801	2,192,578	3,368,511	53.6 %
Total revenues	16,226,021	11,866,373	19,014,906	60.20 %
Operating costs:				
Employee cost	877,068	970,481	1,115,750	15.00 %
Maintenance	578,510	426,523	546,548	28.1 %
Safety, security and insurance	428,208	458,316	510,440	11.4 %
Utilities	380,370	355,562	391,836	10.2 %
Allowance for expected credit loss	5,299	86,596	15,487	(82.1)%
Other operating cost	475,409	371,229	409,570	10.30 %
Technical assistance fees	461,549	289,154	526,220	82.00 %
Concession taxes	1,318,220	908,310	1,231,044	35.50 %
Depreciation and amortization	1,776,137	2,000,360	2,050,539	2.5 %
Other expense (income)	1,212	(12,726)	(8,231)	35.30 %
Cost of improvements to concession assets	1,906,801	2,192,578	3,368,511	53.6 %
Total costs	8,208,783	8,046,384	10,157,714	26.1 %
Income from operations	8,017,238	3,819,989	8,857,192	132.10 %
Finance cost				
Finance income	665,829	410,512	420,271	2.4 %
Finance cost	(1,425,746)	(1,514,250)	(1,686,540)	11.4 %
Exchange gain, net	88,785	(330,484)	238,339	172.1 %
Net finance (cost) income	(671,132)	(1,434,222)	(1,027,930)	(28.3)%
Share of (loss) profit of associate	79	3	1	100.0 %
Income before income taxes	7,346,185	2,385,770	7,829,263	228.5 %
Income tax expense	1,891,443	467,067	1,785,546	282.3 %
Profit for the year	5,454,742	1,918,703	6,043,717	215.5 %
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(269,440)	580,308	30,810	(94.7)%
Cash flow hedges, effective portion of changes in fair value, net of income tax	(172,094)	(299,013)	500,765	(267.5)%
Items that will not be reclassified to profit or loss:				
Remeasurements of employee benefit – net of income tax	(1,404)	(16,658)	15,263	(191.6)%
Total comprehensive income for the year	5,011,804	2,183,340	6,590,555	145.7 %
Profit for the year attributable to:				
Controlling interest	5,360,152	1,968,856	5,997,492	(267.5)%
Non-controlling interesting	94,590	(50,153)	46,225	(192.2)%
Profit for the year	5,454,742	1,918,703	6,043,717	215.0 %
Total comprehensive income for the year				
Controlling interest	4,937,027	2,164,639	6,510,307	200.8 %
Non-controlling interesting	74,777	18,701	80,248	329.1 %
Total comprehensive income for the year	5,011,804	2,183,340	6,590,555	145.7 %
Other operating data:				
Operating margin (2)	49.4%	32.2%	46.6%	44.7 %
Net margin (3)	33.6%	16.2%	31.8%	96.6 %

(1) Includes information for the Kingston airport for the period from October 10 to December 31, 2019.
(2) Income from operations divided by total revenues, expressed as a percentage.
(3) Profit for the year divided by total revenues, expressed as a percentage.

Results of Operations for the Year ended December 31, 2021 Compared to the Year Ended December 31, 2020

Revenues

Total revenues increased by Ps.7,148.5 million, or 60.2%, from Ps.11,866.4 million in 2020 to Ps.19,014.9 million in 2021 as a result of the increase in passenger traffic and the increase in the maximum tariffs applicable for 2021. The total revenue increase was comprised by an increase of Ps.4,758.2 million, or 65.9%, in aeronautical services revenues, an increase of Ps.1,214.4 million, or 49.6%, in non-aeronautical revenues and an increase of Ps.1,175.9 million, or 53.6%, in revenues from improvements to concession assets, which increased as a result of the committed investments outlined in our Master Development Programs.

Aeronautical Services Revenues

Aeronautical services revenues increased by Ps.4,758.2 million, or 65.9%, from Ps.7,225.7 million in 2020 to Ps.11,984.0 million in 2021, mainly due to an increase of Ps.4,304.5 million, or 69.7%, in revenues at our Mexican airports primarily as a result of an increase of Ps.3,752.1 million, or 70.1%, in revenues from passenger charges, due to the 57.5% increase in total passenger traffic as a result of the recovery from the impact of the COVID-19 pandemic and the increase in specific tariffs beginning in January 2021. Revenues from aircraft landing and parking fees in our Mexican airports increased by Ps.449.1 million, or 83.9%, while revenues from the leasing of space to airlines for ticket counters, airport security and complementary services increased by Ps.103.3 million, or 35.5%. Revenues from the Montego Bay airport increased by Ps.308.2 million, or 44.3%, in 2021 compared to 2020 mainly due to an increase in passenger traffic of 60.4% as a result of the lessening of travel restrictions in the country and an increase of the U.S. CPI of 7.0%. Revenues from PACKAL increased by Ps.145.5 million, or 41.1%, in 2021 compared to 2020 mainly due to an increase in passenger traffic of 31.9% as a result of the recovery from the impact of the COVID-19 pandemic.

Non-Aeronautical Services Revenues

Non-aeronautical services revenues increased by Ps.1,214.4 million, or 49.6%, from Ps.2,448.0 million in 2020 to Ps.3,662.0 million in 2021 primarily as a result of the recovery of total passenger traffic. Non-aeronautical services revenues at our Mexican airports increased Ps.1,066.0 million, or 53.5%, compared to 2020, driven mainly by an increase of Ps.777.9 million or 59.5%, in revenues from businesses operated by third parties. The increase in revenues from businesses operated by third parties was primarily driven by an increase in revenues from food and beverage operations, car rentals, duty-free stores, retail stores, timeshares and commercial spaces, which jointly increased by Ps.701.4 million or 70.8%. Revenues from businesses operated directly by us increased by Ps.307.3 million, or 39.9%, mainly due to an increase in car parking, convenience stores, advertising and VIP lounges revenues. Non-aeronautical services revenues from the Montego Bay airport increased by Ps.127,4 million, or 38.9% compared to 2020, mainly due to an increase in revenues from businesses operated by third parties by Ps.125.5 million, or 41.2%, primarily driven by an increase from duty-free stores, retail stores and leasing of space. Non-aeronautical services revenues from PACKAL increased by Ps.21.0 million, or 16.3%, compared to 2020, mainly as a result of an increase in revenues from businesses operated by third parties mainly retail stores revenues.

Revenues from Improvements to Concession Assets

Revenues from improvements to concession assets increased by Ps.1,175.9 million, or 53.6%, from Ps.2,192.6 million in 2020 to Ps.3,368.5 million in 2021. Revenues from improvements to concession assets are determined by committed investments under our Master Development Programs in Mexico and our Capital Development Programs in Jamaica. During 2021, the main commitments of improvements to concession assets included: (i) rehabilitation and expansion of the terminal building and expansion of the general apron at the Los Cabos airport, (ii) the construction of a new terminal processor building at the Tijuana airport, (iii) the construction of a new runway, taxiing runway parallel to the main runway, roads, hangar area and fire rescue service building at the Guadalajara airport, (iv) rehabilitation of the taxiway at the Puerto Vallarta airport, (v) the expansion of the checked baggage system at our airports in Mexico and (vi) the expansion of the Montego Bay airport terminal.

Revenues by Airport

Total revenues for the Guadalajara airport increased by Ps.2,233.7 million, or 67.5%, from Ps.3,309.8 million in 2020 to Ps.5,543.5 million in 2021 (revenues increased by Ps.1,384.3 million, or 51.4%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.1,192.8 million, or 56.7%, from Ps.2,103.6 million in 2020 to Ps.3,296.4 million in 2021. This increase in aeronautical services revenues was mainly due to a Ps.1,067.6 million, or 58.5%, increase in passenger charges driven by a 50.7% increase in passenger traffic and by the increase in specific tariffs beginning in January, 2021. Non-aeronautical services revenues increased by Ps.191.5 million, or 32.4%, from Ps.591.8 million in 2020 to Ps.783.3 million in 2021, this increase in non-aeronautical services revenues was primarily due to a Ps.183.4 million increase in revenues from businesses operated by third parties, mainly by an increase in retail, food and beverage operations, car rentals and duty-free operations. Revenues from business lines operated by us increased by Ps.8.7 million, or

4.4%, as a result of an increase in revenues from car parking charges and revenues in the VIP lounges offset by a decrease in advertising and convenience store revenues. Revenues from improvements to concession assets increased by Ps.849.4 million, or 138.2%, in 2021 as compared to 2020.

Total revenues for the Tijuana airport increased by Ps.1,043.1 million, or 47.2%, from Ps.2,209.4 million in 2020 to Ps.3,252.4 million in 2021 (revenues increased by Ps.848.6 million, or 55.5%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.752.3 million, or 63.1%, from Ps.1,192.2 million in 2020 to Ps.1,944.5 million in 2021. This increase in aeronautical services revenues was mainly due to an increase in passenger charges of Ps.684.5 million driven by a 53.2% increase in passenger traffic and by the increase in specific tariffs beginning in January 2021, as well as by an increase in revenues from landing charges, airport security charges, leasing of space to airlines and aircraft parking charges, which jointly increased by Ps.67.7 million. Non-aeronautical services revenues increased by Ps.96.3 million, or 28.7%, from Ps.335.4 million in 2020 to Ps.431.7 million in 2021, primarily due to an increase of Ps.73.3 million in revenues from business lines operated by third parties, composed mainly by an increase in revenues from food and beverage operations, retail, car rentals and leasing of spaces. Revenues from business lines operated by us increased by Ps.22.6 million, or 16.2%, as a result of an increase in revenues from car parking charges and convenience stores. Revenues from improvements to concession assets increased by Ps.194.5 million, or 28.5%, in 2021 as compared to 2020.

Total revenues for the Los Cabos airport increased by Ps.1,592.3 million, or 89.9%, from Ps.1,771.2 million in 2020 to Ps.3,363.4 million in 2021 (revenues increased by Ps.1,410.7 million, or 98.5%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.1,032.1 million, or 106.3% from Ps.971.0 million in 2020 to Ps.2,003.1 million in 2021. The increase in aeronautical services revenues was mainly due to a Ps.858.3 million, or 102.1%, increase in passenger charges driven by an 81.1% increase in passenger traffic and by the increase in specific tariffs beginning in January 2021, as well as increases in revenues from landing charges, aircraft parking charges and complementary service providers which jointly increased Ps.161.3 million. Non-aeronautical services revenues increased by Ps.378.6 million, or 82.1%, from Ps.460.9 million in 2020 to Ps.839.6 million in 2021, mainly due to a Ps.355.9 million increase in revenues from business lines operated by third parties, driven by an increase in food and beverage operations, duty-free operations, time share operations, retail and car rental as well as a Ps.13.7 million, or 20.0%, increase in revenues from business lines operated by us, driven mainly by an increase in revenues in convenience car parking charges and VIP lounge revenues. Revenues from improvements to concession assets increased by Ps.181.6 million, or 53.5%, in 2021, as compared to 2020.

Total revenues for the Puerto Vallarta airport increased by Ps.901.8 million, or 81.2%, from Ps.1,109.9 million in 2020 to Ps.2,011.7 million in 2021 (revenues increased by Ps.683.1 million, or 65.5%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.559.8 million, or 72.1%, from Ps.776.4 million in 2020 to Ps.1,336.2 million in 2021. This increase in aeronautical services revenues was primarily due to an increase in revenues from passenger charges of Ps.474.3 million, caused mainly by a 62.5% increase in passenger traffic and by the increase in specific tariffs as of January 1, 2021, as well as an increase in revenues of Ps.85.5 million from landing charges, aircraft parking charges, airport security charges and complementary service providers, jointly. Non-aeronautical services revenues increased by Ps.123.4 million, or 46.3%, from Ps.266.4 million in 2020 to Ps.389.8 million in 2021, due to a Ps.118.3 million increase in revenues from businesses operated by third parties, including retail operations, timeshare operation, car rentals, food and beverage operations and duty-free operations, and an increase in revenues from business lines operated by us of Ps.5.1 million, mainly due to increases in revenues from convenience stores and VIP lounges. Revenues from improvements to concession assets increased by Ps.218.6 million, or 326.2%, in 2021, as compared to 2020.

Total revenues for the Montego Bay airport increased by Ps.390.0 million, or 33.6%, from Ps.1,161.8 million in 2020 to Ps.1,551.8 million in 2021 (revenues increased by Ps.435.6 million, or 42.6%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.308.2 million, or 44.3%, from Ps.695.9 million in 2020 to Ps.1,004.1 million in 2021. This increase in aeronautical services revenues was mainly due to a Ps.207.1 million, or 47.6%, increase in revenues from passenger charges, as well as an increase of Ps.93.6 million, or 9.8%, in revenues from complementary service providers, landing charges and airport security charges, jointly. Non-aeronautical services revenues increased by Ps.127.4 million, or 38.9%, from Ps.327.2 million in 2020 to Ps.454.5 million in 2021, primarily due to a Ps.127.7 million increase in revenues from businesses operated by third parties, mainly due to an increase in revenues from duty-free operations, leasing of space, car rentals and food and beverage operations. Revenues from improvements to concession assets decreased by Ps.45.6 million, or 32.8%, in 2021, as compared to 2020.

Total revenues for the Guanajuato airport increased by Ps.222.5 million, or 45.5%, from Ps.488.8 million in 2020 to Ps.711.3 million in 2021 (revenues increased Ps.249.9 million, or 55.2%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.231.8 million, or 68.4%, from Ps.338.6 million in 2020 to Ps.570.4 million in 2021, mainly due to an increase in passenger charges of Ps.206,7 million, or 70.7%, driven by a 52.7% increase in passenger traffic and by the increase in specific tariffs as of January 1, 2021, as well as a Ps.25.1 million combined increase, in revenues from landing charges, aircraft parking charges, airport security charges, leasing of space to airlines and complementary service providers. Non-aeronautical services revenues increased by Ps.18.2 million, or 15.9%, from Ps.113.8 million in 2020 to Ps.132.0 million in 2021. This increase in non-aeronautical services revenues is a result of a Ps.23.6 million increase in revenues from businesses operated by third parties, and partially offset by a Ps.6.4 million decrease in revenues from businesses operated by us. Revenues from improvements to concession assets decreased by Ps.27.4 million, or 75.4%, in 2021, as compared to 2020.

Total revenues for the Hermosillo airport increased by Ps.140.2 million, or 48.6%, from Ps.288.6 million in 2020 to Ps.428.7 million in 2021 (revenues increased Ps.142.4 million, or 52.9%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues increased by Ps.136.8 million, or 66.9%, from Ps.204.7 million in 2020 to Ps.341.5 million in 2021, mainly due to an increase in passenger charges of Ps.113.8 million, or 70.4%, caused by a 58.5% increase in passenger traffic and by the increase in specific tariffs as of January 1, 2021, as well as an increase of Ps.23.1 million jointly in revenues from landing charges, complementary service providers, aircraft parking charges, airport security charges and leasing of space to airlines. Non-aeronautical services revenues increased by Ps.5.5 million, or 8.6%, from Ps.64.6 million in 2020 to Ps.70.1 million in 2021, primarily due to a Ps.8.7 million increase in revenues from business lines operated by third parties, mainly due to an increase in revenues from car rentals and food and beverage operations partially offset by a Ps.3.2 million decrease in revenues from business lines operated by us, composed mainly by a decrease in revenues from advertising. Revenues from improvements to concession assets decreased by Ps.2.2 million, or 11.3%, in 2021, as compared to 2021.

Total revenues for our other seven airports increased by Ps.411.4 million, or 27.0%, from Ps.1,523.0 million in 2020 to Ps.1,934.4 million in 2021 (revenues increased by Ps.604.4 million, or 49.2%, taking into account only revenues from aeronautical and non-aeronautical services). Aeronautical services revenues at these airports increased by Ps.544.5 million, or 57.7%, from Ps.943.4 million in 2020 to Ps.1,487.9 million in 2021, mainly due to an increase in passenger charges of Ps.434.7 million, or 67.3%, caused by a 54.0% increase in passenger traffic and by the increase in specific tariffs, as well as an increase of Ps.104.5 million in revenues from landing charges, airport security charges and aircraft parking charges. Non-aeronautical services revenues increased by Ps.59.9 million, or 21.1%, from Ps.284.0 million in 2020 to Ps.343.9 million in 2021, primarily due to a Ps.45.4 million increase in revenues from businesses operated by third parties, including from leasing space retail, car rental, retail operations, ground transportation and duty-free stores and a Ps.14.5 million increase in revenues from business lines operated by us, including revenues related to VIP lounges and car parking services. Revenues from improvements to concession assets decreased by Ps.193.1 million or 65.3%, in 2021, as compared to 2020.

Operating Costs

Total operating costs increased by Ps.2,111.3 million, or 26.2%, from Ps.8,046.5 million in 2020 to Ps.10,157.7 million in 2021, primarily due to an increase in operating costs for our Mexican airports of Ps.2,196.1 million, or 35.7%, from Ps.6,157.3 million in 2020 to Ps.8,353.4 million in 2021. Operating costs of MBJA decreased by Ps.100.8 million, or 8.1%, from Ps.1,252.8 million in 2020 to Ps.1,151.9 million in 2021. Operating costs of PACKAL increased by Ps.16.1 million, or 2.5%, from Ps.636.7 million in 2020 to Ps.652.4 million in 2021.

Cost of Services

Cost of services, which comprises employee costs, maintenance, safety, security and insurance, utilities and other expenses, increased by Ps.321.0 million, or 12.1%, from Ps.2,668.7 million in 2020 to Ps.2,989.7 million in 2021.

Cost of services for our Mexican airports increased by Ps.352.6 million, or 17.7%, in 2021 compared to 2020. The change in cost of services for these airports was composed primarily of the following factors:

- Employee costs increased Ps.144.6 million, or 18.6%, compared to 2020, mainly due to the recognition of labor provisions in accordance with the Labor Reform and the hiring of additional personnel as required for airport operations.
- Maintenance costs increased by Ps.121.2 million, or 36.3%, compared to 2020 because of the increase in essential maintenance as a result of the recovery in passenger traffic.
- Utility costs increased by Ps.21.4 million, or 9.4%, compared to 2020, mainly due to an increase of Ps.33.6 million in electricity consumption as a result of the reopening of operational areas.
- Safety, security and insurance costs increased Ps.67.7 million, or 22.5%, compared to 2020, mainly due to an increase in the number of security staff as compared to 2020 when the partial closure of some operating areas reduced the need for personnel.
- Other operating expenses decreased by Ps.2.3 million, or 0.1%, mainly due to a Ps.45.3 million combined decrease in the allowance for credit losses, the purchase of sanitation supplies, the purchase of supplies and donations for the medical sector for the prevention of COVID-19 and publicity. This decrease was partially offset by a combined increase of Ps.42.6 million in the cost of goods and services for our VIP lounges, convenience stores and FBO services, among others.

Of our Mexican airports, the Guadalajara airport contributed the most to our cost of services in 2021, representing 21.0% of our total cost of services.

The cost of services at our Guadalajara airport increased by Ps.46.0 million, or 7.9%, from Ps.582.8 million in 2020 to Ps.628.8 million in 2021, mainly as a result of an increase of Ps.51.8 million in employee costs and Ps.27.1 million in maintenance expenses, and partially offset by a decrease of Ps.54.7 million in other operating expenses.

Costs of services at the Montego Bay airport increased by Ps.2.8 million, or 0.7%, in 2021 compared to 2020. The change in cost of services for this airport was primarily as a result of an increase of Ps.7.6 million in utility costs and Ps.5.0 million in other operating expenses, and partially offset by a decrease of Ps.6.8 million in safety, security and insurance expenses and of Ps.3.2 million in maintenance costs.

Costs of services for PACKAL decreased by Ps.34.4 million, or 12.3%, in 2021 compared to 2020. The change in cost of services for this airport was primarily as a result of decreases of Ps.35.4 million in other operating expenses, Ps.8.8 million in safety and security costs, and partially offset by increases of Ps.7.2 million in utility costs and Ps.2.0 million in maintenance expenses.

Technical Assistance Fees

Technical assistance fees increased by Ps.237.0 million, or 82.0%, from Ps.289.2 million in 2020 to Ps.526.2 million in 2021. This increase in technical assistance fees was mainly due to an increase in our consolidated income from operations at our Mexican airports, which is used to calculate the technical assistance fee. See "Item 4, *Information on the Company – History and Development of the Company – Investment by AMP.*"

Concession Taxes

As a result of the increase in revenues (excluding revenues from improvements to concession assets, which do not form part of income for purposes of the government concession tax), government concession taxes increased by Ps.322.7 million, or 35.5%, from Ps.908.3 million in 2020 to Ps.1,231.0 million in 2021.

Depreciation and Amortization

Depreciation and amortization increased by Ps.50.1 million, or 2.5%, from Ps.2,000.4 million in 2020 to Ps.2,050.5 million in 2021, mainly due to the growth in infrastructure, resulting from the fulfillment of our Master Development Programs and Capital Development Programs.

Other (Income) expense

Other income decreased by Ps.4.5 million, or 35.3%, from income of Ps.12.7 million in 2020 to income of Ps.8.2 million in 2021.

Cost of Improvements to Concession Assets

Cost of improvements to concession assets increased by Ps.1,175.9 million, or 53.6%, from Ps.2,192.6 million in 2020 to Ps.3,368.5 million in 2021. In Mexico, cost of improvements to concession assets increased Ps.1,272.9 million or 63.6% in 2021, as compared to 2020. Cost of improvements to concession assets for MBJA decreased by Ps.45.6 million, or 32.8% as a result of the amounts committed in our Capital Development Program for 2021. In 2021, MBJA recognized Ps.93.2 million in cost of improvements to concession assets, as compared to Ps.138.8 million in 2020. During 2020, PACKAL recognized Ps.51.4 million in cost of improvements to concession assets and 2021, no investments in improvements to concession assets were made.

Operating Costs by Airport

Operating costs for the Guadalajara airport increased by Ps.1,091.9 million, or 59.4%, from Ps.1,837.4 million in 2020 to Ps.2,929.3 million in 2021. This increase was primarily due to a Ps.849.4 million, or 138.2%, increase in the cost of improvements to concession assets from Ps.614.5 million in 2020 to Ps.1,463.9 million in 2021 and a Ps.220.0 million, or 29.2% increase in the cost of operations, mainly driven by increases in the costs of safety, security and insurance, maintenance, utilities, employee costs and concession taxes. Depreciation and amortization increased by Ps.21.4 million, or 5.8%, in 2021 as compared to 2020. Operating costs increased by Ps.242.6 million, or 19.8%, without including the cost of improvements to concession assets.

Operating costs for the Tijuana airport increased by Ps.348.9 million, or 24.8%, from Ps.1,407.3 million in 2020 to Ps.1,756.2 million in 2021. This increase was mainly due to a Ps.194.5 million, or 28.5%, increase in the cost of improvements to concession assets from Ps.681.8 million in 2020 to Ps.876.3 million in 2021 and a Ps.144.0 million, or 35.4%, increase from Ps.406.9 million in 2020 to Ps.550.9 million in 2021 in the cost of operations mainly driven by safety, security and insurance, maintenance, employee costs and concession taxes. Depreciation and amortization increased Ps.0.8 million, or 0.3% in 2021 as compared to 2020. Operating costs increased by Ps.154.3 million, or 21.3%, without including the cost of improvements to concession assets.

Operating costs for the Los Cabos airport increased by Ps.387.2 million, or 38.2%, from Ps.1,014.6 million in 2020 to Ps.1,401.7 million in 2021. This increase was mainly due to a Ps.210.5 million, or 57.3 %, increase in the cost of operations mainly in utilities, maintenance, other operating cost, employee costs and concession taxes, from Ps.367.0 million in 2020 to Ps.577.5 million in 2021 and cost of improvements to concession assets increased by Ps.181.6 million, or 53.5%, from Ps.339.2 million in 2020 to Ps.520.8 million in 2021. Depreciation and amortization decreased Ps.4.1 million, or 1.5% in 2021 as compared to 2020. Operating costs increased by Ps.205.6 million, or 30.4%, without including the cost of improvements to concession assets.

Operating costs for the Puerto Vallarta airport increased by Ps.346.4 million, or 59.4%, from Ps.583.1 million in 2020 to Ps.929.5 million in 2021. This increase was primarily due to an increase of Ps.98.4 million, or 33.4%, in the cost of operations, driven by increases in maintenance, utilities, safety, security and insurance and concession taxes and an increase of Ps.218.7 million, or 326.2% in the cost of improvements to concession assets from Ps.67.0 million in 2020 to Ps.285.7 million in 2021. Depreciation and amortization increased by Ps.8.0 million, or 4.7%, in 2021 as compared to 2020. Operating costs increased by Ps.127.7 million, or 24.8%, without including the cost of improvements to concession assets.

Operating costs for the Montego Bay airport decreased by Ps.105.2 million, or 8.4%, from Ps.1,250.7 million in 2020 to Ps.1,145.50 million in 2021. This decrease was mainly due to decreases in the cost of improvements to concession assets of Ps.45.6 million, or 32.8%, from Ps.138.8 million in 2020 to Ps.93.2 million in 2021 and costs of operations by Ps.32.2, or 5.4%, from Ps.598.1 million in 2020 to Ps.565.7 million in 2021, mainly in maintenance costs, safety, security and insurance and concession taxes. Depreciation and amortization expenses decreased Ps.26.3 million, or 5.1%, from Ps.512.1 million in 2020 to Ps.485.8 million in 2021. Operating costs decreased by Ps.59.6 million, or 5.4%, without including the cost of improvements to concession assets.

Operating costs for the Guanajuato airport increased by Ps.22.0 million, or 8.0%, from Ps.272.7 million in 2020 to Ps.294.7 million in 2021. This increase was mainly due to an increase of Ps.51.0 million, or 37.0%, mainly in maintenance, safety, security and insurance, employee cost, other expenses costs and concession taxes, and partially offset by a decrease in the cost of improvements to concession assets of Ps.27.4 million, or 75.4%, from Ps.36.3 million in 2020 to Ps.8.9 million in 2021. Depreciation and amortization increased by Ps.3.6 million, or 5.0%, in 2021 as compared to 2020. Operating costs increased by Ps.49.3 million, or 20.9%, without including the cost of improvements to concession assets.

Operating costs for the Hermosillo airport increased by Ps.42.3 million, or 18.3%, from Ps.230.8 million in 2020 to Ps.273.1 million in 2021. This increase was due to a Ps.51.2 million, or 43.8%, increase in the cost of operations, mainly in costs of maintenance, safety and security, employee cost and concession taxes, and partially offset by a decrease in the cost of improvements to concession assets of Ps.2.2 million, or 11.3%, from Ps.19.3 million in 2020 to Ps.17.1 million in 2021. Depreciation and amortization decreased by Ps.0.5 million, or 0.7%, in 2021 as compared to 2020. Operating costs increased by Ps.44.4 million, or 21.0%, without including the cost of improvements to concession assets.

Operating costs for our other seven airports increased by Ps.71.5 million, or 4.6%, from Ps.1,557.6 million in 2020 to Ps.1,629.1 million in 2021. This increase was primarily due to an increase of Ps.261.4 million, or 27.9%, in the cost of operations, from Ps.938.4 million in 2020 to Ps.1,199.8 million in 2021, mainly as a result of increases in the costs of maintenance, utilities, safety and security, employee cost, concession fees and other expenses. The cost of improvements to concession assets decreased by Ps.193.1 million, or 65.3%, from Ps.295.7 million in 2020 to Ps.102.6 million in 2021. Depreciation and amortization increased by Ps.28.9 million, or 12.0%, in 2021 as compared to 2020. Operating costs increased by Ps.264.5 million, or 21.0%, without including the cost of improvements to concession assets.

Income from Operations

Income from operations increased by Ps.5,037.2 million, or 131.9%, from Ps.3,820.0 million in 2020 to Ps.8,857.2 million in 2021. This increase was due to a Ps.7,148.5 million increase in total revenues in 2021, partially offset by a Ps.559.8 million increase in technical assistance fees and concession taxes, jointly, and a Ps.320.9 million increase in cost of service. Our operating margin increased by 1,440 basis points, from 32.2% in 2020 to 60.2% in 2021 (taking into account only the sum of aeronautical and non-aeronautical services revenues, our operating margin increased by 1,700 basis points in 2021, from 39.6% in 2020 to 56.6% in 2021).

Historically, our most profitable airports have been our Guadalajara, Los Cabos and Puerto Vallarta airports, which handle the majority of our international passengers in Mexico. Historically, operating margins at our Tijuana airport have been lower than at our other principal airports because of a combination of (i) a high initial concession value, and consequently larger amortizations thereof, and (ii) lower revenues due to low maximum rates applicable to aeronautical services. However, in 2020 due to the impact of the COVID-19 pandemic on our airports in tourist areas, our Tijuana airport was our second airport with the highest passenger traffic. In 2020, our Tijuana airport had the lowest percentage decrease in passenger traffic (a decrease of 29.2%) and was consequently our fourth most profitable airport behind our Guadalajara, Los Cabos and MBJ airports (taking into account only the sum of aeronautical and non-aeronautical services revenues). In 2021, Tijuana airport had the highest percentage increase in passenger traffic (an increase of 8.4% versus the pre-pandemic year of 2019) and was again our fourth most profitable airport behind our Guadalajara, Los Cabos and MBJ airports (taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from Operations by Airport

Income from operations for the Guadalajara airport increased by Ps.1,141.7 million, or 77.5%, from Ps.1,472.5 million in 2020 to Ps.2,614.2 million in 2021, mainly due to an increase in aeronautical and non-aeronautical services revenues of Ps.1,384.3 million, partially offset by an increase in operating expenses of Ps.242.6 million. The operating margin increased by 270 basis points, from 44.5% in 2020 to 47.2% in 2021 (operating margin increased by 950 basis points, from 54.6% in 2020 to 64.1% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for the Tijuana airport increased by Ps.694.2 million, or 86.6%, from Ps.802.1 million in 2020 to Ps.1,496.3 million in 2021, primarily due to an increase in aeronautical and non-aeronautical services revenues of Ps.848.6 million, partially offset by an increase in operating expenses of Ps.154.3 million. The operating margin increased by 970 basis points from 36.3% in 2020 to 46.0% in 2021 (operating margin increased by 1,050 basis points from 52.5% in 2020 to 63.0% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for the Los Cabos airport increased by Ps.1,205.1 million, or 159.3%, from Ps.756.6 million in 2020 to Ps.1,961.8 million in 2021, primarily due to an increase in aeronautical and non-aeronautical services revenues of Ps.1,410.7 million, partially offset by an increase in operating expenses of Ps.205.6 million. The operating margin increased by 1,560 basis points from 42.7% in 2020 to 58.3% in 2021 (operating margin increased by 1,620 basis points, from 52.8% in 2020 to 69.0% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for the Puerto Vallarta airport increased by Ps.555.4 million, or 105.4%, from Ps.526.8 million in 2020 to Ps.1,082.2 million in 2021, mainly due to an increase in aeronautical and non-aeronautical services revenues of Ps.683.1 million, partially offset by an increase in operating expenses of Ps.127.7 million. The operating margin increased by 630 basis points from 47.5% in 2020 to 53.8% in 2021 (operating margin increased by 1,220 basis points from to 50.5% in 2020 to 62.7% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for the Montego Bay airport changed from loss from operations of Ps.88.9 million in 2020 to income from operations of Ps.406.2 million in 2021, an increase of Ps.495.2 million or 557.0%, primarily due to an increase in aeronautical and non-aeronautical services revenues of Ps.435.6 million, and partially offset by a decrease in operating expenses of Ps.59.6 million. The operating margin increased by 3,390 basis points from a negative margin of 7.7% in 2020 to 26.2% in 2021 (operating margin increased by 3,660 basis points from a negative margin of 8.7% in 2020 to 27.9% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for the Guanajuato airport increased by Ps.200.6 million, or 92.8%, from Ps.216.0 million in 2020 to Ps.416.6 million in 2021, primarily due to an increase in aeronautical and non-aeronautical services revenues of Ps.249.9 million, partially offset by an increase in operating expenses of Ps.49.3 million. The operating margin increased by 1,440 basis points from 44.2% in 2020 to 58.6% in 2021 (operating margin increased by 1,160 basis points from 47.7% in 2020 to 59.3% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for the Hermosillo airport increased by Ps.97.9 million, or 169.5%, from Ps.57.8 million in 2020 to Ps.155.7 million in 2021, primarily due to an increase in aeronautical and non-aeronautical services revenues of Ps.142.4 million, partially offset by an increase in operating expenses of Ps.44.4 million. The operating margin increased by 1,630 basis points from 20.0% in 2020 to 36.3% in 2021 (operating margin increased by 1,630 basis points from 21.5% in 2020 to 37.8% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Income from operations for our seven other airports changed from a loss from operations of Ps.34.6 million in 2020 to income from operations of Ps.297.2 million in 2021, primarily due to an increase in aeronautical and non-aeronautical services revenues of Ps.604.4 million, partially offset by an increase in operating expenses of Ps.261.4 million. The operating margin increased by 1,810 basis points from a negative margin of 2.3% in 2020 to 15.8% in 2021 (operating margin increased by 1,950 basis points from a negative margin of 2.8% in 2020 to 16.7% in 2021, taking into account only the sum of aeronautical and non-aeronautical services revenues).

Finance Cost

Finance cost in 2021 decreased by Ps.406.3 million, or 28.3%, from a net expense of Ps.1,434.2 million in 2020 to a net expense of Ps.1,027.9 million in 2021. This decrease was mainly due to a foreign exchange gain of Ps.568.8 million as the foreign exchange rate fluctuations went from an expense of Ps.330.4 million in 2020 to income of Ps.283.3 million in 2021 as a result of a 3.2% depreciation of the peso, which went from Ps.19.8920 per U.S. dollar at December 31, 2020 to Ps.20.5835 per U.S. dollar on December 30, 2021. During 2021, we recognized Ps.30.8 million in income from exchange rate differences on translating foreign operations, recognized within other comprehensive income, in accordance with applicable norms. Interest expense increased by Ps.172.2 million, or 10.5%, in 2021 as compared to 2020, mainly due to the issuance of new long-term debt securities and an increase in the reference interest rates for those securities. Interest income decreased by Ps.9.7 million, or 2.3%, in 2021 as compared to 2020 mainly due to a decrease in the average balance of cash and cash equivalents during 2021.

Income Taxes

Income taxes increased in 2021 by Ps.1,318.5 million, or 282.3%, from Ps.467.1 million in 2020 to Ps.1,785.5 million in 2021. The Mexican airports’ current tax increased by Ps.1,442.8 million. MBJA’s current tax increased by Ps.142.1 million, while DCA’s current tax increased by Ps.8.3 million. Our benefit from deferred tax increased by Ps.274.7 million due to a 7.4% inflation rate in 2021 as compared to a 3.2% inflation rate in 2020. Our effective tax rate increased from 19.6% in 2020 to 22.8% in 2021, primarily due to a 30.5% increase in our earnings before income taxes from Ps.2,385.8 million in 2020 to Ps.7,829.3 million in 2021, primarily as a result of the recovery in passenger traffic following the initial impact of the COVID-19 pandemic.

Total Comprehensive Income for the Year Attributable to Controlling Interest

Total comprehensive income for the year increased by Ps.4,407.3 million, or 201.9%, from Ps.2,183.3 million in 2020 to Ps.6,590.6 million in 2021. Income from operations increased by Ps.5,037.2 million, mainly as a result of a Ps.7,148.5 million increase in total revenues, and partially offset by an increase of Ps.2,111.4 million in total operating costs and an increase of Ps.1,318.5 million in income taxes. The cash flow hedge reserve increased by Ps.799.8 million. This increase was partially offset by a decrease of Ps.549.5 million in currency translation effect, due to the exchange rate differences on translating foreign operations resulting from the depreciation of the peso in 2021. Our net margin increased from 16.2% in 2020 to 31.8% in 2021 (taking into account only aeronautical and non-aeronautical services revenues, net margin increased from 19.8% in 2020 to 38.6% in 2021).

Statement of Financial Position

Our financial position as of December 31, 2021 increased by Ps.3,961.9 million, or 7.2%, as compared to December 31, 2020, primarily due to: (i) a Ps.3,094.0 million increase in improvements to concession assets, (ii) a Ps.1,407.1 million increase in machinery, equipment and leasehold improvements and advances to suppliers and (iii) a Ps.208.7 million increase in other current assets. These increases were partially offset by a Ps.1,117.7 million decrease in cash and cash equivalents and a Ps.320.7 million decrease in the value of concession assets (due to the valuation of the Jamaica concessions in U.S. dollars and the depreciation of the peso, among others.

Total liabilities as of December 31, 2021 increased by Ps.6,386.1 million, or 22.4%, as compared to December 31, 2020, primarily due to: (i) a Ps.5,500.0 million increase in debt securities issued, (ii) a Ps.1,880.4 million increase in accounts payable, (iii) a Ps.1,241.0 million increase in income taxes and (iv) a Ps.154.3 million increase in concession fees. These increases were partially offset by decreases of: (i) Ps.2,000.0 million in bank loans, (ii) Ps.590.5 million in derivative financial instruments and (iii) Ps.170.2 million in deferred taxes, among others.

Results of Operations for the Year ended December 31, 2020 Compared to the Year Ended December 31, 2019

For a comparison of the results of operations for the year ended December 31, 2020 as compared to the year ended December 31, 2019, see “Item 5, *Operating and Financial Review and Prospects – Results of Operations for the Year ended December 31, 2020 Compared to the Year Ended December 31, 2019*” in our Fiscal Year 2020 Form 20-F.

Liquidity and Capital Resources

Historically, the cash flow generated from our operations has generally been used to fund operating costs, and the excess of our cash flow has been added to our accumulated cash and cash equivalents in our consolidated statements of financial position. For information regarding our estimated committed investments and sources of liquidity for those commitments, see *“Item 4, Information on the Company – History and Development of the Company – Master Development Programs.”*

As of December 31, 2019, 2020 and 2021 we had Ps.7,500.2 million, Ps.14,444.5 million and Ps.13,332.9 million, respectively, of cash and cash equivalents. We recorded no financial investments held for trading purposes as of December 31, 2019, 2020 and 2021.

Due to the COVID-19 pandemic, we have taken a series of actions that seek to manage our liquidity levels. During 2022, we have two debt maturities coming due, our “GAP-17” debt securities in March for Ps.1.5 billion and “GAP 17-2” in November for Ps.2.3 billion. See *“Item 5, Recent Developments –Indebtedness – Indebtedness in Mexico.”*

We anticipate that we will be able to meet our financial and operational obligations with our current cash and equivalents. See *"Item 3, Risk Factors – Developments relating to the outbreak of COVID-19 have had, and may continue to have, a material adverse impact on our financial conditions or results of operations control," and "Item 5 – Developments related to the outbreak of COVID-19."* For information regarding our estimated committed investments and sources of liquidity for those commitments, see *"Item 4, Information on the Company – History and Development of the Company – Master Development Programs – Estimated Committed Investments by Mexican Airport (2020-2024)."*

Cash Flows

Cash flows for the year ended December 31, 2021 as compared to cash flows for the year ended December 31, 2020

Cash and cash equivalents decreased by Ps.1,111.7 million, or 7.7%, from Ps.14,444.5 million in 2020 to Ps.13,332.9 million in 2021, mainly due to (i) a (net) increase of Ps.5,500 millionfrom the issuance of long-term debt securities in an aggregate principal amount of Ps.55 million; (ii) an increase in net cash flows provided by operating activities in 2021 as compared to 2020 as a result of the recovery of passenger traffic from the impact of the COVID-19 pandemic. The Ps.7,528.9 million increase in net cash provided by operating activities was primarily due to an increase of Ps.4,125.0 million, or 215.0%, as compared to 2020, in profit for the year and a decrease of Ps.71.1 million, or 82.1%, as compared to 2020, in the allowance for expected credit loss and partially offset by an increase of Ps.299.8 million, or 21.6%, in interest expense for financing activity in 2021 as compared to 2020. Net cash flows used in investing activities increased Ps.1,751.6 million. Partially offset by an increase of Ps.13,640.0 million in net cash flows used in financing activities resulting from the repayment of bank loans for a total of Ps.2,000.0 million, Ps.6,014.7 million in capital reduction payments and Ps.3,000.0 million used for the repurchasing of shares.

Cash and cash equivalents were mainly used for: (i) a capital reduction payment of Ps.6,014.7 million (Ps.2,000 million on May 28, 2021 and Ps.4,014.7 million on September 28, 2021); (ii) purchases of machinery and equipment, improvements on leased buildings and concession assets and advance payments to suppliers of Ps.4,946.8 million; (iii) Ps.3,000.0 in share repurchases and (iv) Ps.1,143.3 million in payments to service the cost of debt.

Cash flows for the year ended December 31, 2020 as compared to cash flows for the year ended December 31, 2019

For a comparison of the cash flows for the year ended December 31, 2020 as compared to the cash flows for the year ended December 31, 2019, see "Item 5, *Operating and Financial Review and Prospects* – Liquidity and Capital Resources – *Cash Flows – Cash flows for the year ended December 31, 2020 as compared to cash flows for the year ended December 31, 2019*" in our Fiscal Year 2019 Form 20-F.

Indebtedness

Indebtedness in Mexico

On March 29, 2019, we issued Ps.3,000.0 million in new five-year debt securities under the ticker symbol "GAP 19", on which interest is payable every 28 days at a variable rate of TIIE-28 plus 45 basis points, and the principal will be payable at maturity on March 22, 2024. The proceeds from the issuance were allocated to financing the investments set forth in the Master Development Programs for 2019 and 2020.

On February 13, 2020, we issued Ps.3,000.0 million in debt securities on the Mexican market, under the ticker symbol "GAP 20". Proceeds from the issuance were allocated for liability management (on February 14, 2020 we paid our "GAP 15" debt securities with Ps.2,200 million from the proceeds) and to finance investments set forth in our Master Development Programs for 2020. Interest is payable every 28 days at a variable rate of TIIE-28 plus 17 basis points. Principle on these bond certificates will be due at maturity on February 16, 2025.

On April 13, 2020, we entered into a loan agreement with Scotiabank for Ps.1,000.0 million, with a 15-month term and principal payment upon maturity, paying a variable interest rate of 28-day TIIE plus 100 basis points, proceeds were allocated to general corporate purposes.

On May 15, 2020, we entered into a loan agreement with BBVA, S.A. for Ps.1,000.0 million with a 24-month term and principal payment upon maturity, paying a fixed annual interest rate of 6.99%, proceeds were allocated to general corporate purposes.

On June 25, 2020, we issued Ps.4,200.0 million in new debt securities. The proceeds from the issuance were allocated to financing the investments set forth in the Master Development Programs for 2020 and part of 2021. The issuance was made under the following terms:

- We issued Ps.602.0 million under the ticker symbol "GAP 20-2". Interest is payable every 28 days at a variable rate of TIIE-28 plus 85 basis points, and the principal will be payable at maturity on June 22, 2023.
- We issued Ps.3,598.0 million under the ticker symbol "GAP 20-3". Interest is payable every 182 days at a fixed rate of 8.14%, and the principal will be payable at maturity on June 17, 2027.

On May 7, 2021, we issued Ps.4,500.0 million in new debt securities. Proceeds from the issuance were allocated to commercial investments and fulfilling investments committed under the Master Development Program in Mexico, as well as making the Ps.1,500.0 million maturity payment on our GAP 16 debt securities, and the principal payment on our Ps.1,000.0 million credit with Scotiabank in July 2021. The issuance was made in accordance with the following terms:

- We issued Ps.2,500.0 million under the ticker symbol "GAP21". Interest is payable every 28 days at a variable rate of TIIE-28 plus 60 basis points; the principal will be due at maturity on May 2, 2025, with an early payment option.

- We issued Ps.2,000.0 million in 7-year bond certificates under the ticker symbol "GAP21-2". Interest is payable every 182 days at a fixed rate of 7.91%; the principal will be due at maturity on April 28, 2028, with an early payment option.

On October 15, 2021, we issued Ps.2,500.0 million in new debt securities. The issuance was a joint issuance of green bond certificates and the first reopening of our "GAP21-2" securities. The proceeds from these issuances will be used to fulfill the investments committed under the Master Development Program for 2021 and part of 2022, as well as to finance eligible green projects in accordance with our Green Financing Framework, which is aligned with the International Capital Markets Association (ICMA) Green Bond Principles and the United Nations (UN) Sustainable Development Goals. The issuance was made in accordance with the following terms:

- We issued Ps.1,500.0 million in 5-year green bond certificates under the ticker symbol "GAP21V". Interest is payable every 28 days at a variable rate of TIIE-28 plus 25 basis points; the principal will be due at maturity on October 9, 2026, with an early amortization option.

- We issued Ps.1,000.0 million debt securities corresponding to the first reopening of our "GAP21-2" securities, originally issued on May 7, 2021. The securities have the same characteristics as the original issuance. Interest will be payable every 182 days at a coupon of 7.91%; the principal will be due at maturity on April 28, 2028, with an early amortization option.

In addition, to finance the acquisition of DCA in April 2015, we borrowed a total of U.S.$191.0 million through unsecured credit agreements with The Bank of Nova Scotia (U.S.$95.5 million) and BBVA (U.S.$95.5 million). On October 29, 2020, we announced the successful refinancing of these credit agreements which were to come due in January and February 2021, respectively. The Scotiabank credit refinancing has a 36-month term and is due on January 19, 2024. Interest is payable monthly at an annual fixed rate of 2.063% and principal is due at maturity. The BBVA credit refinancing has a 36-month term and is due on February 2, 2024. Interest is payable monthly at an annual fixed rate of 1.97% and principal is due at maturity.

As of December 31, 2021, we were not party to any off-balance sheet arrangements and were in compliance with all covenants stipulated by debt instruments.

Indebtedness in Jamaica

MBJA previously entered into unsecured loans with its shareholder, Vantage, for U.S.$10.9 million in June 2007 and U.S.$0.5 million in February 2009. The loans bear annual interest, payable semi-annually, at 14.0% and 8.0%, respectively, without a fixed maturity, and are subject to prepayment restrictions. As of December 31, 2021, the outstanding balance under these facilities amounted to U.S.$11.4 million (Ps.235.6 million).

On December 28, 2017, we entered into seven-year unsecured loan agreement with The Bank of Nova Scotia Jamaica Limited and The Bank of Nova Scotia for U.S.$40 million, with interest at a variable rate of one-month Libor plus 285 basis points. Payments will be made on a semi-annual basis after 24 months. As of December 31, 2021, the balance outstanding under these facilities amounted to U.S.$28.0 million (Ps.576.4 million).

On September 3, 2020, MBJA signed Amended and Restated loan agreements with The Bank of Nova Scotia Jamaica Limited and The Bank of Nova Scotia for up to U.S.$60.0 million available for disbursement for up to 24 months from the closing date. The loan has a 5-year maturity with a 2-year optional extension for up to U.S.$54.0 million, with a monthly interest rate of Libor plus 310 basis points and a principal payment of 10% due on the fifty-fourth month and the remaining 90% due at maturity. The disbursement fee was 50 basis points due at closing and a commitment fee of 55 basis points is payable quarterly on any undrawn balance. The first drawdown of U.S.$30.0 million was made on September 4, 2020. The loan proceeds will be used to finance MBJA's Capital Development Program, as well as for general corporate purposes. As of December 31, 2021, the balance outstanding under this facility amounted to U.S.$30.0 million (Ps.617.5 million).

As of December 31, 2021, we were not party to any off-balance sheet arrangements and were in compliance with all covenants stipulated by debt instruments.

Capital Expenditures

For the years ended December 31, 2019, 2020 and 2021, we had total capital expenditures of Ps.2,479.0 million, Ps.3,160.1 million and Ps.4,946.8 million, respectively. During 2019, 2020 and 2021, 2.4%, 3.1% and 1.3%, respectively, of our capital expenditures were funded by cash flows from operations, while the remaining balance was funded through bank loans and long-term debt securities issued on the Mexican capital markets. We currently intend to fund the investments and working capital required by our business strategy through cash flows from operations and debt securities issued on the Mexican capital markets.

Capital Expenditures in Mexico

Under the terms of our Mexican concessions, each of our Mexican subsidiary concession holders is required to present a Master Development Program for approval by the SCT every five years. Each Master Development Program includes investment commitments (including capital expenditures and improvements) applicable to us as the concession holder for the succeeding five-year period. Once approved by the SCT, these commitments become binding obligations under the terms of our Mexican concessions. In December 2019, the SCT approved our Master Development Programs for each of our Mexican airports for the 2020 to 2024 period. This five-year program was to be in effect from January 1, 2020 until December 31, 2024.

Due to the COVID-19 pandemic, we delayed certain non-mandatory capital investments and during the month of August 2020, we filed a proposal for an Extraordinary Review Process of our Master Development Program with the SCT in response to the impact of the COVID-19 pandemic on our operations. See “Item 3, Risk Factors – Developments relating to the outbreak of COVID-19 have had, and may continue to have, a material adverse impact on our financial conditions or results of operations control”, and “Item 5 – Developments related to the outbreak of COVID-19.” The adjustments to our Master Development Program approved as a result of this Extraordinary Review Process and announced on November 30, 2020, resulted in the postponement of investments by approximately 20 months. As such, certain investments that were scheduled to conclude in 2024 will now conclude in 2026.

The table below sets forth our historical capital expenditures in Mexico. Capital expenditures are calculated on a cash flow basis, meaning that capital expenditures are equal to those investments actually paid for by each airport during a given year and not including investments for which the airport made allocations but did not pay during the given year. The investments shown in the table below therefore reflect our expenditures actually paid for by our airports for the years indicated. In order to be compared with our committed investments for a given year, the investments made in the previous year but paid for in the given year need to be subtracted while the investments allocated but not paid for in the given year need to be added. For 2019, 2020 and 2021, the total of our investments allocated but unpaid were Ps.286.4 million, Ps.540.8 million and Ps.1,428.0 million, respectively

Capital Expenditures in Mexico

Year ended December 31,	Total Capital Expenditures (thousands of pesos) (1)
2019	Ps. 2,226,984
2020	2,904,649
2021	4,687,355

(1) Expressed in nominal pesos.

In 2019, we spent Ps.2,226.9 million on capital expenditures in Mexico primarily for the expansion of terminal buildings at the Guadalajara, Los Cabos, Aguascalientes and Morelia airports, improvements to the runways, taxiways and aprons at the Tijuana, La Paz and Los Cabos airports and improvements in operational areas and of the terminal building at the Tijuana airport.

In 2020, we spent Ps.2,904.6 million on capital expenditures in Mexico, primarily for the rehabilitation and expansion of the terminal building at the Los Cabos airport, the construction of a new processing building at the Tijuana airport, the construction of a new runway and taxiing runway parallel to the main runway at the Guadalajara airport and the installation and adaptation of solar panels at 11 of our Mexican airports.

In 2021, we spent Ps.4,625.2 million on capital expenditures in Mexico, primarily the building of a new runway, taxiing runway parallel to the main runway, roads, hangar area and fire rescue service building at the Guadalajara airport, for the rehabilitation and expansion of the terminal building and expansion of the general apron at the Los Cabos airport, the construction of a new processing building at the Tijuana airport, rehabilitation of taxiway at the Puerto Vallarta airport and the expansion of the checked baggage system at our airports in Mexico.

Capital Expenditures in Jamaica

Every five-year period, MBJA is entitled to submit to the JCAA its proposal for increases to the maximum regulated charges together with investment commitments (including capital expenditures for capital projects and required improvements at the Montego Bay airport under MBJA's Concession Agreement). Upon the JCAA's approval of the new maximum regulated charges, these commitments become binding obligations under the terms of MBJA's concession. The maximum regulated charges are determined by the JCAA based on traffic projections, operating costs and capital investments included in the new Capital Development Program. Under the terms of MBJA's Concession Agreement with the AAJ, these committed capital investments must be met over the five-year period and not on an annual basis. On September 11, 2019, the JCAA approved new maximum regulated charges for the Montego Bay airport that assume capital investments (including scheduled maintenance) for the period from January 1, 2020 through December 31, 2024, estimated to cost approximately U.S.$111.7 million. The new maximum rates for the five-year period from 2020-2024 went into effect as of January 1, 2020. In December 2020, as a result of the COVID-19 pandemic and its economic impact, the AAJ granted MBJA a deferral on its committed investments for 2020 so that these investments can begin in January 2022. In 2021, MBJA requested a further deferral to execute the Capital Development Program so that investments could begin the earlier of January 2023 or as agreed with the AAJ.

In 2019, MBJA made investments of U.S.$11.6 million in capital expenditures, primarily for expansion of the terminal building, checked baggage review system and equipment. In 2020, MBJA made investments of U.S.$6.4 million in capital expenditures, primarily for the expansion and remodeling of the terminal and acquisition of equipment. In 2021, MBJA made investments of U.S.$4.6 million in capital expenditures primarily for the rehabilitation of the terminal building and the acquisition of machinery and equipment.

From October 10, 2019 to December 31, 2019, PACKAL did not make any investments in capital expenditures. On November 6, 2019, the JCAA approved new maximum regulated charges for the Kingston airport that assume capital investments (including scheduled maintenance) for the period from April 1, 2020 through December 31, 2024, estimated to cost approximately U.S.$101.4 million. For NMIA, maximum rates for the five-year period from 2020-2024 went into effect as of April 1, 2020. In December 2020, as a result of the COVID-19 pandemic and its economic impact, the AAJ granted PACKAL a deferral on its committed investments for 2020 so that these investments can begin in June 2021, but in response to a petition by PACKAL the deferral by the AAJ was extended.

In 2020, PACKAL made investments of U.S.$2.2 million in capital expenditures, primarily for the expansion and renovation of the terminal, improvements to the runway and acquisition of equipment. In 2021, PACKAL made investments of U.S.$2.0 million in capital expenditures, primarily for the acquisition of equipment.

Share Repurchase

We periodically repurchase our shares on the open market using funds authorized by our shareholders specifically for the repurchase of our shares by us at our discretion and in accordance with our policies.

In the aggregate, as of December 31, 2021, we held 13,273,970 shares in our treasury worth approximately Ps.3,000.0 million, at an average price of Ps.226.01 per share; as of April 15, 2022 we held 15,055,436 shares at an average price of Ps.232.44 per share.

At the General Ordinary Shareholder's Meeting held on April 27, 2021, a share repurchase program was approved for up to a maximum amount of Ps.3,000.0 million. At the Ordinary General Shareholders' Meeting held on September 14, 2021, the stockholders approved the proposal to increase the maximum amount of resources allocated for the repurchase of the company's shares by Ps.2,000 million in addition to the Ps.3,000 million previously approved at the Ordinary General Shareholders' Meeting held on April 27, 2021. The share repurchase program can be exercised during the 12-month period following the April 27, 2021 meeting.

At the Extraordinary General Shareholder's Meeting held on April 27, 2021, the stockholders approved the cancellation of 35,424,453 shares previously acquired through share repurchase programs and held in treasury as of December 31, 2020.

At the General Ordinary Shareholders' Meeting held on July 1, 2020, a share repurchase program for Series B shares was approved for up to a maximum amount of Ps.1,550.0 million for the following twelve months. In March, 2021, we begun purchasing our shares. From March 2021 until the April 27, 2021 General Ordinary Shareholder's Meeting, we repurchased 2,439,196 shares at an average price of Ps.217.81.

At the General Ordinary Shareholders' Meeting held on April 23, 2019, a share repurchase program for Series B shares was approved for up to a maximum amount of Ps.1,550.0 million for the following twelve months. During this period, no shares were purchased by us or on our behalf, or by or on behalf of any of our affiliates.