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 LMM Airport.”

In addition, in May 2023, we have entered into an investment agreement with Bávaro International Airport AIB, S.A.S. (AIB), CVC One, Inc., Grupo Abrisa, S.R.L., Muñoz Investment Banking Group Fund, LLC, Abraham Jorge Hazoury Toral and Alberto Alejandro Durán Santana for purposes of developing, constructing and operating an international airport in Bavaro, Dominican Republic. We expect to maintain a 25% stake in the venture with a total estimated investment amount of U.S.$66.0 million once construction is completed. See “Item 5. Operating and Financial Review and Prospects—Recent Developments—Joint business investment to develop an international airport in Bavaro, Dominican Republic.”

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., Aeropuerto de Tapachula, 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: (i) ordinary income tax, and (ii) presumptive income tax. Traditionally, taxpayers determined their tax liability pursuant to the higher of both mechanisms, however the presumptive income tax system is currently not applicable since the presumed income is zero. The corporate income tax rates of the ordinary income tax were gradually reduced from 33% to 30% as follows: 33% in 2019, 32% in 2020%, 31% in 2021 and 30% from 2022 onward. However, in September 2021 the Colombian Congress adopted Law 2155, which changed the corporate income tax rates to 35% from 2022 onward. With respect to presumptive income tax, Section 188 of the Colombian Tax Code provides that, for income tax purposes, it is assumed that a taxpayer’s net income would be at least 3.5% of his or her net worth on the last day of the immediately preceding taxable year. As mentioned above, the percentage of presumptive income referred to in Section 188 was reduced to 0.5% during the taxable year ended December 31, 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. However, a minimum 15% tax on adjusted accounting profits applies beginning on January 1, 2023. This minimum tax differs from the presumptive income system and was created to follow Pillar II guidelines set forth by the Organization for Economic Cooperation and Development.

On August 8, 2022, the Ministry of Finance submitted a tax reform bill to the Colombian Congress proposing several changes to the Colombian tax regime. The tax reform bill was passed as Law 2277 on December 13, 2022, and became effective starting January 1, 2023. This new law includes, among others: (i) a new equity tax applicable to Colombian individuals and non-residents, which rates vary from 0.5% to 1.5% based on the individual's net equity as of the first day of January of each year, (ii) an increase in the dividend tax rate for local and foreign shareholders (0% to 39% progressive marginal rates for Colombian individuals, and 20% flat withholding rate for non-resident shareholders), (iii) an increase in the long-term capital gains tax rate, from 10% to 15%, (iv) the elimination of specific tax benefits and exemptions, such as the exempt income applicable for entities that are part of the technological and creative sector (*"Economía Naranja"*), the tax incentive for the development of the Colombian farming sector, and the 27% preferential income tax rate applicable to large infrastructure investments (*"Megainversiones"*), among others, (v) a 3% tax benefit on the taxpayer's net income determined pursuant to Section 259-1 of the Colombian Tax Code, in connection with environmental-related, deductions related to employee trainings, expenses incurred in the conservation of cultural property, among others, (vi) a minimum corporate income tax of at least 15% based on effective tax rate (calculated on book profit with certain adjustments), (vii) taxes based on significant economic presence of certain commercial activities (primarily for non-resident persons and entities that provide digital services), and (viii) the elimination of the possibility to use 50% of the Industry and Commerce Tax (i.e., local tax levied on gross revenue derived from the provision of services, or the performance of commercial and industrial activities in Colombian municipalities) as an income tax credit.

The Company's overall income taxes for 2021, 2022 and 2023 are as follows:

Income Tax

	Year ended December 31,			
	2021	2022	2023	
	(millions of Mexican pesos)			
	Amount	Amount	Amount	Change
Income Tax				
Current Income Tax	1,824.8	3,342.3	3,885.3	16.2 %
Deferred Income Tax	(96.3)	96.5	58.8	(39.1)%
Total Income Tax	1,728.5	3,438.8	3,944.1	14.7 %
Current Asset Tax	0.0	0.0	0.0	—
Total Asset Tax	0.0	0.0	0.0	—
Total Income Tax	**1,728.5**	**3,438.8**	**3,944.1**	**14.7 %**

In 2024, the general VAT tax rate applicable in Colombia is 19% and calculated and paid generally 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 or are excluded from 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. Only in certain cases the excess can be claimed as a refund.

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.

Until 2016, for Colombian income tax purposes, dividends that were distributed from profits taxed at the corporate level were not taxed or subject to withholding tax at the shareholder level. However, beginning in 2017, the regulation changed so that dividends paid to tax resident individuals and non-resident shareholders are taxed and subject to a withholding tax.

According to the 2016 tax reform, for the fiscal years ended December 31, 2020and 2021,dividends tax applied as follows:

(a) For non-resident shareholders, Article 245 of the Colombian Tax Code set forth (i) a 10% dividends tax for dividends paid out of profits accrued as of January 1, 2017, anda 7.5% dividend tax for dividends paid out of profits accrued as of January 1, 2019 and were taxed at the corporate level; (ii) no dividend tax on dividends paid out of profits that accrued until December 31, 2016 and were taxed at the corporate level; (iii) a withholding tax at the statutory corporate income tax rate (35% as of 2022) on dividends distributed from profits not taxed at the corporate level if the dividend is paid out of profits that accrued as of January 1, 2017, plus an additional 10% dividend tax after applying the initial corporate income withholding tax rate.

(b) For Colombian individuals, Article 242 of the Colombian Tax Code stated that dividends accrued as of January 1, 2020 until December 31, 2021 exceeding 300 UVT (*Unidad de Valor Tributario*) be taxed at 10%.

(c) For Colombian corporations, Article 242 of the Colombian Tax Code stated that (i) dividends distributed from taxed profits to local corporations during the fiscal years 2021 and 2022 were taxed at 7.5%, and (ii) dividends distributed from non-taxed profits were taxed at a 31% withholding tax for 2021 and 35% for 2022, plus an additional 7.5% dividend tax on the balance of the dividend amount after the initial withholding was applied.

Following the enactment of Law 2277 in 2022, for the fiscal year ending December 31, 2023 onwards, dividends tax applies as follows:

(a) For non-resident shareholders, Article 245 of the Colombian Tax Code sets forth (i) a 20% dividend tax for dividends paid out of profits that were taxed at the corporate level and accrued as of January 1, 2017; (ii) no dividend tax on dividends paid out of profits that accrued until December 31, 2016 and were taxed at the corporate level; (iii) a withholding tax at the statutory corporate income tax rate (35% as of 2022) on dividends distributed from profits not taxed at the corporate level, if the dividend is paid out of profits that accrued as of January 1, 2017, plus an additional 20% dividend tax after applying the initial corporate income withholding tax rate, and (iv) a withholding tax at 33% on dividends distributed from profits not taxed at the corporate level if the dividend is paid out of profits that accrued before January 1, 2017, plus an additional 20% dividend tax after applying the initial corporate income withholding tax rate.

(b) For Colombian individuals, Article 242 of the Colombian Tax Code provides that dividends accrued as of January 1, 2023 exceeding 1090 UVT (*Unidad de Valor Tributario*) be taxed at a rate between 0% and 39%.

(iii) For Colombian corporations, Article 242 of the Colombian Tax Code provides that dividends distributed from taxed profits to local corporations accrued during 2023 are subject to a transferable withholding tax of 10% on dividends distributed from taxed profits, which can be credited by the taxed shareholder.

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 33%.

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,		
	2021	2022	2023
Mexican inflation rate(1)	7.4 %	7.8 %	4.7 %
Colombian inflation rate	5.6 %	13.1 %	9.3 %
U.S. inflation rate(2)	7.0 %	6.4 %	3.4 %
Increase (decrease) in Mexican GDP(3)	5.0 %	3.7 %	3.1 %
Increase (decrease) in Colombian GDP	10.6 %	7.5 %	1.0 %

(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 117.3 in 2021, 126.5 in 2022 and 132.4 in 2023.
(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 April 15, 2024.

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,		
	2021	2022	2023
Depreciation (appreciation) of the Mexican peso as compared to the U.S. dollar(1)	2.8 %	(4.9)%	(13.1)%

(1) Based on the Official Journal Federation exchange rate for Mexican pesos, at the end of each period, which were as follows: Ps.20.467 as of December 31, 2021, Ps.19.472 as of December 31, 2022 and Ps. 16.919 as of December 31, 2023.

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,					
	2021		2022		2023	
	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	4,644.5	204.6	7,515.7	244.0	8,167.8	246.8
Non-aeronautical services	4,038.2	177.9	5,854.3	190.1	6,373.8	192.6
Construction services	1,210.5	53.3	910.8	29.6	415.7	12.6
Total revenues before solidarity agreement	9,893.2	435.8	14,280.8	463.7	14,957.3	452.0
Expenses before solidarity agreement	(4,296.0)	(189.3)	(4,913.2)	(159.5)	(4,971.2)	(150.2)
Net operating income before solidarity agreement	**5,597.2**	**246.5**	**9,367.6**	**304.2**	**9,986.1**	**301.8**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	(223.8)	(9.9)	(347.7)	(11.3)	(375.8)	(11.4)
Net operating income after solidarity agreement	**5,373.4**	**236.6**	**9,019.9**	**292.9**	**9,610.3**	**290.4**
Mérida:						
Revenues before solidarity agreement:						
Aeronautical services	467.1	203.1	799.7	242.3	1,066.4	273.4
Non-aeronautical services	129.8	56.4	168.8	51.2	232.5	59.6
Construction services	795.2	345.7	553.4	167.7	64.6	16.6
Total revenues before solidarity agreement	1,392.1	605.2	1,521.9	461.2	1,363.5	349.6
Expenses before solidarity agreement	(1,133.2)	(492.7)	(962.7)	(291.7)	(562.8)	(144.3)
Net operating income before solidarity agreement	258.9	112.5	559.2	169.5	800.7	205.3
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	—	—	—	—	(37.4)	(9.6)
Net operating income after solidarity agreement	**258.9**	**112.5**	**559.2**	**169.5**	**763.3**	**195.7**
Villahermosa:						
Revenues before solidarity agreement:						
Aeronautical services	211.2	211.2	316.4	243.4	404.4	269.6
Non-aeronautical services	49.4	49.4	64.6	49.7	73.9	49.3
Construction services	123.9	123.9	105.7	81.3	76.4	50.9
Total revenues before solidarity agreement	384.5	384.5	486.7	374.4	554.7	369.8
Expenses before solidarity agreement	(292.9)	(292.9)	(283.2)	(217.8)	(276.2)	(184.1)
Net operating income before solidarity agreement	**91.6**	**91.6**	**203.5**	**156.6**	**278.5**	**185.7**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	—	—	(10.7)	(8.2)	(14.5)	(9.7)
Net operating income after solidarity agreement	91.6	91.6	192.8	148.4	264.0	176.0
Other Mexican Airports[4]:						
Revenues before solidarity agreement:						
Aeronautical services	883.8	232.6	1,313.3	268.0	1,609.0	282.3
Non-aeronautical services	167.6	44.1	210.1	42.9	226.6	39.8
Construction services	778.9	205.0	698.7	142.6	316.9	55.6
Total revenues before solidarity agreement	1,830.3	481.7	2,222.1	453.5	2,152.5	377.7
Expenses before solidarity agreement	(1,428.6)	(375.9)	(1,444.7)	(294.8)	(1,136.3)	(199.4)
Net operating income (loss) before solidarity agreement	**401.7**	**105.8**	**777.4**	**158.7**	**1,016.2**	**178.3**
Solidarity agreement revenues	0.0	0.0	0.0	0.0	0.0	0.0
Solidarity agreement expenses	(5.9)	(1.6)	(40.5)	(8.3)	(49.6)	(8.7)
Net operating (loss) income after solidarity agreement	**395.8**	**104.2**	**736.9**	**150.4**	**966.6**	**169.6**
San Juan:						
Revenues:						
Aeronautical services	2,027.2	N/A	2,100.3	N/A	2,029.9	N/A
Non-aeronautical services	1,394.3	N/A	1,598.6	N/A	1,729.9	N/A
Construction services	231.3	N/A	411.2	N/A	414.5	N/A
Total revenues	3,652.8	N/A	4,110.1	N/A	4,174.3	N/A
Expenses	(2,126.2)	N/A	(2,306.5)	N/A	(2,544.5)	N/A
Net operating income (loss)	**1,526.6**	**N/A**	**2,149.8**	**N/A**	**1,629.8**	**N/A**
Colombian Airports[5]:						
Revenues:						
Aeronautical services	1,174.8	N/A	2,027.1	N/A	1,945.6	N/A
Non-aeronautical services	450.6	N/A	652.3	N/A	659.2	N/A
Construction services	6.3	N/A	12.9	N/A	14.5	N/A
Total revenues	1,631.7	N/A	2,692.3	N/A	2,619.3	N/A
Expenses	(1,200.8)	N/A	(1,458.8)	N/A	(1,534.9)	N/A
Net operating income (loss)	**430.9**	**N/A**	**1,233.5**	**N/A**	**1,084.4**	**N/A**
Holding & Service Companies[6]:						
Revenues before solidarity agreement:						
Other[7]	962.2	N/A	473.7	N/A	502.8	N/A
Total revenues before solidarity agreement	962.2	N/A	473.7	N/A	502.8	N/A
Expenses before solidarity agreement	(611.8)	N/A	(67.1)	N/A	(55.0)	N/A
Net operating income before solidarity agreement	**350.4**	**N/A**	**406.6**	**N/A**	**447.8**	**N/A**
Solidarity agreement revenues	229.7	N/A	398.9	N/A	477.3	N/A
Solidarity agreement expenses	0.0	N/A	0.0	N/A	0.0	N/A
Net non after solidarity agreement	**580.1**	**N/A**	**805.5**	**N/A**	**925.1**	**N/A**
Consolidation Adjustment[8]:						
Total Revenues	(1,192.2)	N/A	(873.1)	N/A	(980.1)	N/A
Expenses	1,192.2	N/A	873.1	N/A	980.1	N/A
Total:						
Revenues:						
Aeronautical services	9,408.6	N/A	14,072.5	N/A	15,223.1	N/A
Non-aeronautical services	6,229.9	N/A	8,548.7	N/A	9,295.9	N/A
Construction services	3,146.1	N/A	2,692.7	N/A	1,302.6	N/A
Total revenues	18,784.6	N/A	25,313.9	N/A	25,821.6	N/A
Expenses	(10,127.0)	N/A	(10,962.0)	N/A	(10,578.1)	N/A
Net operating income	**8,657.6**	**N/A**	**14,698.1**	**N/A**	**15,243.5**	**N/A**

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(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.,, our parent company, in exchange for which our parent 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., 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 our parent 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,		
	2021	2022	2023
	(thousands of Mexican pesos)		
Revenue:			
Aeronautical services	Ps. 9,408,599	Ps. 14,072,517	Ps. 15,223,096
Non-aeronautical services	6,229,896	8,548,671	9,295,915
Construction services	3,146,166	2,692,694	1,302,633
Total revenue	18,784,661	25,313,882	25,821,644
Operating Costs and Expenses:			
Cost of services	(3,384,563)	(3,855,016)	(4,675,525)
Administrative expenses	(263,156)	(287,061)	(319,200)
Costs of construction	(3,146,166)	(2,692,694)	(1,302,633)
Technical assistance fee(1)	(391,698)	(643,891)	(715,462)
Government concession fee(2)	(948,062)	(1,424,066)	(1,496,142)
Depreciation and amortization	(1,993,342)	(2,059,237)	(2,069,157)
Goodwill impairment	—	—	—
Total operating expenses	(10,126,987)	(10,961,965)	(10,578,119)
Other Income	—	346,232	—
Operating profit	8,657,674	14,698,149	15,243,525
Comprehensive Financing Result:			
Interest income, net	(640,240)	(405,257)	223,455
Exchange gains (losses), net	108,601	(208,159)	(837,208)
Net comprehensive financing income result	(531,639)	(613,416)	(613,753)
Participation in the results of joint ventures accounted for by the equity method	—	—	(9,685)
Income before taxes	8,126,035	14,084,733	14,620,087
Provision for taxes	(1,728,507)	(3,438,809)	(3,944,143)
Net income	**6,397,528**	**10,645,924**	**10,675,944**
Other Operating Data:			
Operating margin(3)	46.1 %	58.1 %	59.0 %
Net margin(4)	34.1 %	42.1 %	41.3 %

(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 9.0% of each concession holder's gross annual regulated revenues from the use of federal airports 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 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, 2023 compared to the year ended December 31, 2022

Revenues

Total consolidated revenues for 2023 were Ps. 25,821.6 million, 2.0% higher than the Ps. 25,313.9 million recorded in 2022. The increase in total revenues resulted from an increase of 8.2% in aeronautical revenues and 8.7% in non-aeronautical revenues, primarily due to a 6.4% increase in passenger traffic, partially offset by a 51.6% 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 6.3% from Ps. 459.3 million in 2022 to Ps. 430.5 million in 2023, due mainly to a 64.8% 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 8.2% from Ps. 14,072.5 million in 2022 to Ps. 15,223.1 million in 2023, due primarily to a 6.4% increase in passenger traffic. Revenues from passenger charges increased 8.9% from Ps. 10,823.9 million in 2022 (76.9% of our aeronautical revenues during the period) to Ps. 11,789.9 million in 2023 (77.4% of our aeronautical revenues during the period), which reflect the increase in passenger traffic. Mexican aeronautical revenues per workload unit increased 3.1% from Ps. 246.8 million in 2022 to Ps. 254.5 million in 2023.

Revenues from non-aeronautical services increased 8.7% from Ps. 8,548.7 million in 2022 to Ps. 9,295.9 million in 2023. The primary factor behind the increase in non-aeronautical revenues from 2022 to 2023 was the increase in commercial revenues due to higher passenger traffic during 2023. Higher passenger traffic in 2023 led to a 36.4% increase in revenues from advertising, a 5.0% increase in revenues from duty-free shops, and a 5.6% increase in other income, which consisted principally of revenue from tourism services and hotel operators. This increase in revenues from non-aeronautical services was also driven by an increase of 10.8% in revenues from car rental companies, a 14.2% increase in revenues from food and beverages, a 9.9% increase in parking lot revenues, a 9.9% increase in revenues from ground transportation, a 3.6% increase in teleservices revenues, and a 8.0% increase in retail stores revenues. Mexican non-aeronautical revenues per unit of workload were the same for 2022 and 2023 at Ps. 156.3 per unit of workload.

Revenues from construction services decreased 51.6% from Ps. 2,692.7 million in 2022 to Ps. 1,302.6 million in 2023, mostly due to a decrease in capital improvements and other investments in concessioned assets at our Mexican airports.

Our revenues from regulated sources in 2023 were Ps. 15,670.4 million, a 8.2% increase compared to Ps. 14,485.8 million in 2022, mainly due to the increase in total passenger traffic and the annual increase in our regulated rates. During 2023, Ps. 8,848.6 million of our revenues was derived from non-regulated sources, a 8.8% increase from the Ps. 8,135.4 million of revenues derived from non-regulated sources in 2022. This increase was primarily due to the 9.2% increase in commercial revenues described above, from Ps. 7,854.7 million in 2022 to Ps. 8,576.9 million in 2023.

Revenues by Airport

Aeronautical revenues increased by 8.7% from Ps. 7,515.7 million in 2022 to Ps. 8,167.8 million in 2023 at Cancún Airport, mainly due to (i) a 7.9% increase in passenger traffic, (ii) a 6.9% increase in passenger charges; and (iii) a 13.9% increase in airport security charges. Non-aeronautical revenues increased at Cancún Airport by 8.9% from Ps. 5,854.3 million in 2022 to Ps. 6,373.8 million in 2023, mainly due to the increase in passenger traffic in 2023. Construction services revenues at Cancún Airport decreased by 54.4% from Ps. 910.8 million in 2022 to Ps. 415.7 million in 2023, due to a decrease in capital improvements and investments in concessioned assets at that airport. Total revenues increased by 4.7% from Ps. 14,280.8 million in 2022 to Ps. 14,957.3 million in 2023 at Cancún Airport, largely due to the increase in aeronautical and non-aeronautical revenues, and the increase in passenger traffic. Revenues per workload unit at Cancún Airport decreased by 2.5% from Ps. 463.7 in 2022 to Ps. 452.0 in 2023, primarily because of the decrease in construction services revenues.

Aeronautical revenues increased by 33.4% from Ps. 799.7 million in 2022 to Ps. 1,066.4 million in 2023 at Mérida Airport, mainly due to a 19.3% increase in passenger traffic and a 34.3% in passenger fees charged at that airport. Non-aeronautical revenues increased by 37.7% at Mérida Airport from Ps. 168.8 million in 2022 to Ps. 232.5 in 2023, principally due to a 45.2% increase in commercial revenues caused by increased passenger traffic, partially offset by construction services revenues decreased from Ps.553.4 million in 2022 to Ps. 64.6 million in 2023, due to a decrease in capital improvements and investments in concessioned assets at Merida Airport. Revenues overall decreased by 10.4% from Ps.1,521.9 million in 2022 to Ps. 1,363.5 million in 2023 at Mérida Airport, due to the decrease construction services revenues from 2022 to 2023. Revenues per workload unit at Mérida Airport decreased by 24.2% from Ps. 461.2 in 2022 to Ps. 349.6 in 2023, principally due to the decrease in construction services revenues.

Aeronautical revenues increased by 27.8% from Ps. 316.4 million in 2022 to Ps. 404.4 million in 2023 at Villahermosa Airport, due to a 30.5% increase in passenger charges and a 16.8% increase in baggage inspection fee at that airport. Non-aeronautical revenues increased at Villahermosa Airport by 14.4% from Ps. 64.6 million in 2022 to Ps. 73.9 million in 2023, due principally to an increase of 16.2% in commercial revenues. Construction services revenues decreased from Ps.105.7 million in 2022 to Ps. 76.4 million in 2023 primarily due to a decrease in capital improvements and investments in concessioned assets. Revenues increased by 14.0% from Ps. 486.7 million in 2022 to Ps. 554.7 million in 2023 at Villahermosa Airport, largely due to the increase in aeronautical revenues. Revenues per workload unit at Villahermosa Airport decrease by 1.2% from Ps. 374.4 in 2022 to Ps. 369.8 in 2023, primarily due to the decrease in construction services revenues.

Aeronautical revenues at our other six Mexican airports increased by 22.5% from Ps. 1,313.3 million in 2022 to Ps. 1,609.0 million in 2023, due to the 15.5% increase in passenger traffic and a 23.6% increase in passenger fees charges and 18.8% increase in baggage inspection fee at those airports. Non-aeronautical revenues increased by 7.9% from Ps. 210.1 million in 2022 to Ps. 226.6 million in 2023, due principally to a 15.0% increase in commercial revenues and increased passenger traffic. Construction services revenues decreased from Ps. 698.7 million in 2022 to Ps. 316.9 million in 2023, due to a decrease in capital improvements and investments in concessioned assets at the other six Mexican Airports. Revenues decreased by 3.1% from Ps. 2,222.1 million in 2022 to Ps. 2,152.5 million in 2023 at the other six Mexican airports, due primarily to the decrease in construction services revenues. Revenues per workload unit at our other six Mexican airports decreased by 16.7% from Ps. 453.5 in 2022 to Ps. 377.7 in 2023, principally due to the decrease in revenues from construction services.

Aeronautical revenues at the LMM Airport decreased 3.4% from Ps. 2,100.3 million in 2022 to Ps. 2,029.9 million in 2023, This was mainly due to the appreciation of the peso versus the U.S. dollar in 2023 and 2022 of 8.9% and 1.8%, respectively, which represented a decrease in revenues in pesos. Revenues in U.S. dollars increased by USD$9.9 million or 9.6%. Passenger traffic increased by 18.3%. Non-aeronautical revenues at the LMM Airport increased 8.2% from Ps. 1,598.6 million in 2022 to Ps. 1,729.9 in 2023. Construction services revenues at the LMM Airport increased 0.8% from Ps. 411.2 million in 2022 to Ps. 414.5 million in 2023, principally due to the renovation of Terminal D.

Aeronautical revenues at our six Colombian airports decreased 4.0% from Ps. 2,027.1 million in 2022 to Ps. 1,945.6 million in 2023, primarily due to the 9.8% decrease in passenger traffic as a result of Viva Colombia and Ultra having initiated bankruptcy proceedings and suspending their operations at our airports. Non-aeronautical revenues at our Colombian airports increased 1.1% from Ps. 652.3 million in 2022 to Ps. 659.2 million in 2023. Construction services revenues at our Colombian airports increased 12.5% from Ps. 12.9 million in 2022 to Ps. 14.5 million in 2023, primarily due to new investments (including fixed assets, office and computer equipment).

Revenues from our parent holding company and our administrative services companies increased by 6.1% from Ps. 473.7 million in 2022 to Ps. 502.8 million in 2023, due to the increase 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. 10,578.1 million in 2023, a 3.5% decrease from the Ps. 10,962.0 million recorded in 2022. The decrease in operating expenses in 2023 was primarily due to an increase in the costs of construction. As a percentage of total revenues, operating expenses represented 40.9% of total revenues in 2023 as compared to 43.3% of total revenues in 2022. Mexican operating costs per workload unit decreased 17.7%, from Ps. 178.6 per workload unit in 2022, to Ps. 147.0 per workload unit in 2023, primarily due to a decrease in construction costs.

Cost of services increased 21.3% from Ps. 3,855.0 million in 2022 to Ps. 4,675.5 million in 2023, primarily due to a 53.9% decrease in expenses recovered by Aerostar under the CRRSAA Act and the ARPA Act in 2022, from Ps. 547.3 million expenses recovered under the CRRSAA Act and the ARPA Act in 2022, to Ps. 252.4 million expenses recovered in 2023 under the ARPA Act. Excluding this effect, cost of services expenses increased 11.9%, mainly due to (i) a 7.8% increase in employee costs from Ps. 1,736.6 million in 2022 to Ps. 1,872.7 million in 2023, mainly attributed to salary increase in Mexico, Puerto Rico and Colombia, (ii) a 28.2%, increase in maintenance and preservation costs, from Ps. 636.2 million in 2022 to Ps. 815.8 million in 2023, (iii) a 35.7% increase in professional services, from Ps. 222.6 million in 2022 to Ps. 302.0 million in 2023, (iv) a 12.9% increase in the cost of sales from convenience stores directly operated by us from Ps. 489.2 million in 2022 to Ps. 552.3 million in 2023, mainly caused by an increase in sales, and (v) a 22.6% increase in safety and security costs, from Ps. 349.0 million in 2022 to Ps. 427.8 million in 2023, which were partially offset by a 81.0% decrease in electricity costs.

Administrative expenses increased 11.2% from Ps. 287.1 million in 2022 to Ps. 319.2 million in 2023. This increase was primarily attributable to increases in administrative salaries.

Technical assistance fees increased by 11.1% from Ps. 643.9 million in 2022 to Ps. 715.5 million in 2023, and government concession fees increased by 5.1% from Ps. 1,424.1 million in 2022 to Ps. 1,496.1million in 2023. The technical assistance fees and government concession fees increased in 2023 due to an increase in aeronautical and commercial revenues, as a consequence of the increase in passengers as well as the increase in concession fees paid with respect to our Colombian airports and LMM Airport.

Construction costs were Ps. 1,302.6 million in 2023 and Ps. 2,692.7 million in 2022. The decrease was due to a decrease in 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 for those services.

Depreciation and amortization costs increased from Ps. 2,059.2 million in 2022 to Ps. 2,069.2 million in 2023. This increase was principally the result of the depreciation of new investments in fixed assets and improvements made to concessioned assets in Mexico and Colombia.

Operating Expenses by Airport

Operating expenses for Cancún Airport were Ps. 5,347.0 million in 2023, a 1.6% increase from the Ps. 5,260.9 million recorded in 2022. This increase was a result of an 14.5% increase in employee costs, an 13.8% increase in cost of sales from directly operated stores, an 25.1% increase in safety and security costs, an 26.0% increase in maintenance costs, an 12.3% increase in technical assistance fees, an 8.3% increase in government concession fees, an 8.2% increase in professional services as well as an 11.9% increase in depreciation and amortization, partially offset by a 54.4% decrease in construction costs from Ps. 910.8 million in 2022 to Ps. 415.7 million in 2023. Operating expenses per workload unit for Cancún Airport were Ps. 161.6 in 2023, a 5.4% decrease from the Ps. 170.8 recorded in 2022.

Operating expenses for Mérida Airport were Ps. 600.2 million in 2023, a 37.7% decrease from the Ps. 962.7 million recorded in 2022. This decrease was primarily due to a 88.3% decrease in construction costs from Ps. 553.4 million in 2022 to Ps. 64.6 million in 2023, partially offset by an 1,704.3% increase in professional services, as well as an 34.1% increase in government concession fees, an 17.4% increase in maintenance costs, a 32.6% increase in safety and security costs, an 16.1% increase in technical assistance fees, an 18.9% increase in energy costs, and an 26.4% increase in depreciation and amortization. Operating expenses per workload unit for Mérida Airport were Ps. 153.9 in 2023, a 47.2% decrease from the Ps. 291.7 recorded in 2022.

Operating expenses for Villahermosa Airport were Ps. 290.7 million in 2023, a 1.1% decrease from the Ps. 293.9 million recorded in 2022. This decrease was primarily due to a 27.7% decrease in construction costs from Ps. 105.7 million in 2022 to Ps. 76.4 million in 2023, a 14.7% decrease in maintenance services, which were partially offset by an 27.7% increase in professional services, a 19.9% increase in depreciation and amortization, and a 25.6% increase in government concession fees. Operating expenses per workload unit for Villahermosa Airport were Ps. 193.8 in 2023, a 14.2% decrease from the Ps. 226.0 recorded in 2022.

Operating expenses for our six other Mexican airports were Ps. 1,185.9 million in 2023, a 20.1% decrease from the Ps. 1,485.2 million recorded in 2022, principally due to a 54.6% decrease in construction costs from Ps. 698.7 million in 2022 to Ps. 316.9 million in 2023, which were partially offset by an 21.0% increase in government concession fees, a 15.5% increase in depreciation and amortization, an 19.4% increase in safety and security costs, an 25.8% increase in cleaning cost, an 16.4% increase in professional services, as well as an 7.4% increase in maintenance costs. Operating expenses per workload unit for our other six Mexican airports were Ps. 208.1 in 2023, a 31.3% decrease from the Ps. 303.1 recorded in 2022.

Operating expenses for the LMM Airport were Ps. 2,544.5 in 2023, compared to Ps. 2,306.5 million in 2022. The increase was mainly due to a (i) a 32.2% increase in the cost of services from Ps. 985.1 million in 2022 to Ps. 1,301.9 million in 2023, mainly due to a 53.9% decrease in expenses recovered by Aerostar under the CRRSAA Act and the ARPA Act in 2022, from Ps. 547.3 million expenses recovered under the CRRSAA Act and the ARPA Act in 2022, to Ps. 252.4 million expenses recovered in 2023 under the ARPA Act, and (ii) a 0.8% increase in construction costs from Ps. 411.2 million in 2022 to Ps. 414.5 million in 2023, as a result of the renovation of Terminal D. The increase in operating expenses was partially offset by a 10.6% decrease in depreciation and amortization from Ps. 724.3 million in 2022 to Ps. 647.7 million in 2023, and a 3.0% decrease in concession fees from Ps. 185.9 million in 2022 to Ps. 180.4 million in 2023, under the concession agreement.

Operating expenses for our Colombian airports were Ps. 1,534.9 million in 2023, compared to Ps.1,458.8 million in 2022. The increase was primarily due to an 24.9% increase in in cost of services due to an 43.1% increase in maintenance and conservation, a 21.1% increase in taxes and duties expenses, a 21.0% increase in in safety and security expenses and a 14.6% increase in salaries, cost of construction increased 12.5% from Ps. 12.9 million in 2022 to Ps. 14.5 million in 2023, primarily due to new investments (including fixed assets, office and computer equipment), partially offset by decrease in concession fees from Ps. 505.0 million in 2022 to Ps. 495.5 million in 2023, and a 11.2% decrease in depreciation and amortization.

Operating expenses for our parent holding company and our administrative services companies were Ps. 55.0 million in 2023, a 18.0% decrease from the Ps. 67.1 million recorded in 2022, principally due to a decrease in insurance costs and decrease in employees costs.

Operating Income

Operating income increased by 3.7% from Ps. 14,698.1 million in 2022 to Ps. 15,243.5 million in 2023. This increase in operating income was primarily due to an 8.2% increase in aeronautical revenues and an 8.7% increase in non-aeronautical revenues in 2023. In 2023 and 2022, operating expenses represented 41.0% and 42.7%, respectively, of the revenues during those years. The operating expenses increased mainly due to an 11.1% increase in technical assistance fees, and a 5.1% increase in government concession fees due to a 6.4% increase in total passenger traffic during 2023, relative to the same period in 2022.

Operating Income by Airport

Operating income for Cancún Airport increased by 6.5% from Ps. 9,019.9 million in 2022 to Ps. 9,610.3 million in 2023, primarily due to an 8.7% increase in aeronautical revenues. Additionally, commercial revenues increased by 9.7% due to higher passenger traffic. Operating income per workload unit at Cancún Airport decreased 0.9% from Ps. 292.9 in 2022 to Ps. 290.4 in 2023.

Operating income for Mérida Airport increased by 36.5% from Ps. 559.2 million in 2022 to Ps. 763.3 million in 2023, mainly due to a 33.4% increase in aeronautical revenues as a result of higher passenger traffic, as well as a 37.7% increase in no aeronautical revenues. Operating income per workload unit at Mérida Airport increased 15.5% from Ps. 169.5 in 2022 to Ps. 195.7 in 2023.

Operating income for Villahermosa Airport increased by 36.9% from Ps. 192.8 million in 2022 to Ps. 264.0 million in 2023, primarily because of a 27.8% increase in aeronautical revenues due to higher passenger traffic. Operating income per workload unit at Villahermosa Airport increased 18.6% from Ps. 148.4 in 2022 to Ps. 176.0 in 2023.

Operating income for our six other Mexican airports increased by 31.1% from Ps. 736.9million in 2022 to Ps. 966.6 million in 2023, principally due to a 22.5% increase in aeronautical revenues and a 7.9% increase in non-aeronautical revenues due to higher passenger traffic. Operating income per workload unit at the other six Mexican airports increased 12.8% from Ps. 150.4 in 2022 to Ps. 169.6 in 2023.

Operating income for the LMM Airport decreased by 24.2% from Ps. 2,149.8 million in 2022 to Ps. 1,629.8 million in 2023 due to (i) a 100.0% decrease in other operating income, primarily due to the non-recurring income received in 2022, including the recognition of a Supreme Court of Puerto Rico judgment ruled in favor of Aerostar in connection with aviation fuel dispatch fees accrued between 2013 and 2021, and the recovery of Ps. 45.8 million in a judgment ruled in favor of Aerostar in connection with certain contracts held with rental companies; a (ii) a 3.4% decrease in aeronautical revenues, in operating expenses, mainly due to the 11.8% appreciation of the peso versus the U.S. dollar, compared to 2022; and (iii) a 32.2% increase in costs of service, from Ps. 985.1 million in 2022 to Ps. 1,301.8 million in 2023 (including the recovery of expenses under the CRRSA Act and the ARPA Act granted in 2022 and ARPA Act granted in 2023), partially offset by the decrease of the maintenance reserve pursuant to IFRIC 12 from Ps. 78.1 million in 2022, to Ps. 37.7 million in 2023. Such decrease was mainly driven due to the fact that certain projects included in the reserve will be funded with amounts received from the U.S. federal government. The decrease in operating income was also partially offset by a 3.0% decrease in concession fees from Ps. 185.9 million in 2022 to Ps. 180.4 million in 2023, and a 10.6% decrease in depreciation and amortization from Ps. 724.3 million in 2022 to Ps. 647.7 million in 2023.

Operating income for our six Colombian airports was Ps. 1,084.4 in 2023, compared to Ps. 1,233.5 million in 2022, due to a 5.2% increase in operating expenses and a 4.0% increase in aeronautical revenues as a result of lower passenger traffic.

Operating income for our parent holding company and our administrative services companies increased by 14.8% from Ps. 805.5 million in 2022 to Ps. 925.1 in 2023, primarily due to an increase in revenues and the recovery of costs by our operating subsidiaries transferred to our parent company under intercompany agreements. For additional information, see “Operating Results by Airport”.

Comprehensive Financing Result

Our comprehensive net financing result was a loss of Ps. 613.7 million in 2023 compared to a loss of Ps. 613.4 million in 2022. This increase in the net comprehensive financing loss is due in part to a 31.6% increase in interest expense, from Ps. 855.5 million in 2022 to Ps. 1,125.9 million in 2023, mainly due to the Ps. 230.7 million amortization of loans incurred by Airplan.

Additionally, the foreign exchange loss of Ps. 208.2 million in 2022 increased to a foreign exchange loss of Ps. 837.2 in 2023, due to the appreciation of the Mexican peso against the U.S. dollar by 11.8% in average during 2023, compared to an appreciation of the Mexican peso against the U.S. dollar by 1.7% in average during 2022.

Interest income increased by 199.7% from Ps. 450.3 million in 2022 to Ps. 1,349.3 million in 2023, mainly due to an increase in our cash position.

Taxes

Our current income tax provision increased 16.2%, from Ps. 3,342.3 million in 2022 to Ps. 3,885.3 million in 2023, mainly due to an increase in our taxable income base in Mexico and Colombia attributed to the recovery of activity in these countries.

Our deferred tax provision decreased from a deferred tax loss of Ps. 96.5 million in 2022 to a loss of Ps. 58.8 million in 2023, mainly due to the initial recognition of deferred income taxes at the Tapachula Airport (Mexico) in 2022, and major tax benefit in the balance of unredeemed assets in Colombia in 2023. As of 2019, there is no asset tax provision.

Our overall effective tax rate in 2023 and 2022 was 33.0%, and 31.0%, respectively, mainly due to the decrease in the tax benefit corresponding to the balance of unredeemed assets in Mexican airports as a consequence of the increase in annual inflation in Mexico from 7.8% in 2022 to 4.7% in 2023.

Net Income

Net income increased 0.3% from Ps. 10,645.9 million in 2022 to Ps. 10,675.9 million in 2023. This increase was mainly as a result of the 8.2% and 8.7% increase in aeronautical and non-aeronautical services, respectively.

Results of operations for the year ended December 31, 2022 compared to the year ended December 31, 2021

For a comparison of the results of operations for the year ended December 31, 2022 as compared to the year ended December 31, 2021, see "Item 5—Operating and Financial Review and Prospects—Results of operations for the year ended December 31, 2022 compared to the year ended December 31, 2021" in our Fiscal Year 2022 Form 20-F, as filed with the SEC on April 17, 2023.

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 2023, we used Ps. 5,979.0 to pay dividends. As of December 31, 2022, we had Ps. 13,175.0 million in cash and cash equivalents. As of December 31, 2023, we had Ps. 13,872.9 million in cash and cash equivalents. As of December 31, 2022, we had no investments in financial instruments, while as of December 31, 2023, we had investments in long-term financial instruments classified as non-recurrent assets equal to Ps. 1,818.9 million, mainly due to the purchase of two bonds due 2027 and 2030, respectively.

Cash Flows for the year ended December 31, 2023 as compared to cash flows for the year ended December 31, 2022

In 2023, we generated Ps. 13,445.2 million in cash flow from operating activities, a decrease of 0.5% from Ps. 13,518.4 million in 2022, mainly due to a decrease in recoverable taxes, an increase in accounts payable, as well as an increase in income tax payments, partially offset by an increase in aeronautical and non-aeronautical revenues and an increase in accounts receivable. As of December 31, 2023, income before income taxes was Ps. 14,620.1 million, which reflects an increase of 3.8% compared to 2022. In 2023 our provision for income taxes was Ps. 3,764.7 million, representing a 65.3% increase compared to 2022.

In 2023, the cash flow used in financing activities was Ps. 9,316.4 million, which represents an increase of 52.0% with respect to the Ps. 6,130.4 million cash flow used in financing activities in 2022. This increase was mainly due to (i) Aerostar's issuance of U.S.$200.0 million (Ps. 3,947.5 million) senior notes in May 2022, (ii) an increase in the principal amounts paid under our Mexican loans, under which Ps. 1,475.0 million were repaid during 2023, compared to payments amounting to Ps. 650.0 million in 2022, (iii) an increase in dividends paid amounting to Ps. 5,979.0 million compared to dividends paid totaling Ps. 4,509.0 million in 2022, and (iv) an increase in the restricted cash from Ps. 1,420.7 million in 2022 to Ps. 1,615.4 million in 2023, resulting mainly from operating expense reserves maintained in connection with the LMM Airport, which increased from Ps. 1,272.1 million in 2022 to Ps. 1,520.6 million in 2023. From the beginning of the operating concession granted to Aerostar in 2013 and until February 2022, these reserves were covered by letters of credit issued by ASUR and AviAlliance in favor of Citibank; as of April 2022, due to Aerostar's available liquidity, Aerostar covers these reserves with available cash instead of renewing the letters of credit. The increase in cash flow was partially offset by (i) a decrease in the principal amounts paid during 2023 under the syndicated loan in Colombia (no principal amounts were repaid during 2023, compared to a payment of Ps. 848.1 million in 2022), and Aerostar's senior secured notes due 2035, under which Ps. 200.5 million in principal amounts were repaid during 2023, compared to payments amounting to Ps. 222.6 million in 2022, and (ii) a decrease in payment of interest related to our outstanding indebtedness from Ps. 1,079.6 million during 2022 to Ps. 1,067.1 million during 2023.

Cash flow used in investments during 2023 was Ps. 2,449.4 million, mainly as a result of new investments in concession assets amounting to Ps. 1,371.0 million in 2023, a 50.6% decrease from Ps. 2,775,7 million in 2022, as well as a new investment joint venture in International Airport Bavaro Ps. 305.9 million in 2023, an increase in used restricted cash of Ps. 88.6 million corresponding to the PFC revenue reserves and an investment in long-term securities in 2023 for Ps. 1,818.9 million.

Cash Flows for the year ended December 31, 2022 as compared to cash flows for the year ended December 31, 2021

For a comparison of the cash flows for the year ended December 31, 2022 as compared to the cash flows for the year ended December 31, 2023, see “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Cash Flows for the year ended December 31, 2021 as compared to cash flows for the year ended December 31, 2021” in our Fiscal Year 2022 Form 20-F.

Indebtedness

As of December 31, 2023, we had Ps. 12,224.8 million in consolidated outstanding indebtedness. As of December 31, 2023, we had contracts for interest rate or foreign currency swaps.

Indebtedness in Mexico

In the fourth quarter of 2011, Aeropuerto de Cancún 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. Aeropuerto de Cancún 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 repaid in October 2017 with the proceeds of two loans obtained by us, through Aeropuerto de Cancún, of a principal amount of Ps. 2,000.0 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 15, 2021, we, through our Aeropuerto de Cancún, entered into a seven-year loan agreement with BBVA for a principal amount of Ps. 2,000.0 maturing October 2028, with a 28-day TIIE rate plus an applicable margin. The applicable margin in the BBVA loan is calculated on the following basis: if our net leverage ratio is less than 1.50:1.00, the applicable margin will be 140 basis points; if our net leverage ratio is between 1.50:1.00 and 2.50:1.00, the applicable margin will be 165 basis points, and if our net leverage ratio is greater than 2.50:1.00, the applicable margin will be of 190 basis points. During 2023 we repaid Ps. 150.0 million of the BBVA loan in three equal installments in January, July and October.

On September 29, 2021, we prepaid the remaining Ps. 2,000.0 million balance on the Santander loan and concurrently, through our Aeropuerto de Cancún, we obtained a three-year term loan from Santander for a principal amount of Ps. 2,650.0 million maturing on September 28, 2024 at a 28-day TIIE rate plus 150 basis points. In November 2022, we paid Ps. 650.0 million in principal amounts in connection with the Santander loan. During 2023, we repaid Ps. 1,325.0 million of the Santander loan in two equal installments in March and September.

We have guaranteed our Aeropuerto de Cancún 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. As of December 31, 2022 and 2023, the consolidated leverage ratio calculated under the BBVA and Santander agreements was 0.12:1.00 and 0.70:1.00, respectively.

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, 2023, 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, on or about March 21, 2013 Aerostar issued 5.75% senior secured notes due March 22, 2035, in an aggregate principal amount of U.S.$350.0 million through a private placement. On June 24, 2015, Aerostar issued 6.75% senior notes due March 22, 2035 in an aggregate principal amount of U.S.$50.0 million to refinance the aforementioned capital expenditure facility. In May 2022, Aerostar renegotiated the terms of its U.S.$50.0 million principal amount of 6.75% senior secured notes, extending the maturity to March 22, 2035.

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 was calculated at the prime rate minus 0.5% and paid quarterly. A commitment fee of 0.15% for unused credit was paid annually. 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. Aerostar was financially obligated to keep a debt coverage ratio above 1.00:1.00 at the end of each quarter. During 2021, it complied with this debt coverage in each measurement period. As of November 19, 2021 the full balance of the revolving credit facility was repaid and the facility matured on December 18. 2021.

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 three years. On November 15, 2023, Aerostar renewed the unsecured revolving credit line with Banco Popular de Puerto Rico until December 29, 2036. The interest is calculated at an interest rate that fluctuates between 0.5% and 3.0% and Aerostar pays a rate of 0.15% for unused credit, which is calculated on the average amount of unused principal during the year. Pre-payments are permitted at any time. To date, Aerostar has not drawn down the credit line.

On July 21, 2022, Aerostar issued 4.92% senior secured notes due 2035 in an aggregate principal amount of U.S.$200 million through a private placement. The terms of the notes require that Aerostar and its subsidiaries maintain a debt service coverage ratio of at least 1.10:1.00 through the stated maturity date of the notes. Failure to comply with these covenants would result in all amounts owed under the notes to become due and payable immediately. As of December 31, 2022 and 2023, the debt service coverage ratio calculated under the notes was 1.70:1.00 and 2.40:1.00, respectively. If we fail to comply with these covenants, our ability to pay dividends to our shareholders will be restricted.

Aeropuerto de Cancún and its joint venture partner PSP have pledged their share ownership in Aerostar as collateral for all of these senior secured notes. 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.$35.0 million of our assets per year.

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 2021, 2022 and 2023. The outstanding amount of the credit agreement was COP$327,797.5 million as of December 31, 2021, COP$167,897.5 million as of December 31, 2022, and COP$ $167,897.2 million as of December 31, 2023. In April 2023, Banco Popular transferred to Banco de Bogotá its interests under the syndicated loan by issuing promissory notes having the same terms and conditions that those of the original loan. The syndicated credit agreement required Airplan to maintain a debt coverage ratio of at least 2.00:1.20, as calculated pursuant to the terms of such agreement. Lenders granted Airplan a waiver to comply with such debt coverage ratio during the third quarter of 2020 and the first quarter of 2021, which was further extended until the first quarter of 2022. Following the first quarter of 2022, Airplan has complied with the required debt coverage ratio.

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. These short-term loans were fully repaid in July 2021.

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 Communications and Transportation approved each of our previous master development plans, which went into effect as of January 1, 2019 and elapsed on December 31, 2023. In September 2020, the Ministry of 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. In December 2023, the SICT approved each of our current updated master development plans, which went into effect as of January 1, 2024 and will elapse on December 31, 2028. Under the referred master development plans, our total committed investments for the regulated part of our business in all our Mexican Airports during the covered period is equal to Ps. 29,571.1. See “Item 4. Information on the Company—Mexican Regulatory Framework—Master Development Plans.”

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)
2021	3,800,450
2022	2,738,429
2023	1,071,715

In 2023, we spent Ps. 891.5 million in Mexico on capital expenditures in the nine airports in Mexico, principally attributed to the continuation of the expansion of the terminal building, commercial platform and roads of Merida Airport, as well as the expansion of Terminal 3 and Terminal 4, the platform and the road of Cancun Airport.

In 2023, we spent Ps. 14.3 million in Colombia on capital expenditures on projects which included, among others, the purchase of fixed assets.

In 2023, we spent Ps. 465.2 million in Puerto Rico on capital expenditures on projects which included the expansion of Terminal D and FIS reconfiguration, Tony Santana Avenue Pavement Rehabilitation and new Transportation Security Administration (TSA) offices.

In 2022, we spent Ps. 2,293.9 million in Mexico on capital expenditures in the nine airports in Mexico, principally attributed to (i) the expansion of the terminal buildings in Cancún, Cozumel, Huatulco, Mérida and Tapachula, (ii) repairs made to runways, taxiways, commercial and general aviation ramps and roadways, and (iii) the replacement or renewal of equipment in all of our nine Mexican airports.

In 2022, we spent Ps. 12.1 million in Colombia on capital expenditures on projects which included, among others, the purchase of fixed assets.

In 2022, we spent Ps. 432.3 million in Puerto Rico on capital expenditures on projects which included the renovation of Terminal D and the construction of new immigration facilities.

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 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 Cancun Airport.

In 2021, we spent Ps. 5.8 million on capital expenditures in our Colombian airports, which included, among others, the expansion of the cargo terminal, acquisition of fixed assets, and the expansion of the building terminal.

In 2021, we spent Ps. 261.1 million on capital expenditures in Puerto Rico including in the expansion of Terminal D.

We currently intend to fund the investments and working capital required by our business strategy through cash flow from operations and from the indebtedness described above. We may continue to incur debt to finance all or a portion of these investments in the future. We believe our working capital is sufficient for our present requirements, and we anticipate generating sufficient cash to satisfy our long-term liquidity needs.