Participation in the Results of Joint Ventures

We own a 60.0% joint venture interest in Aerostar, which holds a 40-year concession to operate the LMM Airport. We have consolidated Aerostar's financial results into our financial statements. Prior to June 1, 2017, when we acquired a controlling interest in Aerostar, we accounted for our interest in this investment through the equity method. During these prior periods, we held a 50% interest in Aerostar. For more information on our joint venture interest and the LMM Airport investment, see "Item 4. Information on the Company—History and Development of the Company—Investment in Luis Muñoz Marín International Airport."

Taxation

Taxation in Mexico

Our provision for taxes consists of solely an income tax (*Impuesto Sobre la Renta*, or ISR). We were subject to an asset tax, which was discontinued in 2008. We are subject to a 30.0% income tax in Mexico. Dividends paid from a company's distributable earnings that have been subject to corporate income tax are not subject to a corporate-level dividend income tax. Income tax due on dividends paid in excess of the balance of an entity's after-tax profit account ("CUFIN") is levied by applying the 30.0% income tax rate to the product of the amount of such dividends and a factor of 1.4286. Tax due is payable by us and may be credited against income tax for the year or the two immediately following fiscal years. In addition, as a general rule, dividends paid by a Mexican entity to a non-resident are subject to Mexican withholding tax at a rate of 10% on the gross amount of the dividend distributed.

We have recognized deferred income tax for Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V, Aeropuerto de Mérida, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Aeropuerto de Huatalco, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Cancún Airport Services, S.A. de C.V., Servicios Aeroportuarios del Sureste, S.A. de C.V., RH Asur, S.A. de C.V., Cargo RF, S.A. de C.V. and Caribbean Logistic, S.A. de C.V., and, based on our financial and tax projections, we have estimated that all of these subsidiaries will continue paying income tax in the future.

Taxation in Puerto Rico

Pursuant to our agreement with the Treasury Department of Puerto Rico and the Public Private Partnership Law, our operations at the LMM Airport are subject to a 10.0% income tax. Earnings distributions and profits derived from the LMM Airport that are covered by the LMM Lease are also subject to a 10.0% tax.

Taxation in Colombia

Our provision for taxes in Colombia consists of two levels of income taxes. We are subject to a 31.0% income tax in Colombia for fiscal year 2021 and we were subject to a 4.0% surcharge that applied in 2017 and 2018 to entities with a taxable base greater than COP$800,000. Our applicable tax rate in Colombia for 2018 was 33.0%, plus the 4.0% surcharge and for 2019 was 33.0% without the surcharge, which was abrogated in 2019. Note that the income tax rate will gradually reduce to 32.0% in 2020, 31.0% in 2021 and 30.0% in 2022 and thereafter.

On December 28, 2018, Law No. 1943 was enacted setting forth the applicable tax rate at 33% for the 2019 fiscal year corresponding, at 32% for the 2020 fiscal year of 2020 and at 31% for the 2022 fiscal year of 2021. Law. No. 2155 enacted on September 14, 2021 set forth the applicable tax rate for the 2022 fiscal year at 35% over taxable income. The Company does not expect these tax reforms to have a material impact on its asstes and tax liabilities, whether current or deferred.

According to Article 188 of the Colombian Tax Code, for income tax purposes, it is assumed that a taxpayer's net income is not less than 3.5% of his or her net worth, on the last day of the immediately preceding taxable year. The percentage of presumptive income referred to in Article 188 was reduced to 0.5% in taxable year 2020 and indefinitely reduced to 0% starting in 2021. The result of presumptive income being 0% is that taxpayers from 2021 onwards will only pay corporate income tax over their ordinary net income, with taxable income defined as the excess of all operating and non-operating revenue over deductible costs and expenses.

The Company's overall income taxes for 2019, 2020 and 2021 are as follows:

Income Tax

	Year ended December 31,			
	2019	2020	2021	
	(millions of Mexican pesos)			
	Amount	Amount	Amount	Change
Income Tax				
Current Income Tax	1,975.7	634.4	1,824.8	187.6 %
Deferred Income Tax	2.4	94.8	(96.3)	(201.6)%
Total Income Tax	1,978.1	729.2	1,728.5	137.0 %
Current Asset Tax	0.0	0.0	0.0	0 %
Total Asset Tax	0.0	0.0	0.0	0 %
Total Income Tax	**1,978.1**	**729.2**	**1,728.5**	**137.0** %

The determination of which taxes are payable and the appropriate tax rate to use therein for the deferred taxes associated with these tax regimes is determined on an individual airport-by-airport basis since we do not file a consolidated income tax return.

In 2021, the VAT tax rate applicable in Mexico was 16.0% (subject to certain extensions in Cozumel and Tapachula, where the current VAT tax is 11%), and calculated generally on a monthly cash flow basis. Companies that engage in the business of selling, rendering services, leasing, importing or exporting goods are subject to VAT.

The VAT effectively paid on purchases of goods and services received in Mexico can be credited against the VAT effectively collected. In the case that the VAT paid exceeds the VAT collected in a given period, companies may request a rebate of the favorable VAT balance from the tax authorities or offset the VAT favorable balance against output VAT resulting from the companies' operations. As of 2019, it is no longer possible to offset VAT balances against other federal taxes.

In 2021, the general VAT tax rate applicable in Colombia was 19% and calculated and paid on a bimonthly basis. Companies that engage in the business of selling goods, rendering services, leasing, importing or exporting goods are subject to VAT (subject to certain exemptions and exclusions).

The VAT accrued on purchases of goods and services used in income generating activities in Colombia can be credited against the VAT invoiced in sales to clients. VAT accrued on purchases of goods and services used in income generating activities that are not subject to VAT becomes a higher cost to the company. In the case that the VAT paid exceeds the VAT collected in a given period, companies may offset the VAT favorable balance against future VAT collected from sales to clients.

Taxes on dividends in Colombia vary depending on the year in which the profits to be distributed were generated and the recipient of the dividend.

Dividends paid out of profits generated from 2017 forward and distributed in 2019 to foreign resident companies were taxed at a special rate of 7.5%. Dividends paid out of profits generated from 2017 forward were distributed in 2020 and will be distributed in 2021 to foreign resident companies who were and will be taxed at a rate of 10%.

In addition to the abovementioned taxes, where a company resident in Colombia has not paid income tax on the profits being distributed due to applicable exemptions, differences in depreciation/amortization rates or the offsetting of tax losses from previous fiscal years, among other reasons, dividends distributed to foreign partners or shareholders may be subject to an equalization tax in Colombia at the corporate income tax rate (32% in 2020, 31% in 2021 and 30% from 2022 onward). After the application of the relevant corporate income tax rate, the abovementioned dividend tax rate of 10% will be levied on the remainder of the dividend paid in 2021.

The Double Taxation Treaty in effect between Colombia and Mexico eliminates the aforementioned dividend tax when the recipient of the dividends is a Mexican resident and those dividends are not attributable to a permanent establishment of the recipient in Colombia. However, when the dividends are paid out of profits that were not subject to income tax at the level of the Colombian entity distributing them, they may still be subject to the aforementioned income tax at a rate of 31% (or 30% from fiscal year 2022 onward).

Effects of Inflation and Economic Changes

The following table sets forth, for the periods indicated:

- the Mexican inflation rate;
- the Colombian inflation rate;
- the U.S. inflation rate;
- the percentage that the Mexican gross domestic product, or GDP, changed as compared to the previous period; and
- the percentage that the Colombian GDP changed as compared to the previous period.

	Year ended December 31,		
	2019	2020	2021
Mexican inflation rate(1)	2.8 %	3.2 %	7.4 %
Colombian inflation rate	3.8 %	1.6 %	5.6 %
U.S. inflation rate(2)	2.3 %	1.4 %	7.0 %
Increase (decrease) in Mexican GDP(3)	(0.1)%	(8.5)%	5.0 %
Increase (decrease) in Colombian GDP	3.3 %	(6.8)%	10.6 %

(1)Based on changes in the Mexican consumer price index from the previous period, as reported by the Banco de Mexico. The Mexican consumer price index at year end was 109.3 in 2020 and 117.3 in 2021.
(2)As reported by the U.S. Department of Labor, Bureau of Statistics.
(3)In real terms, as reported by the National Institute of Statistics and Geography (INEGI) as of January 31, 2022.

The general condition of the Mexican economy, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect our business and operating results. For a detailed description of the risks associated with changes to the economy, inflation and interest rates, see "Item 3. Key Information—Risk Factors—Risks Related to Our Operations."

Effects of Fluctuation

The following table sets forth, for the periods indicated, the percentage that the Mexican peso depreciated or appreciated against the U.S. dollar.

	Year ended December 31,		
	2019	2020	2021
Depreciation (appreciation) of the Mexican peso as compared to the U.S. dollar(1)	(3.9)%	(5.6)%	(2.8)%

(1)Based on the Federal Reserve Board exchange rate for Mexican pesos, at the end of each period, which were as followsPs. 18.860 as of December 31, 2019, Ps.19.909 as of December 31, 2020 and Ps. 20.467 as of December 31, 2021.

Changes in the value of the Mexican peso as compared to the dollar have in the past adversely affected, and may in the future adversely affect, our:

- *Passenger charges.* Passenger charges for international passengers are currently denominated in dollars, while passenger charges for Mexican domestic passengers are denominated in Mexican pesos. Therefore, our revenues from passenger charges at our Mexican airports (a substantial portion of our business), which are stated herein in Mexican pesos, will be affected by a depreciation or appreciation in the value of the peso as compared as to the dollar. Passengers charges at our Colombian airports are also affected by changes in the value of the Colombian peso. Passenger charges for international and domestic passengers at our Colombian airports are denominated in U.S. dollars and Colombian pesos, respectively.

- *Contracts with commercial service providers*. Many of our contracts with commercial services providers in Mexico are denominated in U.S. dollars, but are collected or converted into Mexican pesos at the time of payment. Therefore, a depreciation in the peso as against the dollar results in us collecting more pesos for dollar-denominated contracts than before the depreciation, whereas an appreciation of the peso results in us collecting fewer pesos for dollar-denominated contracts. As a result, if the peso depreciates, and our peso-denominated cost of services does not increase at the same rate as the depreciation of the peso, our commercial revenues increase, whereas an appreciation of the peso or an increase in the peso-denominated cost of our services leads to a decrease in our commercial revenues. Our contracts with commercial service providers in Colombia are denominated and collected in Colombian pesos. Our contracts with commercial service providers in Puerto Rico are denominated in and collected in U.S. dollars.

- *Comprehensive financing result.* Our comprehensive financing reflects gains or losses from foreign exchange, and gains and losses from interest earned or expensed. A portion of our indebtedness is denominated in U.S. dollars. Given that a substantial portion of our revenues are collected or converted into Mexican pesos, a depreciation in the peso as against the dollar would result in us having to spend more pesos for payment of dollar-denominated indebtedness, whereas an appreciation of the peso would result in us spending fewer pesos for dollar-denominated indebtedness payments.

- *Maximum rates in pesos.* Our tariffs for the services we provide to international flights or international passengers in our Mexican airports are denominated in U.S. dollars, but are generally paid in Mexican pesos based on the average exchange rate for the month prior to each flight. With respect to our Mexican airports, we generally collect passenger charges from airlines 30 to 115 days following the date of each flight. 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 5.0% in the Mexican producer price index, excluding petroleum), a depreciation of the peso as compared to the dollar, particularly late in the year, could cause us to exceed the maximum rates at one or more of our Mexican airports, possibly leading to the termination of one of our Mexican concessions. 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 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.

For a detailed description of the risks associated with fluctuations in the value of the Mexican peso as compared to the U.S. dollar, see “Item 3. Key Information—Risk Factors—Risks Related to Mexico— Appreciation, depreciation or fluctuation of the peso relative to the U.S. dollar could adversely affect our results of operations and financial condition.”

Operating Results by Airport

The following table sets forth our results of operations for the periods indicated.

Operating Results

	Year ended December 31,					
	2019		2020		2021	
	Airport Operating Results	**Per Workload Unit[1]**	**Airport Operating Results**	**Per Workload Unit[1]**	**Airport Operating Results**	**Per Workload Unit[1]**
	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)
Cancún[2]:						
Revenues before solidarity agreement[3]:						
Aeronautical services	4,550.2	176.4	2,218.2	177.5	4,644.5	204.6
Non-aeronautical services	4,024.4	156.0	2,252.2	180.2	4,038.2	177.9
Construction services	249.1	9.7	1,855.7	148.5	1,210.5	53.3
Total revenues before solidarity agreement	8,823.7	342.1	6,326.1	506.2	9,893.2	435.8
Expenses before solidarity agreement	(3,248.1)	(125.9)	(4,124.4)	(330.0)	(4,296.0)	(189.3)
Net operating income before solidarity agreement	**5,575.6**	**216.2**	**2,201.7**	**176.2**	**5,597.2**	**246.5**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	(219.8)	(8.5)	(118.2)	(9.5)	(223.8)	(9.9)
Net operating income after solidarity agreement	**5,355.8**	**207.7**	**2,083.5**	**166.7**	**5,373.4**	**236.6**
Mérida:						
Revenues before solidarity agreement:						
Aeronautical services	579.7	193.2	281.7	187.8	467.1	203.1
Non-aeronautical services	129.5	43.1	90.4	60.3	129.8	56.4
Construction services	134.1	44.7	728.7	485.8	795.2	345.7
Total revenues before solidarity agreement	843.3	281.0	1,100.8	733.9	1,392.1	605.2
Expenses before solidarity agreement	(438.4)	(146.1)	(1,004.2)	(669.5)	(1,133.2)	(492.7)
Net operating income before solidarity agreement	**404.9**	**134.9**	**96.6**	**64.4**	**258.9**	**112.5**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	(20.8)	(6.9)	(1.0)	(0.7)	—	—
Net operating income after solidarity agreement	**384.1**	**128.0**	**95.6**	**63.7**	**258.9**	**112.5**
Villahermosa:						
Revenues before solidarity agreement:						
Aeronautical services	251.5	193.5	132.8	189.7	211.2	211.2
Non-aeronautical services	58.2	44.8	42.0	60.0	49.4	49.4
Construction services	57.2	44.0	154.2	220.3	123.9	123.9
Total revenues before solidarity agreement	366.9	282.3	329.0	470.0	384.5	384.5
Expenses before solidarity agreement	(205.8)	(158.3)	(288.2)	(411.7)	(292.9)	(292.9)
Net operating income before solidarity agreement	**161.1**	**124.0**	**40.8**	**58.3**	**91.6**	**91.6**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	(9.1)	(7.0)	(0.4)	(0.6)	—	—
Net operating income after solidarity agreement	**152.0**	**117.0**	**40.4**	**57.7**	**91.6**	**91.6**
Other Mexican Airports[4]:						
Revenues before solidarity agreement:						
Aeronautical services	953.5	202.9	482.6	201.1	883.8	232.6
Non-aeronautical services	168.7	35.9	133.2	55.5	167.6	44.1
Construction services	284.6	60.6	557.9	232.5	778.9	205.0
Total revenues before solidarity agreement	1,406.8	299.4	1,173.7	489.1	1,830.3	481.7
Expenses before solidarity agreement	(882.9)	(187.9)	(1,114.3)	(464.3)	(1,428.6)	(375.9)
Net operating income (loss) before solidarity agreement	**523.9**	**111.5**	**59.4**	**24.8**	**401.7**	**105.8**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	(29.9)	(6.4)	(4.0)	(1.7)	(5.9)	(1.6)
Net operating (loss) income after solidarity agreement	**494.0**	**105.1**	**55.4**	**23.1**	**395.8**	**104.2**
San Juan:						
Revenues:						
Aeronautical services	1,870.4	N/A	1,808.1	N/A	2,027.2	N/A
Non-aeronautical services	1,100.6	N/A	740.4	N/A	1,394.3	N/A
Construction services	335.1	N/A	353.7	N/A	231.3	N/A
Total revenues	3,306.1	N/A	2,902.2	N/A	3,652.8	N/A
Expenses	(2,442.1)	N/A	(2,137.6)	N/A	(2,126.2)	N/A
Net operating income (loss)	**1,068.1**	**N/A**	**923.5**	**N/A**	**1,526.6**	**N/A**
Colombian Airports[5]:						
Revenues:						
Aeronautical services	1,391.7	N/A	489.0	N/A	1,174.8	N/A
Non-aeronautical services	507.1	N/A	297.0	N/A	450.6	N/A
Construction services	176.0	N/A	6.9	N/A	6.3	N/A
Total revenues	2,074.8	N/A	792.9	N/A	1,631.7	N/A
Expenses	(1,633.3)	N/A	(1,035.1)	N/A	(1,200.8)	N/A
Net operating income (loss)	**441.4**	**N/A**	**(242.2)**	**N/A**	**430.9**	**N/A**
Holding & Service Companies[6]:						
Revenues before solidarity agreement:						
Other[7]	1,469.2	N/A	1,142.3	N/A	962.2	N/A
Total revenues before solidarity agreement	1,469.2	N/A	1,142.3	N/A	962.2	N/A
Expenses before solidarity agreement	(1,164.0)	N/A	(946.3)	N/A	(611.8)	N/A
Net operating income before solidarity agreement	**305.2**	**N/A**	**196.0**	**N/A**	**350.4**	**N/A**
Solidarity agreement revenues	279.6	N/A	123.6	N/A	229.7	N/A
Solidarity agreement expenses	0.0	N/A	0.0	N/A	0.0	N/A
Net non after solidarity agreement	**584.8**	**N/A**	**319.6**	**N/A**	**580.1**	**N/A**
Consolidation Adjustment[8]:						
Total Revenues	(1,749.2)	N/A	(1,266.3)	N/A	(1,192.2)	N/A
Expenses	1,749.2	N/A	1,266.3	N/A	1,192.2	N/A
Total:						
Revenues:						
Aeronautical services	9,597.0	N/A	5,412.4	N/A	9,408.6	N/A
Non-aeronautical services	5,988.5	N/A	3,555.2	N/A	6,229.9	N/A
Construction services	1,236.1	N/A	3,657.1	N/A	3,146.1	N/A
Total revenues	16,821.6	N/A	12,624.7	N/A	18,784.6	N/A
Expenses	(8,545.0)	N/A	(9,507.4)	N/A	(10,127.0)	N/A
Net operating income	**8,481.3**	**N/A**	**3,276.2**	**N/A**	**8,657.6**	**N/A**

(1) Under the regulation applicable to our aeronautical revenues in Mexico, a workload unit is equivalent to one terminal passenger or 100 kilograms (220 pounds) of cargo.
(2) Reflects the results of operations of our Cancún airport and two Cancún airport services subsidiaries on a consolidated basis.
(3) We and only our Mexican subsidiaries have entered into intercompany agreements that affect the revenues, operating costs and income at our individual subsidiaries but not on a consolidated basis. One of these agreements is the "Solidarity Agreement," pursuant to which each of our Mexican subsidiaries pays a fee to Grupo Aeroportuario del Sureste, S.A.B. de C.V., or GAS, our parent company, in exchange for which GAS guarantees the ongoing viability of that Mexican subsidiary's concession, including, in the case of certain Mexican subsidiaries, by making payments to those subsidiaries to ensure that they have the resources to comply with their master development plans and other regulatory obligations. Revenues, expenses and income related to the Solidarity Agreement apply only to our Mexican operations.
(4) Reflects the results of operations of our airports located in Veracruz, Minatitlán, Oaxaca, Huatulco, Tapachula and Cozumel.
(5) Reflects the results of operations of our airports located in Medellín, Rionegro, Montería, Carepa, Quibdó and Corozal.
(6) Reflects the results of operations of our parent holding company and our services subsidiaries. Because none of these entities hold the concessions for our Mexican airports, we do not report workload unit data for these entities.
(7) Reflects revenues under intercompany agreements (other than the solidarity agreement) which are eliminated in the consolidation adjustment.
(8) The consolidation adjustment affects our consolidated net income by eliminating both revenues and expenses from intercompany transactions from all segments.

We and our Mexican subsidiaries have entered into intercompany agreements that affect the revenues, operating costs and income at our individual subsidiaries but not on a consolidated basis. Under the intercompany agreements, our holding company Grupo Aeroportuario del Sureste, S.A.B. de C.V., or GAS, and our administrative services companies provide certain services and guarantees to the Mexican airport operating subsidiaries (which may include payments to certain of our Mexican airport operating subsidiaries), in exchange for which the Mexican airport operating subsidiaries make payments to GAS and the service companies. One of these agreements is the "Solidarity Agreement," pursuant to which each of our Mexican subsidiaries pays a fee to our parent company, in exchange for which the parent company guarantees the ongoing viability of that Mexican subsidiary's concession, including, in the case of certain Mexican subsidiaries, by making payments to those subsidiaries to ensure that they have the resources to comply with their master development plans and other regulatory obligations. The intercompany agreements also include agreements to provide other routine services, including negotiating regulated tariffs and interfacing with regulators, leasing of commercial real estate, trademark license royalties, marketing services and employee costs. The costs of these services and guarantees, including the Solidarity Agreement, are actual costs that are charged to individual airports. In the presentation of our consolidated results, the revenues and expenses generated by these transactions are eliminated because they are intercompany transactions.

Summary Historical Results of Operations

The following table sets forth our consolidated results of operations for the periods indicated. The financial information included in the table below is derived from our audited consolidated financial statements.

Consolidated Operating Results

	Year Ended December 31,		
	2019	2020	2021
	(thousands of Mexican pesos)		
Revenue:			
Aeronautical services	Ps. 9,596,975	Ps. 5,412,418	Ps. 9,408,599
Non-aeronautical services	5,988,470	3,555,227	6,229,896
Construction services	1,236,193	3,657,086	3,146,166
Total revenue	16,821,638	12,624,731	18,784,661
Operating Costs and Expenses:			
Cost of services	(3,830,853)	(2,971,655)	(3,384,563)
Administrative expenses	(250,183)	(232,935)	(263,156)
Costs of construction	(1,236,193)	(3,657,086)	(3,146,166)
Technical assistance fee[1]	(404,086)	(175,615)	(391,698)
Government concession fee[2]	(986,850)	(535,379)	(948,062)
Depreciation and amortization	(1,836,897)	(1,934,766)	(1,993,342)
Goodwill impairment	—	—	—
Total operating expenses	(8,545,062)	(9,507,436)	(10,126,987)
Other income	204,719	158,881	—
Operating profit	8,481,295	3,276,176	8,657,674
Comprehensive Financing Result:			
Interest income, net	(740,681)	(663,942)	(640,240)
Exchange gains (losses), net	(78,877)	245,076	108,601
Gain (loss) on valuation of financial instruments	—	—	—
Net comprehensive financing income result	(819,558)	(418,866)	(531,639)
Participation in the results of joint ventures accounted for by the equity method	—	(1,618)	—
Income before taxes	7,661,737	2,855,692	8,126,035
Provision for taxes	(1,978,102)	(729,155)	(1,728,507)
Net income	**5,683,635**	**2,126,537**	**6,397,528**
Other Operating Data:			
Operating margin[3]	50.4 %	26.0 %	46.1 %
Net margin[4]	33.8 %	16.8 %	34.1 %

(1) We are required to pay ITA a technical assistance fee based on the technical assistance agreement. This fee is described in "Item 5. Operating and Financial Review and Prospects—Operating Costs –Technical Assistance Fee."
(2) Each of our Mexican subsidiary concession holders is required to pay a concession fee to the Mexican government under the Mexican Federal Duties Law. The concession fee is currently 5.0% of each concession holder's gross annual regulated revenues from the use of public domain assets pursuant to the terms of its concession. Our subsidiary Airplan is required to pay a concession fee to the National Infrastructure Agency with respect to concessions for our Colombian airports. The concession fee is a fixed fee equal to 19.0% of regulated revenues and non-regulated revenues invoiced or received by the concession holder. Our subsidiary Aerostar is required to make fixed payments to the PRPA of U.S.$2.5 million per year for the first five years, 5.0% of gross airport revenues for the sixth through thirtieth years and 10% of gross airport revenues for the thirty-first through fortieth years. These fees are described in "Item 5. Operating and Financial Review and Prospects—Operating Costs—Government Concession Fee."
(3) Operating income divided by total revenues, expressed as a percentage.
(4) Net income 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 consolidated revenues for 2021 were Ps. 18,784.7 million, 48.8% higher than the Ps.12,624.7 million recorded in 2020. The increase in total revenues resulted from increases of 73.8% in aeronautical revenues and 75.2% in non-aeronautical revenues, primarily due to a 92.9% increase in passenger traffic, partially offset by a 14.0% decrease in construction revenues at our airports. The decrease in construction revenues was a result of lower capital expenditures and other investment in concessioned assets. Total Mexican revenues per workload unit decreased 13.3% from Ps.522.2 in 2020 to Ps. 453.0 in 2021, due mainly to a 49.4% decrease in revenues for construction services per workload unit, which are based on capital improvements to concessioned assets and are not directly related to passenger traffic.

Our consolidated revenues from aeronautical services increased 73.8% from Ps.5,412.4 million in 2020 to Ps. 9,408.6 million in 2021, due primarily to a 92.9% increase in passenger traffic. Revenues from passenger charges increased 109.3% from Ps.3,297.1 million in 2020 (60.9% of our aeronautical revenues during the period) to Ps. 6,900.9 million in 2021 (73.3% increase of our aeronautical revenues during the period), reflecting the increase in passenger traffic. Mexican aeronautical revenues per workload unit increased 13.6% from Ps.183.3 in 2020 to Ps. 208.3 in 2021.

Revenues from non-aeronautical services increased 75.2% from Ps.3,555.2 million in 2020 to Ps. 6,229.9 million in 2021. The primary factor behind the increase in non-aeronautical revenue from 2020 to 2021 was a increase in commercial revenues due to higher passenger traffic during 2021. Higher passenger traffic in 2021 led to a 76.5% increase in revenues from retail stores, a 94.4% increase in revenues from duty-free shops and a 34.8% increase in other income, which consisted principally of revenue from tourism services and hotel reservation providers. Increases of 96.2% in revenues from car rental companies, 83.4% in revenues from food and beverages, 39.8% in advertising revenues, 84.8% in parking lot revenues, 92.6% in revenues from ground transportation and 15.1% in teleservices revenues also contributed to the increase in revenues from non-aeronautical services. Mexican non-aeronautical revenue per workload unit decreased 0.1%, from Ps.147.2 per workload unit in 2020 to Ps. 147.1 per workload unit in 2021.

Revenues from construction services decreased 14.0% from Ps.3,657.1 million in 2020 to Ps. 3,146.1 million, mostly due to lower levels of capital improvements and other investments in concessioned assets at our Mexican airports, such as the start of works for the extension of terminal buildings, commercial aviation aprons, a taxiway parallel and baggage-handling systems and the purchase of land to be held in reserve for future expansion.

Our revenues from regulated sources in 2021 were Ps.9.694.6 million, a 72.0% increase compared to Ps. 5,637.8 million in 2020, mainly due to the increase in total passenger traffic and the annual increase in our regulated rates. During 2021, Ps. 5,943.8 million of our revenues was derived from non-regulated sources, a 78.5% increase from the Ps.3,329.8 million of revenues derived from non-regulated sources in 2020. This increase was primarily due to the 79.5% increase in commercial revenues described above, from Ps. 3,207.2 million in 2020 to Ps.5,756.7 million in 2021.

Revenues by Airport

Aeronautical revenues increased by 109.4% from Ps.2,218.2 million in 2020 to Ps.4,644.5 million in 2021 at the Cancún Airport, mainly due to the increase of 82.1% in passenger traffic at that airport, as well as a 114.0% increase in passenger charges and a 93.6% increase in airport security charges. Non-aeronautical revenues increased at Cancún Airport by 79.3% from Ps.2,252.2 million in 2020 to Ps.4,038.2 million in 2021, due principally to the increase in passenger traffic in 2021. Construction services revenues at the Cancún Airport decreased by 34.8% from Ps.1,855.7 million in 2020 to Ps.1,210.2 million in 2021, due to lower levels of capital improvements and investments in concessioned assets at that airport. Total revenues increased by 56.4% from Ps.6,326.1 million in 2020 to Ps.9,893.2 million in 2021 at the Cancún Airport, largely due to the increase in aeronautical and non-aeronautical revenues, and the increase in passenger traffic. Revenues per workload unit at the Cancún Airport decreased by 13.9% from Ps.506.2 in 2020 to Ps.435.8 in 2021, primarily because of the decrease in revenues from construction services, as mentioned above.

Aeronautical revenues increased by 65.8% from Ps.281.7 million in 2020 to Ps.467.1 million in 2021 at the Mérida Airport, due to a 60.3% increase in passenger traffic at that airport. Non-aeronautical revenues increased at Mérida Airport by 43.6% from Ps.90.4 million in 2020 to Ps.129.8 million in 2021, due principally to a 69.1% increase in commercial revenues because of increased passenger traffic. Construction services revenues increased from Ps.728.7 million in 2020 to Ps.795.2 million in 2021 due to airport expansion in accordance with the Master Development Plan. Revenues overall increased by 26.5% from Ps.1,100.8 million in 2020 to Ps.1,392.1 million in 2021 at the Mérida Airport, due to the increase in aeronautical revenues from 2020 to 2021. Revenues per workload unit at the Mérida Airport decreased by 17.5% from Ps.733.9 in 2020 to Ps.605.2 in 2021, principally due to the increase in construction services revenues.

Aeronautical revenues increased by 59.0% from Ps.132.8 million in 2020 to Ps.211.2 million in 2021 at the Villahermosa Airport, due to an 52.9% increase in passenger charges and a 78.9% increase in airport security charges at that airport. Non-aeronautical revenues increased at Villahermosa Airport by 17.6% from Ps. 42.0 million in 2020 to Ps.49.4 million in 2021, due principally to a increase of 28.6% in commercial revenues. Construction services revenues decreased from Ps.154.2 million in 2020 to Ps.123.9 million in 2021. Revenues increased by 16.9% from Ps.329.0 million in 2020 to Ps.384.5 million in 2021 at the Villahermosa Airport, largely due to the increase in aeronautical revenues. Revenues per workload unit at the Villahermosa Airport decreased by 18.2% from Ps.470.0 in 2020 to Ps.384.5 in 2021, primarily due to the decrease in construction services revenues.

Aeronautical revenues at our other six Mexican airports increased by 83.1% from Ps.482.6 million in 2020 to Ps.883.8 million in 2021, due to the 60.5% increase in passenger traffic at those airports. Non-aeronautical revenues increased by 25.8% from Ps.133.2 million in 2020 to Ps.167.6 million in 2021, due principally to a 45.4% increase in commercial revenues and increased passenger traffic. Construction services revenues increased from Ps.557.9 million in 2020 to Ps.778.9 million in 2021, due to the new commitments in the Master Development Plan. Revenues increased by 55.9% from Ps.1,173.7 million in 2020 to Ps.1,830.3 million in 2021 at the other six Mexican airports, due primarily to the increase in construction services revenues. Revenues per workload unit at our other six Mexican airports decreased by 1.5% from Ps.489.1 in 2020 to Ps.481.7 in 2021, principally due to the decrease in revenues from construction services.

Aeronautical revenues at the LMM Airport increased 12.1% from Ps.1,808.1 million in 2020 to Ps.2,027.2 million in 2021, primarily due to a 99.9% increase in passenger traffic. The increase in passenger traffic represents only a 12.1% increase in aeronautical revenues as Aerostar’s principal source of revenue at our LLM Airport is derived from the Airport Use Agreements among Aerostar and the principal airlines serving the LMM Airport. Non-aeronautical revenues at the LMM Airport increased 88.3% from Ps.740.4 million in 2020 to Ps.1,394.3 million in 2021. Construction services revenues at the LMM Airport decreased 34.6% from Ps.353.7 million in 2020 to Ps.231.3 million in 2021.

Aeronautical revenues at our six Colombian airports increased 140.2% from Ps.489.0 million in 2020 to Ps.1,174.8 million in 2021, primarily due to the 149.8% increase in passenger traffic. Non-aeronautical revenues at our Colombian airports increased 51.7% from Ps.297.0 million in 2020 to Ps.450.6 million in 2021. Construction services revenues at our Colombian airports decreased 8.7% from Ps.6.9 million in 2020 to Ps.6.3 million in 2021, primarily due to the completion of construction projects.

Revenues from our parent holding company and our administrative services companies decreased by 15.8% from Ps.1,142.3 million in 2020 to Ps.962.2 million in 2021, due to the decrease in payments by our operating subsidiaries under intercompany agreements related to administrative services. These revenues are intercompany and are therefore eliminated in consolidation.

Operating Expenses

Total operating expenses were Ps.10,127.0 million in 2021, a 6.5% increase from the Ps.9,507.4 million recorded in 2020. The increase in operating expenses in 2021 was primarily from Mexico, a result of higher costs in technical assistance fees and an increase in government concession fees. As a percentage of total revenues, operating expenses represented 53.9% of total revenues in 2021 as compared to 75.3% of total revenues in 2020. Mexican operating costs per workload unit decreased 38.4%, from Ps.370.5 per workload unit in 2020 to Ps.228.2 per workload unit in 2021, primarily because of the decrease in construction services.

Cost of services increased 13.9% from Ps.2,971.7 million in 2020 to Ps.3,384.6 million in 2021. The increase in cost of services was also due to (i) a 12.4% increase in employee costs from Ps.835.6 million in 2020 to Ps.939.3 million in 2021, mainly attributed to the recognition of the employees' statutory profit sharing under the new taxable proceeds in Mexico, (ii) a 36.5% increase in maintenance costs, from Ps.447.9 million in 2020 to Ps.611.3 million in 2021, mainly attributed to our increase in operations, (iii) a 29.8% increase in safety, security and insurance costs from Ps.400.6 million in 2020 to Ps.520.5 million in 2021, primarily from Mexico and Puerto Rico, mainly attributed to our increase in operations, and (iv) a 96.8% increase in the cost of sales from convenience stores directly opened by us from Ps.169.3 million in 2020 to Ps.333.2 million in 2021 caused by an increase in sales. The increase in cost of services was offset by the recovery of expenses through a Ps.339.7 million grant awarded to Puerto Rico under the CARES Act during 2020, which consisted of a Ps.165.9 million grant in employees cost, Ps. 142.3 million in safety and security costs, Ps. 7.9 million in maintenance costs and Ps.23.6 million in other costs, compared to a Ps.352.3 million grant awarded to Puerto Rico in 2021, consisting of a Ps. 165.5 million grant in employees cost, Ps.44.9 million in safety and security costs, Ps. 40.9 million in maintenance costs and Ps.101.0 million in other costs. Excluding the effects of the CARES Act, the cost of services increased 12.8% or Ps. 425.5 million. Additionally, our Mexican cost of services per workload unit decreased 32.4% from Ps.96.8 in 2020 to Ps.65.4 in 2021.

Administrative expenses increased 13.0% from Ps.232.9 million in 2020 to Ps. 263.2 million in 2021. This increase was primarily attributable to increases in marketing services, security services and travel expenses, which partially offset a decrease in professional fees.

Technical assistance fees increased by 123.1% from Ps.175.6 million in 2020 to Ps.391.7 million in 2021, and government concession fees increased by 77.1% from Ps.535.4 million in 2020 to Ps.948.1 million in 2021. The technical assistance fees and government concession fees increased in 2021 due to a increase in aeronautical and commercial revenues, as a consequence of the increase in passengers as well as the consolidation of concession fees paid with respect to our Colombian airports and LMM Airport.

Construction costs were Ps.3,146.2 million in 2021 and Ps.3,657.8 million in 2020. The decrease was due to lower committed capital expenditures in Mexico. Because we hire a third party to provide all of our construction and upgrade services, our revenues in Mexico, Colombia and Puerto Rico relating to construction or upgrade services are equal to our expenses in Mexico, Colombia and Puerto Rico for those services.

Depreciation and amortization costs increased from Ps.1,934.8 million in 2020 to Ps.1,993.3 million in 2021. This increase was principally in Mexico, resulting mainly from the depreciation of new investments in fixed assets and improvements made to concessioned assets.

Operating Expenses by Airport

Operating expenses for Cancún Airport were Ps. 4,519.8 million in 2021, a 6.5% increase from the Ps.4,242.6 million recorded in 2020, primarily as a result of a 98.9% increase in 2021 attributed to higher cost of sales from directly operated stores, as well as a 6.7% increase in safety and security costs, a 21.7% increase in maintenance costs, a 119.8% increase in technical assistance, a 94.6% increase in government concession fees, partially offset by a 34.8% decrease in construction costs from Ps.1,855.7 million in 2020 to Ps.1,210.5 million in 2021. Operating expenses per workload unit for Cancún Airport were Ps.199.2 in 2021, a 41.3% decrease from the Ps.339.5 recorded in 2020.

Operating expenses for Mérida Airport were Ps.1,133.2 million in 2021, a 12.8% increase from the Ps.1,004.2 million recorded in 2020, principally as a result of a 9.1% increase in construction costs from Ps.728.7 million in 2020 to Ps. 795.2 million in 2021, as well as increases of 7.4% in safety and security costs, 25.3% in maintenance costs and 28.0% in energy services, additionally an increase in technical assistance of 124.4%, and an increase of government concession fees of 60.8%. Operating expenses per workload unit for Mérida Airport were Ps.492.7 in 2021, a 26.5% decrease from the Ps.670.2 recorded in 2020.

Operating expenses for Villahermosa Airport were Ps.292.9 million in 2021, a 1.5% increase from the Ps.288.6 million recorded in 2020, primarily as a result of a 58.3% increase in maintenance services, a 14.7% increase in electricity services, a 141.7% increase in technical assistance, and a 49.1% increase in government concession fees, which were partially offset by a 19.6% decrease in construction costs from Ps.154.1 million in 2020 to Ps.123.9 million in 2021. Operating expenses per workload unit for Villahermosa Airport were Ps.292.9 in 2021, a 29.0% decrease from the Ps.412.3 recorded in 2020.

Operating expenses for our six other Mexican airports were Ps.1,434.5 million in 2021, a 28.3% increase from the Ps.1,118.3 million recorded in 2020, principally as a result of a 39.6% increase in construction costs from Ps.557.9 million in 2020 to Ps.778.9 in 2021, a 23.5% increase in maintenance costs from Ps.46.7 million in 2020 to Ps.57.7 million in 2021, a 134% increase in technical assistance, and a 69.6% increase of government concession fees. Operating expenses per workload unit for our other six Mexican airports were Ps.377.5 in 2021, a 19% decrease from the Ps.466 recorded in 2020.

Operating expenses for the LMM Airport were Ps. 2,126.2 million in 2021, compared to Ps.2,137.6 million in 2020. The decrease was mainly due to a 34.6% decrease in construction costs from Ps. 353.7 in 2020 to Ps. 231.3 million in 2021, and to the recovery of expenses through the Ps.339.7 million CARES Act grant awarded to Puerto Rico during 2020, which consisted of a Ps.165.9 million grant in employees cost, Ps. 142.3 million in safety and security costs, Ps. 7.9 million in maintenance costs and Ps.23.6 million in other costs, compared to a Ps.352.3 million grant awarded to Puerto Rico in 2021, consisting of a Ps. 165.5 million grant in employees cost, Ps.44.9 million in safety and security costs, Ps. 40.9 million in maintenance costs and Ps.101.0 million in other costs. This decrease was partially offset by a 24% increase in operating expenses derived from concession and energy expenses due to an increase in aeronautical revenues in 2021. Additionally, the valuation of the maintenance reserve pursuant to IFRIC 12 was Ps.74.8 million in 2020, while in 2021 the valuation of the maintenance reserve decreased to Ps.58.4 million.

Operating expenses for our Colombian airports were Ps.1,200.8 million in 2021, compared to Ps.1,035.1 million in 2020. The increase was primarily due to a 106.3% increase in concession fees from Ps. 149.6 million in 2020 to PS. 308.6 million in 2021, a 5.8% increase in cost of services due to a 47.6% increase in energy expenses, and a 46.9% increase in safety and security expenses.

Operating expenses for our parent holding company and our administrative services companies were Ps. 611.8 million in 2021, a 35.3% decrease from the Ps.946.3 million recorded in 2020, principally due to a decrease in solidarity agreement expenses.

Operating Income

Operating income increased by 164.3% from Ps.3,276 million in 2020 to Ps. 8,657.6 million in 2021. This increase in operating income was primarily a result of increases in 2021 in aeronautical revenues of 73.8% and in non-aeronautical revenues of 75.2%, partially offset by a 13.9% increase in cost of services, a 123% increase in technical assistance, a 77.1% increase in government concession fees due to a 93.5% increase in total passenger traffic during 2021 as compared to the same period in 2020, in addition to the fact that we did not receive insurance recovery in 2021 in connection with Hurricane Maria in Puerto Rico compared to the Ps.158.9 million recovery received in 2020.

Operating Income by Airport

Operating income for Cancún Airport increased by 157.9% from Ps.2,083.5 million in 2020 to Ps.5,373.4 million in 2021, primarily due to a 109.4% increase in aeronautical revenues. Additionally, commercial revenues increased by 82.8% due to higher passenger traffic. Operating income per workload unit at Cancún Airport increased 41.9% from Ps.166.7 in 2020 to Ps.236.6 in 2021.

Operating income for Mérida Airport increased by 170.8% from Ps.95.6 in 2020 to Ps. 258.9 million in 2021, mainly because of a 65.8% increase in aeronautical revenues due to higher passenger traffic. Operating income per workload unit at Mérida Airport increased 76.6% from Ps.63.7 in 2020 to Ps.112.5 in 2021.

Operating income for Villahermosa Airport increased by 126.7% from Ps.40.4 million in 2020 to Ps. 91.6 million in 2021, primarily because of a 59.0% increase in aeronautical revenues due to higher passenger traffic. Operating income per workload unit at Villahermosa Airport increased 58.8% from Ps.57.7 in 2020 to Ps.91.6 in 2021.

Operating income for our six other Mexican airports increased by 614.4% from Ps.55.4million in 2020 to Ps.395.8 million in 2021, principally due to a 83.1% increase in aeronautical revenues and an 25.8% increase in non-aeronautical revenues due to higher passenger traffic. Operating income per workload unit at the other six Mexican airports increased 351.1% from Ps.23.1 in 2020 to Ps.104.2 in 2021.

Operating income for the LMM Airport increased by 65.3% from Ps.923.5 million in 2020 to Ps.,1526.6 million in 2021, due to a 88.3% increase in non-aeronautical revenues, partially compensated for the recovery of expenses through a Ps.339.7 million grant under the CARES Act awarded to Puerto Rico during 2020, which consisted of a Ps.165.9 million grant in employees cost, Ps. 142.3 million in safety and security costs, Ps. 7.9 million in maintenance costs and Ps.23.6 million in other costs, compared to a Ps.352.3 million grant awarded to Puerto Rico in 2021, consisting of a Ps. 165.5 million grant in employees cost, Ps.44.9 million in safety and security costs, Ps. 40.9 million in maintenance costs and Ps.101.0 million in other costs. This increase was partially offset by a 24% increase in operating expenses derived from concession and energy expenses due to an increase in aeronautical revenues in 2021. Additionally, the valuation of the maintenance reserve pursuant to IFRIC 12 was Ps.74.8 million in 2020, while in 2021 the valuation of the maintenance reserve decreased to Ps.58.4 million.

Operating income for our six Colombian airports was Ps.430.8 million in 2021, compared to Ps.242.1 million in 2020, due to a 140.2% increase in aeronautical revenues and a 51.7% increase in non-aeronautical revenues, due to higher passenger traffic.

Operating income for our parent holding company and our administrative services companies increased by 81.5% from Ps.319.6 million in 2020 to Ps.580.1 million in 2021, primarily due to higher revenues from cost recovery once these were controlled in the face of the COVID-19 pandemic in payments by our operating subsidiaries under intercompany agreements.

Comprehensive Financing Result

Our net comprehensive financing result was a loss of Ps. 531.6 million in 2021 as compared to a loss of Ps.418.9 million in 2020. This increase in net comprehensive financing loss is due in part to a 9.1% decrease in interest expenses, from Ps.926.3 million in 2020 to Ps.842.4 million in 2021, mainly reflecting a decrease in the bank interest rate in Mexico as well as a decrease in business valuation debt in Colombia. Additionally, the foreign exchange gain of Ps. 245.1 in 2020 decreased to a foreign exchange gain of Ps. 108.6 million in 2021, due to the depreciation of the Mexican Peso against the US dollar of 2.8% on a lower active dollarized position in 2021, compared with an depreciation of the peso against the dollar of 5.5% on a active position in 2020.

Taxes

Our current income tax provision increased 187.7%, from Ps.634.4 million in 2020 to Ps. 1,824.8 million in 2021, mainly due to a higher taxable income base in Mexico and Colombia reflecting the negative impact of COVID-19 on revenues.

Our deferred income tax provision increased from a deferred income tax loss of Ps.94.8 million in 2020 to a gain of Ps.96.3 million in 2021, mainly due to a increase in the tax benefit of the balance to be redeemed of the assets at the Cancún, Mérida and Oaxaca airports as a consequence of the increase in inflation in Mexico from 3.2% in 2020 to 7.3% in 2021.

As of 2019, there is no asset tax provision.

Our overall effective tax rate in 2021 and 2020 was 26%, which remained the same primarily due to (i) the increase in the tax benefit of the unredeemed asset balance in Mexican airports caused by the increase in annual inflation in Mexico from 3.2% in 2020 to 7.3% in 2021, and (ii) incorporating Aerostar’s 10% ISR rate.

Net Income

Net income increased 200.8% from Ps.2,126.5 million in 2020 to Ps. 6,397.5 million in 2021. This increase was mainly the result of the 73.8% and 75.2% increase in aeronautical and non aeronautical services, respectively.

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

Sources of Liquidity

Historically, our operations, financing and investing activities were funded through cash flow from operations, which has generally been used to cover operating expenses, to make dividend payments and to increase our cash balances. However, in 2017, we incurred indebtedness to fund our investments in accordance with our Mexican Master Development Plans and to acquire the interest in our Colombian airports and our additional interest in Aerostar. See "—Indebtedness—Indebtedness in Mexico." In 2020, we did not pay dividends. In 2021, we used Ps.2,463 million to pay dividends. As of December 31, 2020, we had Ps.5,192.6 million in cash and cash equivalents. As of December 31, 2021, we had Ps.8,770.1 million in cash and cash equivalents.

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

In 2021, we generated Ps.10,347.0 million in cash flow from operating activities, a 251.3% increase from Ps.2,937.1 million in 2020, primarily due to increases in aeronautical and non aeronautical revenues, recoverable taxes and accounts payable, which were partially offset by an increase in accounts receivable. As of December 31, 2021, income before income taxes was Ps.8,126.0 million, reflecting a 184.6% increase from 2020.

In 2021, cash flow used in financing activities was Ps.3,378.2 million, representing an 194.74% increase from the Ps.1,142.3 million cash flow used in financing activities in 2020. This increase was mainly due to the loans we obtained from Banco Santander for a principal amount of Ps.2,650 million, and from BBVA for a principal amount of Ps. 2,000 million, which were partially offset by the payment of (i) Ps.4,429.3 million of principal amount and Ps.908.6 million of interests due under certain outstanding loans, compared to a Ps.245.5 million payment of principal amounts and a Ps.963.0 million payment of interests due under certain loans outstanding in 2020, and (ii) Ps.220.9 million due under Aerostar's senior secured notes outstanding in 2021, compared to a Ps.252.9 million payment of principal amounts due under Aerostar's senior secured notes outstanding in 2020. Additionally, in 2021 we paid dividends for Ps.2,463 million.

Cash flow used in investing activities in 2021 was Ps.3,427.6 million, principally as a result of new investments in concessioned assets amounting to Ps.3,692.5 million in 2021, an 10.9% increase from 2020. This was partially offset by Ps.201.8million collected from interest received from investments.

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 for the year ended December 31, 2020 as compared to cash flows for the year ended December 31, 2019" in our Fiscal Year 2020 Form 20-F.

Indebtedness

As of December 31, 2021, we had Ps.13,779.5 million in consolidated outstanding indebtedness. As of December 31, 2021, we had no contracts for interest rate or foreign currency swaps.

Indebtedness in Mexico

In the fourth quarter of 2011, our Cancún airport subsidiary obtained authorization for two new bank loans from Banamex and BBVA of U.S.$300.0 million and Ps.1,500.0 million, respectively. These loans remain subject to certain conditions precedent, including the negotiation of definitive documentation for the loans. To date, ASUR has not yet made use of the authorized credit lines. Our Cancún airport subsidiary purchased the initial 92.42% interest in Airplan for an aggregate price of approximately U.S.$201.6 million, subject to pricing adjustments and pursuant to a series of agreements with the respective shareholders of Airplan. We paid U.S.$69.6 million of the purchase price with cash on hand, and obtained an unsecured loan from BBVA in April 2017 to pay the balance of the purchase price. The loan had a term of one year and an interest rate calculated on the basis of the 28-day TIIE plus 0.60% from July 31 to October 31, 2017; TIIE plus 0.85% from October 31, 2017 to January 31, 2018; TIIE plus 1.10% from January 31 to April 30, 2018 and TIIE plus 1.60% from April 30 to July 31, 2018. This loan was paid in October 2017, and we, through our Cancun airport subsidiary, obtained two loans of Ps.2,000 million each, one seven-year term loan with BBVA at a 28-day TIIE rate plus 125 basis points maturing in October 2024, and another five-year term loan with Banco Santander at a 28-day TIIE rate plus 125 basis points maturing in October 2022. The remaining balance on the BBVA loan was repaid on October 13, 2021, and on October 18, 2021, we, through our Cancun airport subsidiary, entered into a seven-year loan agreement with BBVA for a principal amount of Ps. 2,000 maturing October 2028, with a 28-day TIIE rate plus an applicable margin. The applicable margin is calculated on the following basis: if our net leverage ratio is less than 1.5x, the applicable margin will be 140 basis points; if our net leverage ratio is between 1.5x and 2.5x, the applicable margin will be 165 basis points, and if our net leverage ratio is greater than 2.5x, the applicable margin will be of 190 basis points.

On September 29, 2021, we prepaid the remaining Ps. 2,000 million balance balance on the Santander loan and concurrently, through our Cancun airport subsidiary, we obtained a three-year term loan from Santander for a principal amount of Ps.2,650 million maturing on September 28, 2024 at a 28-day TIIE rate plus 150 basis points.

We have guaranteed our Cancún airport subsidiary’s obligations under these loans. While the BBVA and Banco Santander loans are outstanding, we and our subsidiaries are not permitted to create any liens upon any of our property, make any fundamental change to our corporate structure or sell any of our assets that exceed more than 10.0% of our consolidated total assets as of the most recent fiscal quarter prior to the sale. These loans require that we and our subsidiaries maintain a consolidated leverage ratio equal to or less than 3.50:1.00 and a consolidated interest coverage ratio equal to or greater than 3.00:1.00 as of the last day of each fiscal quarter. If we fail to comply with these covenants, the loans restrict our ability to pay dividends to our shareholders.

On June 29, 2020, the Company contracted a credit line with BBVA for Ps.1,500 million. The credit line had a term of eighteen months, maturing December 29, 2021, and an interest rate calculated on the basis of the TIIE plus 1.50%, and could be used for general corporate purposes, and expenses and commissions related to the credit. As of December 31, 2021, the Company has not used the credit line and the line was terminated.

Indebtedness in Puerto Rico

On March 21, 2013, our subsidiary Aerostar entered into a U.S.$50.0 million capital expenditure facility and a secured U.S.$10.0 million revolving credit facility with RBC Royal Bank, UBS Financial Services and FirstBank Puerto Rico. Additionally, Aerostar issued 5.75% senior secured notes with an aggregate principal amount of U.S.$350.0 million in a private placement. On June 24, 2015, Aerostar issued senior secured notes with an aggregate principal amount of U.S.$50.0 million to refinance the aforementioned capital expenditure facility. Furthermore, on December 18, 2015, Aerostar entered into a secured U.S.$10.0 million revolving credit facility with Banco Popular de Puerto Rico in order to refinance the March 2013 revolving credit facility and to finance operational working capital needs and general corporate purposes, including capital expenditure projects. On April 1, 2020, Aerostar drew down U.S.$10.0 million of its revolving credit facility for working capital purposes. The company repaid the credit facility in April 2021, interest is calculated at the Prime rate minus 0.5% and paid quarterly. As part of these debt financings, Aerostar was required to pledge its interest in the LMM Lease of the LMM Airport as collateral to a leasehold mortgagee assigned by the lenders. As of November 19, 2021 the full balance of the revolving credit facility was repaid.

On December 30, 2020 Aerostar entered into an unsecured revolving credit line with Banco Popular de Puerto Rico of U.S.$ 20.0 million, with a term of 3 years. Pre-payments are permitted at any time, interest is calculated at the Prime rate plus 0.50% and Aerostar pays a rate of 0.15% for unused credit, which is calculated on the average amount of unused principal during the year. To date, Aerostar has not drawn down the credit line.

Our Cancún airport subsidiary and its joint venture partner PSP have pledged their share ownership in Aerostar as collateral for all of these facilities. Since June 1, 2017, we have consolidated Aerostar’s assets and liabilities into our financial statements.

While the senior secured notes are outstanding, Aerostar is not permitted to create any liens other than permitted liens upon any of our property, make any fundamental change to our corporate structure, or sell more than U.S.$5.0 million of our assets per year. In addition, the revolving credit facility requires that we and our subsidiaries maintain a debt service coverage ratio of at least 1.50:1.00 through the stated maturity date of the notes. If we fail to comply with these covenants, this facility restricts our ability to pay dividends to our shareholders. Failure to comply with these covenants would result in all amounts owed under the facility to become due and payable immediately.

Indebtedness in Colombia

On June 1, 2015, our subsidiary Airplan entered into a 12-year syndicated credit agreement of COP$440,000.0 million with Bancolombia S.A., Banco de Bogotá S.A., Banco Corpbanca Colombia S.A., Banco Davivienda S.A., Banco de Occidente S.A., Banco Popular S.A., Banco AV Villas S.A. and Servicios Financieros S.A. Serfinansa Compañía de Financiamiento. The terms include a grace period of three years, quarterly principal and rate payments, an interest rate based on the *Tasa de Redescuento*, or Rediscount Rate, plus 1.5% for one tranche and an interest rate based on the *Depósitos Termino Fijo*, or Fixed Term Deposits (“DTF”), plus 4% for a second tranche. Disbursement of funds was subject to certain conditions precedent, including the creation of a trust for the payment of the syndicated credit agreement through its subaccount, *Subcuenta de Deuda*, and the resources corresponding to the funds for capital and interest payment. The use of the proceeds of this syndicated credit agreement is limited to the payment of debt and the financing of necessary investments for the execution of the obligatory and complementary works under the concession agreement. In addition, the syndicated credit agreement requires Airplan to keep the concession agreement and the trust agreement in force and to make principal and interest payments on time. Failure to comply with these covenants would result in all amounts owed under the facility becoming due and payable immediately.

The syndicated credit agreement was amortized by Airplan during 2018, 2019, 2020 and 2021. In this regard, the outstanding amount of the credit agreement as of December 31, 2018 was COP$428,997.5 million, COP$402,597.5 million as of December 31, 2019, COP$367,397.5 million as of December 31, 2020 and COP$327,797.5 million as of December 31, 2021. Airplan was granted waivers for its financial obligations related to debt coverage in the syndicated loan agreement from the measurement date in the third quarter of 2020 until the first quarter of 2021. In 2021, all the lenders in the syndicated loan agreement granted additional waivers to Airplan until the first quarter of 2022 in respect of its financial obligations related to debt coverage. The Company will not be subject to any default or event of default as a result of breaching the debt coverage ratio until March 31, 2022.

Furthermore, in 2017 Airplan entered into two short-term loans with Bancolombia S.A. of COP$5,000.0 million and COP$10,000.0 million. The main terms of these short term loans included the issuance of a blank promissory note, an interest rate based on Colombia’s banking reference index, the *Indicador Bancario de Referencia* (“IBR”), plus 2.75%, monthly interest payments and an annual principal payment on the due date. Additionally, in 2017 Airplan entered into a short-term loan with Banco de Bogotá of COP$5,000.0 million. The terms of this short-term loan included the issuance of a blank promissory note, an interest rate based on the IBR plus 2.6%, monthly interest payments and an annual principal payment on the due date. These three short-term loans were fully repaid in 2018. In September 2020, Airplan entered into a short-term loan with Bancolombia S.A. for COP$11,612.0 million. The short-term loan has a term of 10 months and an interest rate based on the DTF plus 1.70%, monthly interest payments and quarterly principal payments.

Capital Expenditures

Under the terms of our Mexican concessions, every five years our Mexican subsidiary concession holders must present a master development plan to the Ministry of Infrastructure, Communications and Transportation for approval. Each master development plan includes concession holders’ investment commitments for the succeeding five-year period, including capital expenditures and improvements. Once approved by the Ministry of Infrastructure, Communications and Transportation, these commitments become binding obligations under the terms of our concessions.

In June 2018, the Ministry of Infrastructure, Communications and Transportation approved each of our master development plans. The current terms of the master development plans went into effect as of January 1, 2019 and will be in effect until December 31, 2023. In September 2020, the Ministry of Infrastructure, Communications and Transportation approved the deferral of Ps.2,292.4 million of committed investments for projects contained in the master development plans and authorized for 2020 to the year 2021, due to the health emergency generated by COVID-19. Additionally, on October 29, 2020, we filed a request with the Ministry of Infrastructure, Communications and Transportation for an extraordinary review of the Mexican maximum rates, which was approved on April 7, 2021, and resulted in a reduction in committed investments and an increase in the Mexican maximum rates in the master development plans for the years 2021 to 2023.

Our subsidiary Aerostar, as part of its LMM Lease with the PRPA, was required to fund and perform certain upgrades at its sole costs and expense, including landscaping improvement work, repair and replacement of jet bridges and repair and replacement of curbs and walkways, among others. Aerostar completed work on the required upgrades pursuant to the LMM Lease by December 31, 2014. Under the Airport Use Agreements, Aerostar is also required to complete certain initial capital projects in order to bring the condition of the LMM Airport to high level consistent with certain standards set forth by Puerto Rican governmental authorities. For more information on Aerostar’s capital expenditure requirements, see “Item 4—Information on the Company—Puerto Rican Regulatory Framework—Capital Expenditures Required under the LMM Lease and Airport Use Agreements.”

In 2014 and 2016, our subsidiary Airplan reached an agreement with the Colombian government with respect to investment commitments for certain airports, including José María Córdova International Airport, Enrique Olaya Herrera Airport, Los Garzones Airport and El Caraño Airport. The 2014 and 2016 agreements originally had terms of three years and 33 months, respectively. In 2018 and 2019, we executed amendments to the 2014 and 2016 agreements that extended the term of those agreements but did not modify the amount of investment commitments. Under the agreements, Airplan is required to carry out certain projects at our Colombian airports, including renovations of runways and improvements to passenger terminals. For 2018 and 2019, José María Córdova International Airport had committed investments of U.S.$13.3million and U.S.$9.1 million, respectively. For 2018, El Caraño Airport had committed investments of U.S.$0.8million. Enrique Olaya Herrera Airport and Los Garzones Airport do not have any investment commitments with the Colombian government for 2018 and 2019. As of March 6, 2020, all projects have been completed. For additional information see “Item 4—Information on the Company—Colombian Regulatory Framework—Committed Investments.”

The following table sets forth our historical investments in Mexico, Puerto Rico and Colombia in the periods indicated.

Year ended December 31,	(thousands of Mexican pesos)
2019	2,676,610
2020	3,412,493
2021	3,800,450

In 2021, we spent Ps.3,533.4 million in Mexico on capital expenditures in the nine airports in Mexico, principally on the enlargement of the terminal building, commercial platform, runways, taxiways and roads at the Merida Airport, and the commencement of works for the enlargement of terminal 3 and expansion works in terminal 4, expansion of taxiways, runways and roads at the Cancun Airport.

In 2021, we spent Ps.5.8 million in Colombia on capital expenditures on projects which included, among others: extension of the cargo terminal, acquisition of fixed assets, and the extension of the building terminal.

In 2021, we spent Ps.261.1 million in Puerto Rico on capital expenditures on projects which included the reconstruction of terminal D .

In 2020, we spent Ps.3,072.4 million in Mexico on capital expenditures in the nine airports in Mexico, principally progressing the program of works begun in 2019. Among the most important of these works were: the extension of several terminal buildings (mainly in the airports at Cancún, Mérida and Villahermosa); the extension of a taxiway at the Cancún Airport; and the extension of the hold-baggage-screening system, commercial aviation apron and the ground handlers’ facilities at the Cancún Airport.

In 2020, we spent Ps.6.9 million in Colombia on capital expenditures on projects which included, among others: the construction and equipping of the terminal building.