

# Investing in a Sustainable Journey

*Creating value today, sustaining value tomorrow*



## Cover Rationale

Our Annual Report tells the story of the year 2023 through the lens of our strategy. It is a story of strong recovery as we build towards our Aspiration 2030 with the theme of sustainable growth weaving its way through each of our strategic pillars, serving as a catalyst for the awareness and enthusiasm of our people and our organization, whilst also celebrating 100 years of Aviation in Aruba.

“Investing in a Sustainable Journey” is the remarkable story of AAA’s journey in 2023, in which we returned to full recovery with a new record year in passenger numbers.

It elaborates on the mind-set of an engaged and ambitious AAA team. It also tells our stakeholders about how we integrate sustainability alongside business challenges in our decision-making and when creating plans for the future, to ensure that we are creating value today, to sustain value tomorrow for our future generations.

“Investing in a Sustainable Journey” also reflects a journey of development, where valuable learning must transpire as our organization and our people grow together to move closer to our dream company. A company we can be proud of!

“Creating value today, sustaining value tomorrow” is a theme used by the Value Reporting Foundation on its Integrated Thinking Principles ‘Value creation through organizational resilience’ v1.0 August 2022, and refers to the alignment with the role of a business model in creating value over the short, medium and long term as referred to in the Integrated Reporting Framework.

Our cover features one of the 33 Lora’s (Amazona barbadensis) that has been reintroduced within the island’s protected nature areas and sets the stage for the restoration of this extinct species and its ecological function in Aruba. The Aruba Airport Authority N.V. has partnered up with the Fundacion Parke Nacional Aruba for several projects of which this Lora project is one of them. The goal is to create a self-sustained Lora population in Aruba, by reintroducing and restoring the Lora wild populations for future generations.



# Annual Report and Account 2023

## Investing in a Sustainable Journey

*Creating value today, sustaining value tomorrow*

# Structure & Content



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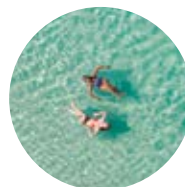
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# Overview



# Overview

## An Integrated Report

We are at exciting crossroads! This Annual Report 2023 introduces a refreshing 'look and feel' and also makes a first attempt at integrating financial and non-financial information with Environment, Social and Governance ("ESG") impacts as well. We are letting go of silo reporting to give content to a more 'one company feeling' atmosphere while we explore the various frameworks and principles on integrated reporting and ESG standards.

As we delved into these concepts and drew inspiration from the experiences of international companies and airports, including our strategic cooperation partner Royal Schiphol Group, we realized that our journey has only just begun. Despite our relative size, we have gained much admiration and respect for our achievements and all that we do, and we have even been considered as frontrunners in certain areas, such as our electric flying initiatives. That is the narrative we felt compelled to share in this revamped Annual Report where we aim to integrate as much as possible the many strategic tactics and operational activities we are executing as a base-line measurement in this report.

This realigned report also aims to provide our stakeholders with transparent, relevant and integrated information of our corporate strategy, performance, and future prospects as well as ESG considerations, leading to the creation of stakeholder value over the short, medium and

long-term. With a more integrated thinking approach we aspire a deeper understanding and response to factors shaping our value creation over various time horizons, sharpen our strategic execution, strengthen our corporate governance, embed a more resilient corporate culture, and achieve our Aspiration 2023. While we have not yet decided upon a specific integrated reporting framework, this report has been prepared in reference to the current ecosystem of ESG standards as a valuable inspiration for our reporting journey.

This integrated reporting journey will continue in the next years as we continue improving hereon, defining material topics, identifying stakeholder needs, including Key Performance Indicators ("KPIs") to effectively measure our progress, communicating on our sustainability performance and impact, using our business intelligence for collaborative decision making, and reporting on our progress towards our goals. The basis of our journey in this Annual Report is our Multi Annual Corporate Strategy 2022 - 2026 which we launched in 2021, and started executing ambitiously in 2022, where we chose to only focus on a set of prioritized key tactics in 2023, and where we will continue to be guided by our vision of becoming one of the most sustainable, safe and future proof airports of the Latin American & Caribbean region.



**Our Annual Report has undergone some structural changes. The previously known management report is now divided into several sections: an overview, a strategic report, a governance report and is concluded with the financial statements including the external auditors' report.**



# Foreword

## Statement from the CEO

We look back at a strong year in which we have been able to continue the growth we had experienced of 2022 in 2023. When I say “growth” I do not only mean the growth of passengers and revenues, which outperformed our record year 2019, but moreover the growth of the quality of the organization and the engagement of our colleagues. This has contributed significantly in setting a step towards our ambitions as were defined in our Corporate Strategy.

Our next priority is to invest further in a Safe, Sustainable and Future Proof Airport by enhancing the internal organization and collaboration, delivering Gateway Phase 1A, starting the construction of Gateway Phase 1B and investing in the maintenance of our current (IT) infrastructure.

**Joost Meijs**  
Chief Executive Officer



### *Q: 2023 was a year of recapitalizing on our recovery in 2022. How would you summarize AAA's performance in 2023?*

Overall, we have seen a strong performance for Aruba Airport Authority N.V. (“AAA”). The first sentence of our Dream Company description starts with “We are building a Solid Company”. I feel that collectively, AAA's employees and our colleagues in the airport community, have contributed to the strong ambitions that we formulated in our corporate strategy and aspiration towards 2030. We have based our decision making on strategic goals and ambitions. A strong financial performance was the result and not the driver of our choices.

### *Q: As you look back, what are you most proud of in 2023 and what were the main challenges to overcome?*

We have been able to maintain a strong passenger satisfaction and experience throughout the year (rated at 4.50 and 4.32 respectively by our passengers on a five point scale), while we have been operating with a constrained infrastructure. We have delivered on our promise to work on a more diversified destination portfolio by adding destinations in Europe and Latin America and attracting new airlines. Our role in the field of sustainability has become exemplary in Aruba. Most importantly, our decision making, based on the belief that a successful company starts with taking care of its human capital, has resulted in a slightly increased engagement of our staff. The

engagement mean was 3.81 in 2022 and 3.82 in 2023 on a five point scale. This is the highest score since we started measuring the employee engagement in 2019.

In 2023 we marked the key milestone of 100 years of Aviation in Aruba. We have celebrated this with our stakeholders, our staff, our airport community and the community of Aruba. The feeling of unity in the airport community and the collective pride that was created by being part of this was priceless.

The main challenges we have faced and that will need attention in the coming year are the questions of “how to weave our strategic tactics better in our daily work routines” and “how to create a higher pace in decision making and project execution, while keeping the required checks and balances in place”.

### *Q: How are we managing risks and opportunities?*

We believe that investing in our staff and setting them up for success with the right tools is the best answer to mitigating the risks and capitalizing on the opportunities. This has been clearly addressed in our Corporate Strategy. AAA wants to be a front runner in all aspects of our business and therefore must invest in an inspiring, inclusive, and safe workplace for all colleagues. With the right number of skilled people capable to do their jobs and collaborating with an innovative team spirit, we can anticipate the risks that lay within our scope of control.





***Q: How is AAA progressing towards the vision of becoming one of the most sustainable, safe and future proof airports of the Latin American & Caribbean region?***

In 2021 our Corporate Strategy and Aspiration towards 2030 was defined. 2023 was the second execution year and we see clear signs of the first results in our strategic pillars. Our airport is often mentioned as an example for other airports in the region and sets the tone in new discussions about sustainable aviation.

***Q: How are we partnering up to transition to a more sustainable and inclusive airport model?***

Internally, we advocate a “one company feeling” and working together. This also applies to our external airport partners. Passengers expect a smooth and seamless passenger flow. Only a strong collaboration amongst airport service partners and stakeholders can guarantee a smooth airport operation to travelers. Our belief in collaboration goes even further than our own airport premises. We are proud to play a prominent role in the Dutch Caribbean Cooperation of Airports (“DCCA”) and sharing our knowledge to make the airports better and realize our ambition of a more affordable, efficient and sustainable interisland connectivity. Airport business is stakeholder business. AAA sees stakeholders as its partners in creating the best possible airport experience for airlines and travelers.

# Foreword

## Statement from the BOSD

As Chairman of the Board of Supervisory Directors of the Aruba Airport Authority N.V., I am pleased to reflect on the remarkable accomplishments of 2023. Despite facing numerous challenges, we were able to achieve significant milestones that have positioned our airport as a world-class facility.

Overall, 2023 was a year of exceptional triumphs and achievements for the Aruba Airport Authority N.V. We extend our gratitude to the outstanding individuals who form our dedicated team. Their unwavering expertise, dedication, and hard work made these accomplishments possible. With a strong foundation now established, we are poised for an even brighter future, where exceptional passenger experiences and environmental responsibility will continue to be our top priorities.

**Gerald Tsu**  
Chairman Board of  
Supervisory Directors



### **Q: How does the Board of Supervisory Directors characterize the year 2023?**

Our commitment to transparency, accountability, and the best interests of the Aruba Airport Authority N.V. has guided our actions throughout the year. The Gateway 2030 project, which aims to transform our airport into a state-of-the-art facility capable of meeting future demands, continued to progress. Through expansions, modernization efforts, and technological advancements, we have enhanced the overall passenger experience and ensured that our airport is ready to serve the needs of Aruba for many years to come.

Sustainability has always been at the heart of our operations, and in 2023, we continued to prioritize our environmental initiatives with even greater fervor. Once again, we obtained our Green Globe Certification, demonstrating our unwavering commitment to reducing our ecological footprint and promoting environmentally friendly practices.

Furthermore, we take pride in celebrating Aruba's 100 years of aviation history in 2023. In forging strategic alliances with other Dutch Caribbean airports, facilitated by the Dutch Caribbean Cooperation of Airports organization, we have paved the way for the future of the aviation sector in the region.

### **Q: How has the Board of Supervisory Directors ensured effective governance, including oversight of management, risk management and compliance with regulations and ethical standards?**

By actively monitoring management, we fulfill our oversight responsibilities, ensuring that risks are managed effectively, regulatory requirements are complied with, and ethical standards are upheld. It enables us to provide guidance and support to management when needed, promoting effective and responsible governance throughout the organization.

### **Q: What are key achievements and challenges in the Board of Supervisory Directors' oversight?**

The Board of Supervisory Directors is essential in determining the organization's overarching strategic direction and ensuring that it is performed. We aid the organization in achieving its objectives by actively monitoring the organization's management and offering advice where appropriate.

### **Q: How does the Board of Supervisory Directors ensure alignment with Shareholder interests?**

Open and transparent channels of communication with the shareholder are maintained by us.





This requires providing accurate updates on the organization's performance, finances, and strategic goals in addition to considering shareholder's concerns and expectations, which must be in line with the organization's overarching objectives.

***Q: What is the Board of Supervisory Directors' view on sustainability?***

We recognize the importance of sustainability and its impact on the organization's long-term success. With the understanding that sustainability encompasses environmental, social, and governance considerations, we are committed to integrating sustainable practices into AAA's operations. By aligning with the organization's vision, core purpose and values, we acknowledge that sustainability efforts not only contribute to the betterment of society and the environment but also have the potential to drive long-term value creation and resilience.

***Q: How does the Board of Supervisory Directors promote diversity, independence, and board effectiveness?***

Our commitment to diversity, independence, and board effectiveness is reflected in our proactive approach to seeking diverse perspectives, maintaining independence among our members, establishing effective committee structures, and engaging in succession planning. These practices contribute to strong governance, strategic decision-making, and long-term organizational success.

## Dedication to 100 Years Aviation in Aruba

We celebrated a century of Aruba Aviation in August of 2023.

From an unscheduled water landing in Paardenbaai in 1923 to one of the most visited destinations in the Caribbean.



### 1923

On August 18, 1923 two US Navy Curtiss H-16 long-range maritime patrol flying boats landed for the first time in the Paardenbaai harbor of Oranjestad. The two aircraft operating out of the Coco Solo Naval Air Station in the Panama Canal Zone made an unscheduled water landing in Aruba.



### 1942

With its oil refinery, Aruba became strategically important for the US military air force in the Second World War. In 1942 this led to a separate terminal known as Dakota Airport.



### 2023

On August 18, 2023, the Minister of Finance & Culture, Mrs. Xiomara Maduro participated in the official unveiling of the Dakota Building and its designation as a Historical Monument for its role as one of Aruba's first airport terminal buildings. Together with Aruba Airport's CEO Mr. Joost Meijs the Minister placed the "Monumentenbureau" Seal onto the historic building that served as airport terminal from its opening in June 1942 till March 1950.

The 10-meter-tall bronze artwork weighing 4,000-kilogram is a gift to the Aruban community by AAA with contributions of the Government of Aruba, AHATA, ANSA, ATA, De Wit Stores N.V., Dufry Aruba N.V., and One Happy Bar N.V. The length of the artwork represents 10 decades of aviation history in Aruba, while the steel statue in the shape of a plane's tail refers to the future of flying and the bronze replica of the Curtiss-H16 airplane atop the structure brings salute to the historic first landing in Aruba, 100 years ago. The artwork was made by local artist Gilbert Senchi and was installed at the Linear Park near the location where the first official landing site was constructed in 1935. It was unveiled on August 18, 2023.

We commemorated the 100 years aviation in Aruba with additional activities and noteworthy events, detailed further in this Annual Report.



# 2023 in Retrospect

The past year was commemorative; insourcing FBO operations, celebrating 100 years of aviation, achieving a milestone in the GW2030 Ph1A project, embracing sustainability and surpassing 2019 passenger levels.

## Highlights

### 1st Quarter

- Spirit Airlines added 1 additional weekly service out of FLL
- Successful spin-and-win campaign to push spend in retail and F&B for Happiness Day
- ASQ quarterly survey resulted in an overall satisfaction score of 4.98 and an experience score of 4.85
- Welcoming His Majesty King Willem-Alexander, Queen Maxima and Princess Amalia at AIRB

### JET-TNCA Operations

As of January 1, 2023 the operation of the FBO General Aviation Terminal is successfully and safely operated by AAA's personnel. Our ambition is to grow this business model for AAA and create new diversified opportunities within our aviation business development.



### First Electric Apron Bus

First fully electric airport passenger transport E-Cobus was put into operation as part of the electrification of AAA's fleet program integrating with our sustainability strategy.



### British Airways Inaugural Flight

In March of 2023 British Airways initiated its service to AUA via ANU with a twice weekly operation, after 10+ years of negotiations and always in collaboration with ATA, AHATA and the Ministry of Tourism.



### 30% More Passengers

The first quarter of 2023 started off with an increase of 30% versus the same quarter in 2022. Load factors were also very satisfactory at 88% for all markets together during this 1st quarter.



## Highlights

### 2nd Quarter

- JetBlue restarted its EWR service with 1 flight a week
- Wingo added additional flights out of BOG and MDE for the summer season
- ASQ quarterly survey resulted in an overall satisfaction score of 4.50 and an experience score of 4.14

### 103% Recovery in passenger traffic vs 2019

2023 started with a continued strong demand after a successful 2022. We served over 25 airlines, operating more than 11,000 flights out of Aruba, and connecting Aruba to over 30 different destinations, with strong growth in Aruba's key source markets North America and Latin America.



### 1st AUA Airport Runway Run 2023

Wings of Hope successfully organized in collaboration with AAA's branding team, the 1st AUA Airport Runway Run with a total of 100 runners to raise funds for Stichting Kinderhuis Imeldahof and Luna Foundation. These charities were selected by AAA employees, in light of the 100 years of Aruba Aviation celebration.



### Milestone Gateway Phase 1A

The handover of the Baggage Hall Building by ABC Project Venture to Beumer Group is a key milestone in the GW2030 Phase 1A project which took place on May 29, 2023. This enabled the Beumer Group to start installing the baggage handling system in the building made up of 10,000+ square meters of flooring.



### 15% more Passengers

The second quarter of 2023 continued the growth trend with an increase of 15% versus the same quarter in 2022. Load factors were also very satisfactory at 87% for all markets together during this 2nd quarter.

## Highlights

### 3rd Quarter

- We were saddened by the sudden loss of our beloved colleague and Apron Controller Mr. Joy Lacle on July 23, 2023
- Avianca and Copa increased weekly flight operations
- Wingo commenced flights to CLO
- ASQ quarterly survey resulted in an overall satisfaction score of 4.25 and an experience score of 4.09
- Culmination of 100 years of Aruba Aviation celebratory events in August 2023
- Aerodrome Certificate issued on September 15, 2023 by Minister of Transport, Integrity, Nature and Senior Affairs after having been audited by DCAA in August 2023

### Commemorative Coin Minted in Aruba

A limited silver commemorative coin for 100 years of Aviation Aruba was historically minted by the Minister of Finance and Culture of Aruba, Mrs. Mr. Xiomara J. Maduro while carefully supervised in the presence of the Royal Dutch Mint and the Central Bank of Aruba. The obverse of the coin features a map of Oranjestad, with a US Navy Curtiss H-16 aircraft in the foreground, the aircraft that first landed in Paardenbaai in 1923. On the reverse of the coin is the coat of arms of Aruba and on the left is the Aruban flag in color.



### 11% more Passengers

The third quarter of 2023 once again ended with a double-digit growth in passenger numbers with 11% versus the same quarter in 2022. Load factors were extremely satisfactory at an average of 91% for the 3rd quarter of 2023.



### Aviation Expo

In light of the 100 years of Aruba Aviation celebration many activities were organized for employees, the airport community as well as for the public in general in Aruba. An Aviation Expo was organized where the public could enjoy a variation of aircraft up close as well as expositions within the hangar on the Southside of the airport.

### ACI LAC Airport Day 2023

ACI LAC Airport Day 2023 was held for the 1st time in Aruba and hosted 100 attendees, both local and international, with an emphasis on discussing future innovations, developments, and sustainable initiatives for airports, especially in the Caribbean region.

### Green Globe Recertification

Aruba Airport proudly received its 2nd Green Globe certification including 56 criteria that emphasize sustainable management, social-economic considerations, cultural heritage, and environmental practices.





## Highlights

### 4th Quarter

- 2nd DCCA convention “A Flight to the Future” was held in November 2023 in Curacao where the Joint Strategic Plan was delivered
- AAA was selected by the Minister for Integrity, Nature, Transport and Care for the Elderly, Mr. Ursell Arends to lead a workshop on Integrity & Corporations during the Integrity Week in December 2023 (theme: follow your moral compass) as a “Top Integriteit Handhavende Organisatie” in Aruba
- Air Century commenced operations of its Punta Cana flight out of AUA on December 22, 2023
- ASQ quarterly survey resulted in an overall satisfaction score of 4.50 and an experience score of 4.32

### LATAM Airlines starts operations LIM-AUA

On the 2nd of December LATAM Airlines started its 2 weekly operations out of Lima, Peru to Aruba and was duly celebrated with an inaugural event. Aruba Airport now serves 3 important hubs in Latin America – BOG, PTY and LIM – connecting Aruba even better and further into the deep South of Latin America and Brasil.



### 7% more Passengers

The fourth and final quarter of 2023 ended with a considerable growth in passenger numbers with 7% versus the same quarter in 2022. Load factors were satisfactory at an average of 82% for the 4th quarter of 2023.



### Main Apron Rehab Program Completed

On October 11, 2023, the aprons 7 & 8 were handed over to operations. This marks the completion of the Apron Stands Rehabilitation program. From 2014 to 2023 all apron and PBB's were rehabilitated and the Fuel Hydrant System is now connected linearly to the underground fuel chamber.

### World Soil Day Celebrated

On December 5, 2023 AAA celebrated World Soil Day (SDG 15) by organizing a special workshop of Gardening with native plants for AAA employees. At the end of the workshop, employees received a gift voucher to obtain a plant to take home.



















### 5th Security Lane

Two e-gates were relocated from the Non-US side to the US side to increase the processing capacity and flow inside the terminal. Furthermore, a 5th security lane with new screening technology was added to the central security screening point in the terminal.



# 2023 in Retrospect

Performance Highlights, Key Trends & Developments based on our 4 Strategic Pillars

ORGANIZATIONAL & PEOPLE DEVELOPMENT	QUALITY OF SERVICE	INNOVATION & NEW OPPORTUNITIES	SUSTAINABILITY & SOCIAL RESPONSIBILITY															
<div></div> <div><b>Employees</b> Headcount: 238 (2022: 206) FTE's: 236.95 (2022: 205.7)</div>	<div></div> <div><b>Total Passengers</b> 2,888,695 (2022: 2,570,108) <b>TOTAL RGP:</b> 1,372,498 (2022: 1,212,726)</div>	<div></div> <div><b>45+</b> Different destinations with non-stop service from AUA. 5 new Destinations &amp; 2 new Airlines in 2023</div>	<div></div> <div><b>Ecological Footprint</b> Waste p/TOTAL RGP*: 0.57 Kg (2022: 0.58 Kg) Water p/TOTAL RGP: 0.07 m3 (2022: 0.08 m3) Electricity p/TOTAL RGP: 10.09 kWh (2022: 10.07 kWh)</div>															
<div></div> <div><b>Employee Engagement Ratios</b> Gallup Survey Score: 3.82 (2022: 3.81) Participation in Strategic Sessions: 95% (Target 2023: 95%)</div>	<div></div> <div><b>Aircraft Movements</b> 29,080 (2022: 28,586) <b>FBO:</b> 3,074 (2022: 3,442)</div>	<div></div> <div><b>JET-TNCA</b> 185+ Partners Pilot Project(s): - Pilot VIP Concierge Concession - Exploration of Advertisement Opportunities</div>	<div></div> <div><b>Sustainability Accreditations</b> </div>															
<div></div> <div><b>Financials</b> EBITDA AWG 90.1 MM (2022: 78.7 MM) <b>OPEX to Rev. Ratio:</b> 50.7% (2022: 49.1%)</div>	<div></div> <div><b>Passenger Experience</b> Satisfaction Rate: 4.50/5.00 (2022: 3.97) Experience Rate: 4.32/5.00 (2022: 3.79)</div>	<div></div> <div><b>Gateway 2030 Program</b> Physical Progress: 78.1% (GW 2030 PH1A Terminal Expansion &amp; Baggage Handling System)</div>	<div></div> <div><b>Total Donations</b> AWG 358.7K of which 40% was for combating hunger in Aruba (SDG#2)</div>															
<div></div> <div><b>Lenders Ratios</b> <div><div>(min. 40)</div><div><div>57.4</div><div>Equity Ratio</div></div></div><div><div>(max.6)</div><div><div>2.24</div><div>Debt to EBITDA Ratio</div></div></div><div><div>(min. 1.30)</div><div><div>4.05</div><div>DSCR</div></div></div></div>	<div></div> <div><b>Commercial Outlets</b> 18 Retail Spend: AWG 41.31 p/RGP* (+2% vs. 2022) 29 F&amp;B Spend: AWG 26.03 p/RGP* (+6% vs. 2022) <small>* Commercial RGP excl. FBO</small></div>	<div></div> <div><b>Professional Development</b> AWG 1.40 MM + <b>AVG p/FTE</b> AWG 5.9 K (Conferences, Training, Conventions, and Travel)</div>	<div></div> <div><b>Gender Diversity</b><table><tr><td></td><td>♂</td><td>♀</td></tr><tr><td>BOSD</td><td>100%</td><td>0%</td></tr><tr><td>LT</td><td>43%</td><td>57%</td></tr><tr><td>AAA</td><td>59%</td><td>41%</td></tr><tr><td>Badge Holders</td><td>60%</td><td>40%</td></tr></table></div>		♂	♀	BOSD	100%	0%	LT	43%	57%	AAA	59%	41%	Badge Holders	60%	40%
	♂	♀																
BOSD	100%	0%																
LT	43%	57%																
AAA	59%	41%																
Badge Holders	60%	40%																

# The Big Picture

We are AAA



Since 1997 AAA is the aerodrome operator of the Aeropuerto Internacional Reina Beatrix ("AIRB") ('Queen Beatrix International Airport'), Aruba's sole airport, on behalf of the Country of Aruba, in accordance with the State Decree Aerodromes ('Landsbesluit luchtvaartterreinen 2023') for the use of civil and military air transport. We do this in close collaboration with all airport partners and key stakeholders in accordance with several prevailing local and international laws governing the air transport industry.

While AAA is entrusted as aerodrome operator with the operational safety and security, management, development and maintenance of the airport, we also fulfill 3 other roles towards our stakeholders in order to successfully deliver upon our core purpose and vision, and to host a wide variety of airport users.

As developer, our service, airport infrastructure and equipment must at all times be experienced by passengers and airlines as up to par, modern and well maintained.

Since 2004 AAA entered in a Strategic Co-operation agreement with the Royal Schiphol Group with a focus on providing certain technical consulting services, sharing intellectual property (expertise and know-how), and providing for the function of Chief Executive Officer to also train local talent within AAA to eventually assume this position and to occupy other senior management positions within AAA.

Furthermore, since 2022 a Memorandum of Understanding was signed by the Dutch Caribbean airports, the respective governments and The Netherlands to collaborate on efficient, affordable and sustainable inter-island connectivity while also promoting electric flying which requires a lot of thought leadership in the coming years.

In 2023 a task force was installed to work on a plan on how to transform this ambition into reality. The plan was presented during the 2nd edition of the convention "A Flight to the Future" hosted by DCCA on Curaçao.

## Our Roles



HOST



DEVELOPER



OPERATOR



THOUGHT  
LEADER

# The Big Picture

## AAA Airport Ecosystem

AAA operates the airport in close collaboration with all airport partners and key stakeholders, which - together with the infrastructure and services - form the airport ecosystem. These airport partners and key stakeholders work together to optimize airport operations and enhance airport experiences.

AAA is regulated and supervised by the Department of Civil Aviation of Aruba ("DCAA") in accordance with the Aviation Act ('Luchtvaartverordening AB1989 no. GT58') and the Concession Decree ('Landsbesluit DWJZ/No. 476/18 No. 65') and any other directives or technical standards issued to ensure the safety and security of airport operations. We are audited by DCAA based on the AUA-AGA which came into effect on September 1, 2023. The Inspectorate of Safety, Maritime and Air Transportation ("IBSL") regularly conducts security inspections.

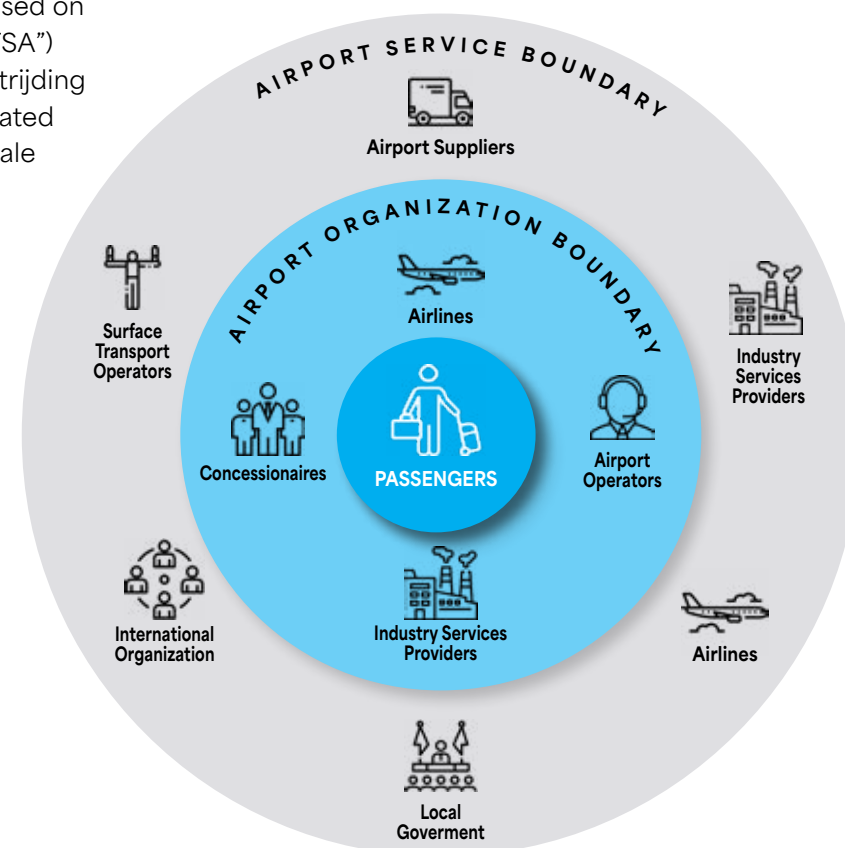
Air traffic control services are performed by Air Navigation Services Aruba N.V. ("ANSA") whose responsibility is to coordinate the Aruban airspace and the take-offs, landings and taxiing of aircraft at AIRB, and to hand over the safe movement of aircraft on the apron to our airport apron unit management personnel and vice versa. The airport fire rescue services are provided by the Fire Rescue Department of Aruba and is based adjacent to the airport premises in order to comply with the ICAO requirements for airport fire rescue services. Other governmental authorities present at our airport are the Immigration Department of Aruba IA (Immigrashon Aruba), Aruba Customs Department

("Departamento di Aduana"), Border Police ("Grenspolitie"), Veiligheidsdienst Aruba ("VDA"), and METEO.

US CBP Preclearance operations have been part of Aruba Airport's history dating back to 1987. In 1994 a Treaty was signed between the Netherlands (in respect of Aruba) and the USA which established the presence of the United States of America's Customs and Border Protection ("US CBP") to conduct inspections for entry into the USA of passengers and crew destined nonstop to the USA in flight of aircraft in order to facilitate travel between Aruba and USA. For these purposes, we also must comply with and are audited based on Transportation Security Administration ("TSA") regulations. With the Bureau Rampenbestrijding Aruba ("BRA") crisis situations are coordinated and during the year either table top full scale emergency exercises, or other type of simulation exercises are performed in the various types of clusters in collaboration with DCAA.

AAA has contracted several business partners to operate a wide range of airport operations related passenger and baggage handling processes and amenities to serve the passengers, such as f.e. retail, F&B, car-rental, ground handling and catering operators. In addition, we also work with transportation providers to provide convenient access for passengers to arrive at or depart from the airport. Both the landside and airside facilities and amenities cover the entire passenger journey. As host we all facilitate this passenger journey where the airport's experience is the first and last impression of our passengers in Aruba.

The AAA airport ecosystem is visualized with a distinction made between stakeholders within the airport organizational boundary and stakeholders outside the direct organizational boundary.





# The Big Picture

## How AAA creates value

In 2023 a first baseline of AAA's value creation model was developed and will be further fine-tuned in 2024 as this model will evolve in response to changes in AAA's internal and external environment. With this initial value creation model we show how AAA creates value for both the organization and its stakeholders. It is founded on integrated thinking which demonstrates how AAA's Corporate Strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

The operating environment, risks, and opportunities as well as feedback from our employees and Board of Supervisory Directors were taken into consideration in developing our business strategies and action plans towards achieving overall long-term goals, objectives, and value creation.

Sustainability is embedded in our business as driven by our Aspiration 2030 & Corporate Strategy and guided by our Sustainability Policy, which is aligned with the United Nations Sustainable Development Goals (SDGs). Aruba has pledged to support Agenda 2030 and the UN SDGs. With Sustainability as our guiding principle and the UN SDG's, AAA takes on an exciting journey towards becoming more a socially-responsible company. Our Corporate Social Responsibility reports on our website provide an overview of all activities, projects and achievements in this area since 2021.

Our initial value creation model gathers input from six capital sources which form the basis of integrated reporting in addition to our Corporate Strategy, and is transformed through business activities and interactions which in turn produce outputs and outcomes which will over time ensure the achievement of our Aspiration 2030 and deliver our Corporate Strategy to create value for our key stakeholders.

### FINANCIAL

Financial capital is a vital source in funding our operations and development. We could obtain financial capital from three main sources, namely: equity, debt and operating cash flow generated from our business activities.

### INTELLECTUAL

Our experience and reputation has led to our thought leadership capabilities which we share with regional and international airport companies to collaborate on sustainability efforts, development and management.

### SOCIAL

We maintain strong, trustworthy relationships with our stakeholders such as governmental bodies, regulators, airport community and others through continuous engagement to deliver value to the economy and society surrounding us.

### INFRASTRUCTURE

We incur capital expenditure in infrastructure investment for the maintenance and upgrade of our airport to ensure authentic and pleasant services are delivered to our passengers and customers.

### HUMAN

Our employees are the main drivers of our success. We are developing a highly engaged team by focusing on their professional development and continuous employee engagement while ensuring their well being.











### NATURAL

We manage our environmental impact through our sustainability policy which ensures our sustainable aspirations comply with environmental legislation and follow good sustainability practices and standards.



# The Big Picture

## How AAA creates value

CAPITAL INPUT	STRATEGIC FOUNDATION		OUTPUT		OUTCOME IMPACT	
	ASPIRATION 2030	STRATEGIC PILLARS	PRIORITY KPI'S	MATERIAL ASPECTS		
FINANCIAL	<b>VISION</b> To become one of the most Sustainable, Safe and Future Proof Airports of the Latin American & Caribbean region, providing a trusted workplace, modern airport facilities and excellent customer service which reflects Aruban hospitality, contributing to a prosperous future for Aruba.	ORGANIZATIONAL & PEOPLE DEVELOPMENT	<ul style="list-style-type: none"> <li>Employee Engagement Score</li> <li>Sick-Leave</li> <li>Turnover Rate</li> <li>Gender Composition</li> <li>Age Composition</li> <li>Workplace Accidents</li> <li>Training Certifications</li> <li>EBITDA development</li> <li>Cost to Revenue Ratio</li> </ul>	<ul style="list-style-type: none"> <li>Employee Engagement</li> <li>Demographics</li> <li>Employee Growth &amp; Development</li> <li>Talent &amp; Leadership Development</li> <li>Productivity &amp; Performance Management</li> <li>Succession Planning</li> </ul>	<ul style="list-style-type: none"> <li>Highly Engaged Workforce</li> <li>Retention of Employees</li> <li>Talent Management</li> <li>Safe Workplace</li> <li>Profitability</li> </ul>	<b>AAA COMMITS TO ALL 17 UN SDG'S</b> 
	<b>CORE PURPOSE</b> We facilitate a diverse air service network, a varied choice of commercial services and pleasant airport experiences through sustainable, safe, secure and reliable airport operations & facilities for all airport users.					
SOCIAL	<b>KEY ENABLERS</b> Innovation, Continuous Improvement & Agile Ways of Working People & Safety driven Culture Close Collaboration within AAA and with our airport partners & stakeholders Strategic Cooperation with Royal Schiphol Group	QUALITY OF SERVICE	<ul style="list-style-type: none"> <li>On Time Performance</li> <li>ASQ Results</li> <li>Stakeholder Customer/Airline Satisfaction Survey</li> <li>Complaint &amp; Feedback Processing Times</li> </ul>	<ul style="list-style-type: none"> <li>Airport Capacity</li> <li>Passenger Experience</li> <li>Safe Travel</li> <li>Airport Community Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Safety &amp; Security</li> <li>Seamless Passenger Journey</li> <li>Customer Loyalty</li> <li>Competitive Airport Edge</li> <li>Brand Recognition</li> <li>Queue &amp; Wait Times Reduction</li> </ul>	<b>WINGS OF HOPE FOCUSED IN 2023 ON</b> 
	 SUSTAINABLE AVIATION  SUSTAINABLE AIRPORT OPERATIONS  SUSTAINABLE COMMUNITY					
INFRASTRUCTURE		INNOVATION & NEW OPPORTUNITIES	<ul style="list-style-type: none"> <li>DCCA Roadmap Progress</li> <li>Reduction of Paper Purchase (Digitalization)</li> <li>Measurement of Cyber Attacks</li> </ul>	<ul style="list-style-type: none"> <li>Network of Destinations</li> <li>Efficiency &amp; Improvement in Business Operations</li> <li>Cyber Security and Data Protection</li> <li>IT Masterplan Roadmap</li> <li>Airport Masterplan</li> <li>Green Design and Construction</li> </ul>	<ul style="list-style-type: none"> <li>Greater differentiation (services, workplace processes)</li> <li>Creating affordable inter-island connectivity</li> <li>Reduction in costs</li> <li>Completion GW2030 program</li> <li>Increased connectivity between Dutch Caribbean islands</li> <li>Innovation Investment ROI</li> </ul>	<b>WINGS OF HOPE FOCUSED IN 2023 ON</b> 
INTELLECTUAL	 HOST  DEVELOPER  OPERATOR  THOUGHT LEADER					
HUMAN	<b>OUR BUSINESS SERVICES</b> AERONAUTICAL SERVICES   NON AERONAUTICAL SERVICES   FBO SERVICES	SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY	<ul style="list-style-type: none"> <li>Achieved Sustainability Certifications</li> <li>Reduction of Energy, Water, and Waste</li> <li>Pilot Projects</li> <li>Social Responsibility Projects</li> <li>Business Travel Emissions</li> <li>Donations</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Aviation</li> <li>Sustainable Community</li> <li>Awareness on Circular Economy</li> <li>Water, Energy, Waste Management</li> <li>Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Reduction In Cost</li> <li>Co2 Reduction</li> <li>% Power From Sustainable Energy</li> </ul>	





# Strategic Report





# Our Aspiration 2030

## And Corporate Strategy explained

We have developed and launched our Multi-Annual Corporate Strategy 2022-2026 in 2021 with broad involvement of our employees, where a clear ambition and direction towards 2030 was articulated.

At that time, whilst we were recovering from the COVID crisis, it was the right moment to reflect on the future of our airport and our contribution to enhance Aruba's increased efforts to develop a sustainable destination. It helps us each day to remain focused and it aligns our management attention, decisions, energy, resources, and time towards our common aspiration.

We can only be successful with the right organizational resources in place; with engaged, dedicated and skilled employees and a collaborative culture where our empowered employees are encouraged to participate, innovate and build our future together in a trusted, safe and sustainable workplace.

Together we create pleasant and authentic airport experiences!

The strategic report provides a comprehensive and forward-looking overview of how we created value in 2023 and serves as context for the financial statements and stakeholder communications. It tells our strategic story and what we aim to achieve, and it presents our financial and non-financial performance in 2023.

This performance is a direct outcome of a successful implementation of our strategic initiatives, all while addressing:

- the main trends and factors which affect our current and future performance, position and development.
- which significant risks hampered our operations and how these were mitigated, and which opportunities arose.
- and our position at the end of 2023 with an outlook for 2024.

## Our Strategic Framework

Our Multi-Annual Corporate Strategy 2022-2026 is founded on a holistic, integrated and inclusive strategic framework:



### OUR ASPIRATION • WHERE TO, WHY and for WHOM

Our Aspiration 2030 is our outlook towards 2030 through five main components: our vision, our core purpose, our roles, our dream company and our core values.



### Our CORPORATE STRATEGY • WHAT and HOW

Our Corporate Strategy 2022-2026 is our plan to achieve our Aspiration 2030. It shows how we want to move towards our Aspiration 2030 by focusing on 4 strategic pillars with 16 underlying strategic goals. Each strategic goal is implemented through a set of key tactics. A selection of Key Performance Indicators is in development and will be used to measure our joint success.



### Our IMPLEMENTATION STRATEGY • HOW and WHEN

Our Implementation Strategy and Road Map 2022-2026 serve as the guiding waypoints leading us to our ultimate destination: how we make a phased transition towards becoming one of the most Sustainable, Safe and Future Proof Airports of the Latin American & Caribbean region, providing a trusted workplace, modern airport facilities and excellent customer service which reflect Aruban hospitality and contributes to a prosperous future for Aruba.

- We aim to be one of the most Sustainable (social responsibility, economic development, environmental stewardship), Safe and Future Proof airports of the Latin American & Caribbean region, championing a sustainable and future oriented airport community in Aruba.

- We strive to create sustained value for our passengers, airlines, customers, employees, community and Aruba as a whole, and are fully committed to make impactful economic, social and environmental contributions.
- We lead by example and embrace the UN SDGs in our everyday decision making, with special attention to our future generations.
- We aim to contribute to all 17 SDGs by 2030. Each year, AAA will identify at least three SDG goals and will focus on implementing projects that will contribute positively to these goals.

- Furthermore, we aim to minimize our carbon footprint through sustainable airport processes and facilities and by actively championing sustainability to our airport community and service providers.
- We have identified three sustainability themes in support of our Aspiration: sustainable aviation, sustainable airport operations, and a sustainable community.

## THE AIRPORT COMPANY

### VISION

To become one of the most **SUSTAINABLE**, **SAFE**, and **FUTURE PROOF** Airports of the Latin America & Caribbean region, providing a trusted workplace, modern airport facilities, and excellent customer service which reflects Aruban hospitality, contributing to a prosperous future for Aruba.

### CORE VALUES

**SUSTAINABILITY, HONESTY, INTEGRITY  
NIMBLE AND ENGAGED**

### ROLES

- HOST**
- DEVELOPER**
- OPERATOR**
- THOUGHT LEADER**

### PURPOSE

We facilitate a diverse air service network, a varied choice of commercial services, and pleasant airport experiences through sustainable, safe, secure and reliable airport operations & facilities for all airport users.

We do this in close collaboration with all airport partners and key stakeholders.

### DREAM COMPANY

We are building a solid company, based on the principle of trust:  
Where we feel inspired, engaged, safe and respected  
Where innovation is a common practice.  
Where long-term focus wins from short-term gains  
Where we collaborate as a team and create partnerships to add value to the Aruban community.  
A company of which we can be proud of!

# Our Aspiration 2030

## And Corporate Strategy explained

3 sustainability themes explained with AAA's Sustainability Policy



### SUSTAINABLE AVIATION

#### **Integrate Sustainability in Aviation Value Chain**

With AAA's partners within the Dutch Caribbean Cooperation of Airports (DCCA) as well as other stakeholders, Airlines and Civil Aviation Authorities, AAA aims to achieve more affordable (lower one-way ticket air fare between ABC and between SSS islands), reliable (SDG 1, 2, 11) and greener (SDG 7) aviation within the Dutch Caribbean region by 2030.

AAA is committed to reach this goal in a step-by-step approach, by first simplifying travel between the islands through the use of technology and dedicated processing areas for the passengers, and making it more affordable for the island communities through an adapted pricing structure, by incentivizing the use of Sustainable Aviation Fuel (SAF), incentivizing use of fuel efficient aircraft, and lowering the use of fossil fuel, and at a later stage, making way for alternative, non-fossil fuel options (electric or other green options).



### SUSTAINABLE AIRPORT OPERATIONS

#### **Exemplary in Sustainability**

AAA aims to have all ground equipment run on green, non-fossil fuel energy (SDG 7) by 2030. AAA will gradually phase out its own equipment with green equipment and will first incentivize and at a later stage require all ground handlers and airlines to do the same.

Together with stakeholders, AAA will work on separation and reduction of waste by at least 3% per departing passenger compared to 2019 (SDG 12), reuse of wastewater (SDG 14) and lowering of power consumption (SDG 12, 13).

The Airport aims to reduce its power consumption by at least 5% per departing passenger compared to 2019 and its water consumption by at least 2% per departing passenger compared to 2019 by 2030 (SDG7).



### SUSTAINABLE COMMUNITY

#### **Sustainability in Living Environment**

AAA is committed to contribute positively to the UN SDGs and to work with other stakeholders on concrete actions to achieve positive change in the community.









# Our Aspiration 2030

## And Corporate Strategy explained

### Our Strategic Choices for 2022-2026

We haven taken an important first step towards our Aspiration 2030, by focusing on 4 strategic pillars with 16 underlying strategic goals.

 <b>I. ORGANIZATIONAL &amp; PEOPLE DEVELOPMENT</b>	 <b>II. QUALITY OF SERVICE</b>	 <b>III. INNOVATION &amp; NEW OPPORTUNITIES</b>	 <b>IV. SUSTAINABILITY &amp; SOCIAL RESPONSIBILITY</b>
<p>We believe that the success of the company depends on every single staff member and how we cooperate as a team.</p> <p>We will further develop our organization in terms of leadership, culture, business processes, competencies, digitization and ways of working to develop our “dream company”.</p> <p>Providing a safe work environment and development opportunities for our employees are key.</p>	<p>We believe that maintaining the optimal level of safety and compliancy to rules and regulations at our airport is our first responsibility and the foundation for further development.</p> <p>We aim to improve the experience of our passengers, airlines and other customers through continuous optimization of our quality of service and through keeping our airport infrastructure well maintained.</p> <p>We will improve the quality of our service in close collaboration with our partners of the airport community.</p>	<p>We need to constantly adjust ourselves to new trends and developments to stay ahead of the competition.</p> <p>Therefore, we must incorporate new structures, policies, processes, techniques and technologies quickly, without losing sight of risks, safety and opportunities.</p>	<p>We embrace the sustainable development goals in our every day decision making and lead the way.</p> <p>We aim for exemplary leadership in sustainability and social responsibility in Aruba and contribute to and play an active role in making the airport, the aviation industry and the society of Aruba more sustainable.</p>
<b>STRATEGIC GOAL 1.1</b> <b>Build a people driven AAA culture and safe workplace</b>	<b>STRATEGIC GOAL 2.1</b> <b>Build a strong safety awareness culture</b>	<b>STRATEGIC GOAL 3.1</b> <b>Enhance and broaden air service network</b>	<b>STRATEGIC GOAL 4.1</b> <b>Position AAA as the most sustainable airport of the LA &amp; Caribbean</b>
<b>STRATEGIC GOAL 1.2</b> <b>Strengthen learning capabilities and invest in leadership development</b>	<b>STRATEGIC GOAL 2.2</b> <b>Optimize the customer experience of our passengers</b>	<b>STRATEGIC GOAL 3.2</b> <b>Build future proof airport Facilities (Airside, landside)</b>	<b>STRATEGIC GOAL 4.2</b> <b>Contribute to and play a driving role in making aviation more sustainable</b>
<b>STRATEGIC GOAL 1.3</b> <b>Shorten decision cycles and increase execution speed of plans and projects</b>	<b>STRATEGIC GOAL 2.3</b> <b>Optimize the service to airport users &amp; community</b>	<b>STRATEGIC GOAL 3.3</b> <b>Develop airport as an attractive travel, shopping and leisure place to visit for locals, recreationists and travelers</b>	<b>STRATEGIC GOAL 4.3</b> <b>Lead the way and become an example on sustainability in Aruba</b>
<b>STRATEGIC GOAL 1.4</b> <b>Preferred employer</b>	<b>STRATEGIC GOAL 2.4</b> <b>Stimulate one company feeling</b>	<b>STRATEGIC GOAL 3.4</b> <b>Drive digital &amp; process transformation</b>	<b>STRATEGIC GOAL 4.4</b> <b>We do good</b>

# Our Aspiration 2030

## And Corporate Strategy explained

### Our guiding waypoints towards 2030

We believe in a gradual transition and visualize this with a clear implementation strategy and road map, based on 4 plateaus which allow us:

- to bring focus and clarity in prioritizing, planning and executing the strategic goals and tactics.
- to deploy the attention, people and resources where they are of greatest added value.
- to maintain sufficient flexibility to continuously recalibrate tactics, investments and intended results in response to dynamic environmental developments.

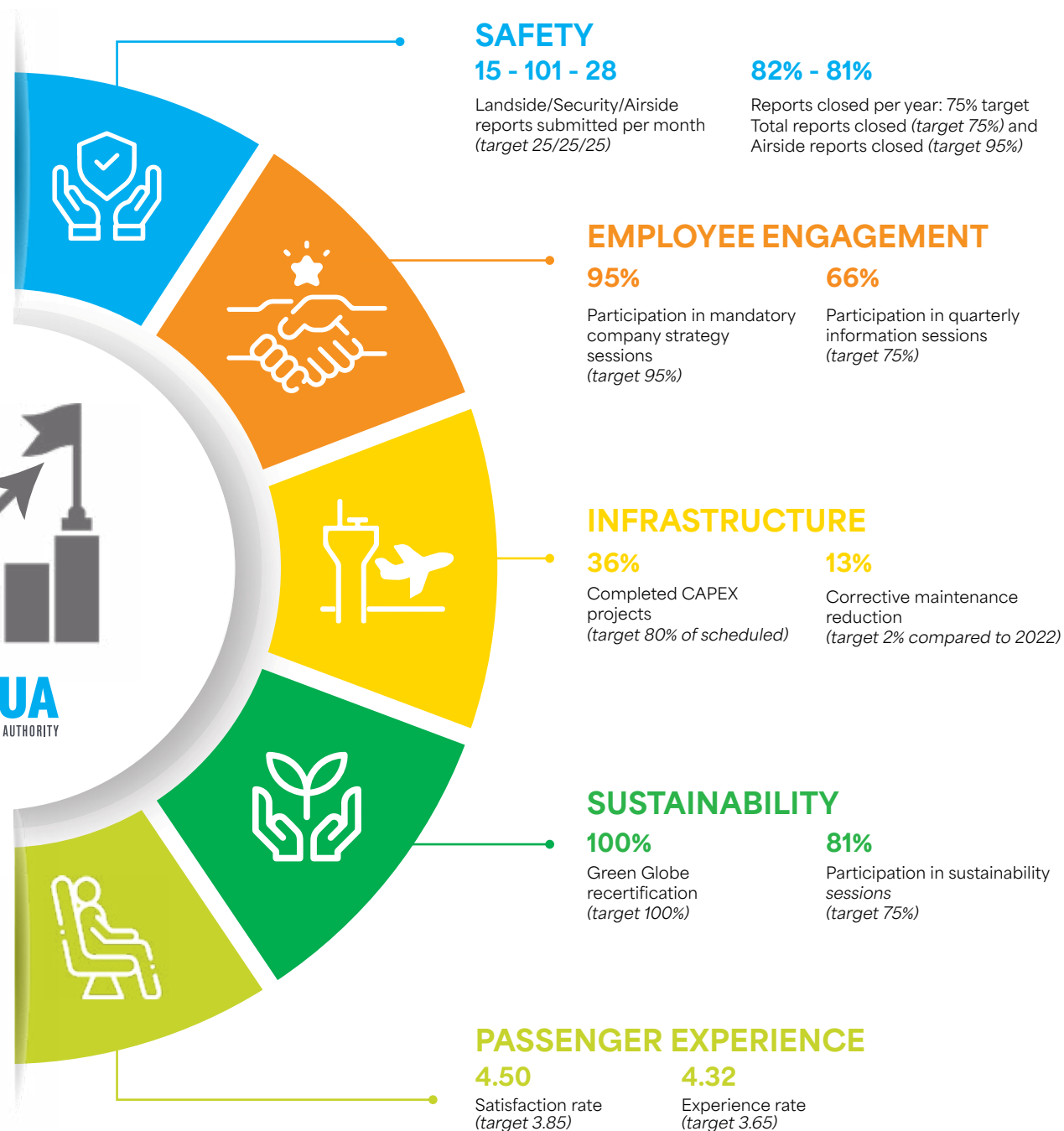


# Year in Review: Our Performance in 2023

## Overview of Performance on Company Goals 2023

In 2021 we introduced company goals which are company wide key priority areas based on a set of chosen tactics for the year. In 2023 the following 5 company goals linked to our strategic pillars and tactics were chosen, and our performance was communicated monthly to our employees.

The results at the end of the year are as follows:





# Year in Review: Our Performance in 2023

## Overview of Performance on Company Goals 2023

In 2023 we entered plateau 'Partner up & Create Impact' of our Implementation road map, in which we aim to make the transition to a more Sustainable and Inclusive Airport business model for enhanced Commercial and Customer Excellence. We continue to further improve our organizational and operational excellence, as this is the foundation for our stability.

A more detailed explanation of our 2023 Company Goals and our performance is as follows:

### II. QUALITY OF SERVICE



#### 1. Passenger Experience

As tourism is the main source of income for Aruba, we want to create at the airport a great first and last impression, so passengers remember Aruba in the best possible way and would want to come back. We have measured ourselves based on the quarterly ASQ survey results amongst departing passengers. On a quarterly basis we engage independent and trained surveyors to interview our departing passengers at the gate areas and ensure to complete the predefined surveys by ASQ which results are then processed and benchmarked against our targets as well as compared to other airports. Our target was to have a satisfaction rate of at least 3.85 and an experience rate of at least 3.65, both on a scale of 5.0. For 2023 we realized a satisfaction rate of 4.50 and an experience rate of 4.32 which far exceeded our targets.

#### 2. Safety reports submitted and Completed in our Safety Management System

While the passenger numbers are back at 2019 levels, the number of safety reports submitted in AAA's safety management system was lacking behind. For our airport certification purposes, the main priority was resolving airside safety related reports. While the security and airside reports submitted exceeded our targets, the landside reports did not meet the target, and the closing of reports also lagged, however all safety critical reports received immediate attention by our teams to ensure compliance.

### IV. SUSTAINABILITY & SOCIAL RESPONSIBILITY



#### 3. Sustainability Goal

This goal is to increase sustainability awareness at AAA and in the Airport community. We have put as goal to be recertified for Green Globe and to have at least 75% of AAA employees participate in quarterly sustainability sessions by measuring their attendance. In October 2023, the 2nd consecutive Green Globe Certification was achieved and there was at least 81% of attendance achieved during the varied quarterly sustainability sessions.

### I. ORGANIZATIONAL & PEOPLE DEVELOPMENT



#### 4. Employee Engagement

The building of a people driven company culture that is required to transform the company's culture into our "dream company" was measured via our employees' participation rate in strategic (95%) and information sessions (75%) of those eligible to attend (excluding sickness, vacation etc.). The target for the mandatory strategy sessions was achieved however not for the quarterly information sessions which was 66%.

### III. INNOVATION & NEW OPPORTUNITIES



#### 5. Infrastructure

To ensure future proof airport facilities for both today and tomorrow we will address new demands through a modular and scalable approach aimed at "just in time" renewal and capacity expansions. This includes maintenance aspects as well. From all the CAPEX projects a total of 18 projects were chosen to form 80% of capex projects that are scheduled to be executed and completed in 2023, and we also wanted to accomplish a reduction of 2% compared to 2022 in the amount of corrective maintenance activities in 2023. A total reduction of 13% was achieved in corrective maintenance however the CAPEX goal was not achieved, and these projects will be further executed and completed in 2024.

# Our Strategy in Action

## Performance against strategic goals

We maintain a strong focus on building a positive and safe workplace with proud, committed, engaged employees who are inspired and enabled by servant, democratic and transformational leadership on every level.

We aim to create our 'dream company' and positioning as 'employer of choice' by further developing our organization in terms of leadership, culture, business processes, competencies, digitization and ways of working.

Ensuring a flexible, agile and nimble, future-proof organization is a key enabler for AAA towards our Aspiration 2030. High priority is given to improve decision cycles and increase the execution speed of plans and projects at our airport, to meet current and future demand of the aviation industry and travelers.

### I. ORGANIZATIONAL & PEOPLE DEVELOPMENT



#### Roll-out of recalibration AAA Organizational Model

We have taken an important first step towards our Aspiration 2030, by focusing on 4 strategic pillars with 16 underlying strategic goals.

Given the rapid recovery and in alignment with our Corporate Strategy's new focal points, we have recalibrated our organizational structure in 2022 and executed the changes as of January 2023.

This structure is not set in stone, and as an agile, learning organization, we will persist in making essential enhancements and adjustments as needed to the organizational structure to improve effectiveness. In 2024, we will enhance alignment with the Corporate Strategy, incorporating a more process-oriented approach to foster increased collaboration among various segments of our organization and with our partners in the airport community.

#### AAA People Strategy & HR Service Delivery Model

The first plateau 'Engage and Shape for Success' is focused on shaping AAA to improve organizational and operational excellence and create a solid ground for sustainability and enhanced resilience, with sustainability as central element in our recovery and beyond. This will be done through strengthened organizational capabilities, leadership and employee development, alignment of employees and key stakeholders around AAA's Aspiration 2030 with attention for quick wins in critical capability areas that matter most.

People are center stage in the Multi-Annual Strategic Plan of AAA and require a more strategic focus from the HR function. To put this strategic focus into practical action, AAA desires to develop a clear and contemporary vision on people management and organizational development, as well as an aligned and actionable strategy and road map for these two management areas.

The tactics 'Further develop & rollout HR SLA' and 'Develop AAA People Strategy' have been combined in a new priority tactic 'Develop a AAA People Strategy & HR Service Delivery Model'.

This project has 4 phases:

1. HR Scan
2. People Strategy
3. HR Service Delivery Model
4. HR Implementation Road Map

This process started in August 2023 with the execution of an HR scan, followed by the development of the AAA People Strategy. In 2024 the People Strategy and the HR Service Delivery Model will be designed, and an implementation road map will be developed and rolled out.

AAA is dedicated to enhance the effectiveness and professionalism of the HR function. This involves strengthening our HR unit's capacity to act as both a strategic business partner and an efficient operational unit for delivering optimal HR services. This also involves the strengthening of the HR line management capabilities. This initiative is a testament to our dedication to excellence, growth, and a positive employee experience.

# Our Strategy in Action

## Performance against strategic goals

### I. ORGANIZATIONAL & PEOPLE DEVELOPMENT



#### Inspiration & Knowledge Exchange Program

To enable our tactic 'Create possibilities to explore other airports and become inspired' we have introduced AAA's Inspiration & Knowledge Exchange Program.

This program is designed to create learning and development opportunities for AAA employees. It includes visits to other airports within the Royal Schiphol Group and DCCA airports where employees can experience the way of working at those airports and spark new ideas for improvements. One of the shared ambitions behind this joint program is to eventually be able to have our own team members seconded to other airports. We continuously aim to inspire and stimulate our AAA team to think big and innovatively, to seek opportunities, to develop and collaborate with our partners.

This year a pilot group of our Security team visited the Netherlands, where they got to visit Eindhoven Airport, Rotterdam Airport, The Hague Airport and of course Schiphol Airport. During their site visits they received information and the opportunity to see firsthand how the body scanners and baggage handling system function as these projects will be going live next year at our airport, bringing many positive changes for our Security operations. This proved to be very insightful, and they could relay all these valuable insights with their colleagues, getting everyone ready for exciting changes ahead. They represented both AAA and

Aruba as they walked a total of 200 kilometers.

We also had one of our own, AAA's Airport Business Development Executive, attending the very first Royal Schiphol Group Academy. The Academy provides a platform to celebrate achievements, acknowledge the challenges and most importantly learn from one another. The insights shared are valuable to help shape the future of each respective airport operation.

Throughout this week-long training program, the primary focus revolved around the commercial aspects of airport operations. Key themes encompassed Digitization, Innovation, and Passenger Experience. There were also two insightful site visits to Schiphol and Eindhoven Airport, providing insights into passenger experience enhancement and commercial optimization.

This opportunity provided a platform for potential collaboration with like-minded peers from The Netherlands (Amsterdam, Rotterdam-The Hague, Eindhoven Airport), New York T4 JFK Airport, Indonesia (Angkasa Pura 1), Australia (Brisban and Hobart Airport) and South Korea (Incheon International Airport) engaging in lively exchanges of ideas and concepts within the dynamic of non-aeronautical activities, which plays a crucial role in shaping the future of seamless travel, bridging the airport, passengers, and the broader ecosystem of service providers.

Besides the mentioned colleagues, 6 other AAA employees, including 3 Leadership Team members (CRDC, DHRM and CDT) and Legal Advisor, have taken part of the Inspiration & Knowledge Exchange program in 2023 at the Schiphol Group airports in the Netherlands.





# Our Strategy in Action

## Performance against strategic goals

### I. ORGANIZATIONAL & PEOPLE DEVELOPMENT



#### Leadership Development Program for LTXL

At the beginning of May 2023, we had the kick-off of the Leadership Development journey for a group of new LTXL team members.

All AAA leaders have received the opportunity to be part of the Leadership Development Program. It is important to us that all AAA leaders be part of the leadership development program, so that we all speak the same language and head in the same direction, which is the process of transitioning and changing our leadership style.

#### 1. The Leadership program should help turn the AAA dream into reality...

- Contribute to move AAA away from a top-down approach to a more inclusive one
- Incorporate the company's vision, purpose, roles, values and dream in the whole leadership framework
- Build a people driven culture

#### 2. ...with transformational Leadership as the most important driver...

- Shape the Aspiration 2030 and Corporate Strategy, inspire the people and successfully embedding the values and behaviors for all employees
- Help leaders see the personal and organizational benefits of change
- The right solution requires higher levels of self-awareness and fosters a deep personal connection

#### 3. ...that propels the company to achieve strategic objectives and its people thrive...

- Creating high levels of engagement
- Connecting company purpose and employee's aspirations
- Upgrading the way we think and act towards the values and behaviors

#### 4. ...building a positive and safe workplace, with proud, committed, engaged employees.

- Creating high levels of engagement in employees
- Who are inspired by servant, democratic and transformational leadership
- Build capabilities to ensure engagement of experts and leaders to cascade the learnings throughout the organization.

We are aware and understand that our aspired dream company requires a different leadership approach. As leaders we will have to step back and see why we behave the way we do (becoming self-aware leaders) as it is no longer enough to be simply good at what you do...or even the best.

Leaders need to have a greater range of understanding, resilience, empathy, and ability to respond, which in turn enables us to adapt and lead across constantly changing situations.

As AAA leaders it is imperative that we accelerate our leadership effectiveness and develop the kind of creative, agile and innovative thinking needed to be able to adapt and lead across constantly changing situations in creative and innovative ways.

In 2024, the focus will be to design the aspired and ideal AAA leadership profile to further shape our leaders and build a people driven AAA culture. This leadership profile will be leading in the process of creating a curriculum for our LT and LTXL leaders, which has been embedded in AAA's Learning & Development strategy.

Furthermore, this AAA leadership profile will be a valuable tool for not only developing our leaders, internal career and succession planning, but also when hiring new talent in leadership positions.



# Our Strategy in Action

## Performance against strategic goals

### I. ORGANIZATIONAL & PEOPLE DEVELOPMENT



#### Digitalized and accessible personnel files of all AAA staff members

All personnel files have been digitized in AFAS, our ERP system. In 2024, our primary emphasis will be on transitioning to Paperless Personnel Files. Existing records will undergo digitization, eliminating the use of paper documentation going forward. New hires will initiate their employment with a digital personnel file by default. This way, all personnel files start off digitally as AAA steps away completely from paper personnel files.

#### Green Product Loan Initiative for employees

AAA has come to an agreement with Aruba Bank N.V. to grant employees of AAA a discounted interest rate for green product loans respectively for Hybrid/Electric Cars and Solar Panels. We hope that this initiative contributes to help our employees save fuel, money, and our environment by becoming more energy-efficient and sustainable on the long run.

#### Personalized & Digitized Onboarding

On September 27th AAA introduced monthly Orientation days to better onboard our new team members. Aside from meeting the CEO, their respective teams and understanding their tasks and responsibilities, orientation days were introduced for proper information exchange. Furthermore, as of September, AAA's recruitment and hiring process is completely digitized by means of an onboarding portal and automatic flows notifying other units.



*Our employees represented AUA airport in several sports in the annual Airport Slam organized by employees from the 6 Dutch Caribbean airports. In 2023 the Airport Slam took place in Sint Maarten.*

#### Employee Health & Well-Being

In 2022, the Health, Safety and Sustainability unit, in collaboration with the Human Resources unit, prepared a 'Health and Wellness Plan 2022-2023', which focused on promoting a healthy and balanced lifestyle by focusing on prevention and awareness through voluntary health screening, early/timely assistance to high-risk staff and overall health awareness sessions, focusing on healthy eating habits, exercise, self-care and other topics related to wellbeing. Achievements in 2023:

- Mindset Reset sessions
- Bike Advancement Program 2023
- HSS week 2023
- Health State-of-mind challenge

A main challenge was however that the Health State-of-mind challenge worked for a small group of employees.

In 2024, our objective is to minimize risks through the establishment of a health and wellness policy, with a particular emphasis on physical and mental well-being. This initiative aims to ensure equal opportunities for all employees to engage in activities that promote balance and well-being. Additionally, we will be preparing for compliance with ARBO legislation and OSHA standards.

#### Shorten decision cycles

In 2023 our teams equipped themselves with the knowledge on how to make processes lean and guide the changes by creating transparent dialogue by certifying themselves with the Lean Yellow and Green Belts competencies. In 2024 we will be identifying our core processes and with main improvement focus on the procurement process.

# Our Strategy in Action

## Performance against strategic goals

Our emphasis on Quality of Service as a strategic pillar underscores our unwavering commitment to an optimal level of safety and compliance to rules and regulations at our airport as our foremost responsibility.

We maintain a strong focus on operational performance, improving the passenger experience and investing in new and upgraded facilities.

We prioritize Safety in every aspect of our airport operations, in tandem with continuous improvement of the customer experience of our passengers and the quality of our service to our airport users.

We optimize airport operations and enhance the airport experiences in close collaboration with all airport partners and key stakeholders, which together with the infrastructure and services form the airport ecosystem.

### II. QUALITY OF SERVICE



#### Increase in passenger volumes and flight movements

In 2023 the revenue generating passengers increased from 1.2 million in 2022 to almost 1.4 million. In 2023 more than 2.8 million passengers travelled through our airport. We were able to manage peaks by creating partnerships and daily coordination with service providers such as airlines, ground handlers, Authorities and outsourced service providers together with the right focus of our internal teams including operations and security to ensure timely availability of manpower at strategic passenger processing points to be able to provide timely service using more technology such as E-gates. While the recovery in passengers developed faster than expected, the number of aircraft movements is still operating at lower levels compared to 2019 however with higher load factors. The average load factor in 2023 reached 86.9%. This is 1.6% up from the previous year and 2% more than before the crisis.

#### Operational flows and passengers experience

One of our main priorities is to continuously improve the passenger journey and experience. Due to the increased passenger volumes this resulted in some operational challenges in managing the departing and arriving passenger flows, but we managed to successfully improve passenger journeys, improve punctuality, and shorten queue times. Overall, most passengers who travelled through our airport in 2023 had a very good experience. In 2023 we achieved a very good satisfaction rating of 4.49 and an experience rating of 4.32 out of 5.00

(2022 respectively 3.97 and 3.79).

#### Towards a strong Safety Culture

Meeting customer demand from airlines and passengers and providing a pleasant and authentic airport experience while meeting safety standards is an ever-growing challenge. Safety is an integral part of our operations and remains our number-one priority. We keep focusing on raising safety awareness of all employees, partners and stakeholders in our airport community:

- a safe workplace linked to the workplace environment.
- safe infrastructure and facilities for airline customers and passengers from an aviation safety perspective.
- a safe place to be in from an aviation security perspective.

We therefore keep investing in our safety and security infrastructure and are working to develop a strong safety culture that unites our employees and our airport partners in a common objective. A key tactic in 2023 was concrete action and focus on lowering times needed to close airside safety related issues as submitted in the SMS system. Due to an increase in the safety reporting culture, there was a clear increase in the number of reports, which caused that there were more reports produced than we could close. We mitigated risks by handling priority items in bi-weekly meetings between Safety, Development & Technology and Operations teams. In 2024 we introduced a new software as the new Safety Management System for Aruba Airport encompassing all safety pillars and key focus areas such as risk management, safety assurance, promotion, and reporting.



# Our Strategy in Action

## Performance against strategic goals



Q1-23 SHINE nominees from left to right: Jean-Pierre Wouters, Judith Martinus, Jairzinho Theodora (winner Q1), Humphrey Wernet, Jovierre Loopstok



Q2-23 SHINE nominees from left to right: Christoph Herry, Marny van der Lee, Rodney Bernadina shown on cell-phone (winner Q2) whose prize was received by Marcus Steenken, Therens Albus, and Michael A. Willems.

### II. QUALITY OF SERVICE



#### ICAO Audit 2023

The goal was to renew our Aerodrome certification in August 2023. The audit by DCAA was completed in September 2023 and this resulted in DCAA c.q. the Minister of Transport, Integrity, Nature and Senior Affairs providing AAA with an Aerodrome Certification for a duration of twelve months.

A vast majority of the audit findings relate to maintenance of the Aerodrome, the implementation by DCAA of the AUA-AGA legislation in September 2023 causing significant challenges for the audit and certification process in August 2023. In 2023 we had to redo a Tabletop Exercise for the certification process.

We are currently working on the Corrective Action Plan and preparing for the next audit in 2024. Furthermore, an important decision has been to re-allocate the Safety Office under the CEO office to guarantee more focus on Aerodrome Safety and compliance with AUA-AGA requirements.

#### Optimize AAA Staff manpower planning and scheduling

Capacity and demand alignment is key, to ensure that the operation is not over-stretched, and the required service, safety and security levels and regulatory requirements are met. Last year, the focus was to improve capacity planning and resilience to drive up

performance leading to a safer environment, better service and efficiency.

A key tactic in 2023 was to optimize scheduling of required staff. To streamline the work schedules for all shift workers and have a better grip on overtime, it was decided to introduce an advance staffing planning tool to assist management with this process. A tender was won by a company that has a specialized software for this purpose that can also integrate with our current ERP system. A workgroup was established and started to create the most efficient schedules per unit based on the volume of our operations. This is planned to go live in April of 2024.

#### Optimize manpower planning of external parties

A main challenge is that each authority at the airport has its limitations with manpower and overtime budget, however improvements were made with the use of technology such as E-gates, global entry, etc. Therefore, we also focused on structural improvement of manpower planning of external parties such as US CBP, IASA and Customs.

Collaboration between the different parts of our operations has been strengthened because of the various meetings which were held with all authorities and users to streamline the slotting approval process with the capacity and service levels.

### Optimize manpower planning of external parties (continued)

Improvements were noted for all authorities to work with the airport to improve and facilitate the flow:

- US CBP, the pilot project Global Entry registration which started in December 2023 was discontinued at the Palm Beach Plaza and re-introduced on-site at the airport since November 2023 when able to use staffing more effective at the airport.
- IASA, more manpower received and with the assistance of KMAR (Dutch Immigration Services), E-gates are being used daily for departures and arrivals.
- Customs, 100% screening checks performed throughout the day and for high-risk flights, when lines become long alternative screening alleviates the flow.
- DCAA, started the Facilitation committee with all key stakeholders to address airport facilitation challenges.

In 2024 we will further streamline the flow using measuring tools and data. We also aim to sign service level agreements with each service provider to ensure a consistent approach in the operation and in accordance with the Land Aruba agreement “Overeenkomst tot Regeling van de Verhouding tussen Land Aruba en de Aruba Airport Authority N.V.”.

### Introduction of Airport Collaborative Decision Making (ACDM)

We aim to introduce ACDM with airport partners to proactive, forward planning in close collaboration with our airport partners. Some parts of ACDM are shared manually until we can define where we want to go and setup the new OCC. We are also working on a separate tactic for business intelligence where we can decide what data is important to share within the company and how to use this data.

The ACDM team is also part of this team to be able to have the setup and data better structured. In 2023 our Operations Manager paid a visit to Schiphol to get more information on the setup and terms of reference needed to setup something similar for our airport. The ACDM project is planned to commence in 2024.





### Extend US CBP hours of operation

The works of the pre-clearance negotiation committee are formally done, and all documentation has been handed over to the Government of Aruba to send officially to Washington and The Hague. The formal draft revised treaty and MOU's will include verbiage to be able to pay for additional US CBP officers or to pay overtime for extended service hours.

While US CBP collaborates to improve, a main challenge is that until the treaty is not officially amended, we have no means to pay for additional officers or extend service hours beyond current operating hours. Risks were mitigated by constant communication with US CBP to deal with possible consequences which allowed for some flexibility for overtime to help with delayed flights or remote operations when needed. In 2024 we will continue to work closely with US CBP to guarantee timely opening of the podiums to handle the flow of passengers.

### Optimize scheduling of airlines

The flight demands of the airlines increased compared to last year, therefore it would become challenging to approve all the slots. Our main challenge was the fact that we have limited facilities such as check-in, immigration, security, US CBP officers, hold rooms and seating areas, etc.

After negotiations with all key stakeholders such as airlines, ground handlers, Authorities, ATA, etc. we managed to fit in most of the slots taking into consideration our limitations. Risks were mitigated by working on a few quick wins such as E-gates relocation, and a 5th security lane addition to our



Alpha security checkpoint to help with the flow in 2024. These quick wins will help us in the coming 5 years until we can start seeing the full effects of the GW2030 program.

### Electrifying AAA fleet

We are in the process of replacing equipment and vehicles with electric vehicles to reduce our carbon footprint. New Electric vehicles were purchased to replace aging diesel or gasoline cars and a new Electric bus was purchased, with 2 more busses on order.

Chargers and electricity capacity upgrades are arranged at various points. Risks were mitigated by working together with our local power distributor, N.V. Elmar, and other service providers to share our future goals and expectations so they can timely plan



for these upgrades. In 2024 we will continue with electrification of equipment while we anticipate the arrival of 2 new E busses in the second quarter of 2024.



## II. QUALITY OF SERVICE



### Review of our Airport Charges Regulations

As part of optimizing the service to our airlines and airport users, an all-encompassing tactic has been developed to review our Airport Charges Regulations to encompass our aviation business development strategy while also seeking ways to include sustainability in our airport charges. To do so in 2022 workshops were held, desk research was conducted, and a road map was developed on how to accomplish this.

It is imperative that our Aspiration 2030 and Corporate Strategy typify and determine AAA's airport charges for the years to come. Airport charges remain an important instrument for alignment with strategic objectives and in turn the daily operations. It is for this purpose that AAA, through this tactic has developed a document which encompasses the AAA Pricing Policy & Airport Charges Roadmap 2022 - 2026. The pricing policy & airport

charges roadmap will serve as a tactical framework for gradual evolution of the charges structure wherein relevant objectives and developments have been considered and weighted.

Key envisioned outcomes for the period 2022 - 2026 are:

- Adoption of universal pricing principles (cost-relatedness, non-discrimination, transparency) as put forward by ICAO and IATA.
- Reinstating and maintaining a cost-allocation model which creates insights into the relation between charges income and underlying expenses.
- Periodic reassessment of all charges considering airport expansion projects (Gateway 2030).
- Adoption of a hybrid till model, which permits an airport operator to include a portion of its income generated through non-aeronautical activities with those of aeronautical ones to calculate total earnings.
- Adoption of pricing practices such as benchmarking,

stakeholder engagement and continued consultation with airport users.

- Gradual adjustment of the landing fee with operations aspects such as a peak-time factor, and sustainability aspects such as an emission-factor and a noise-factor.
- Introduction of a new Cargo fee applicable to landing of freighter-only aircraft.
- Merger of the General usage Charge (GUC) and Passenger Facility Charge (PFC), and redistribution of the total amount over PFC and an increased Security Surcharge (SEC).
- Harmonization and adjustment of inter-island air connectivity passenger facility charges with the objective to increase the volume of interisland passengers.
- Introduction of a new airport charges regime for FBO-operations.



Shown on picture from left to right: JürgenBenschop, Arjanneke Martis (SHINE Committee member), Ryan Falconi (SHINE Award Winner Year 2022), Jacqueline Angela (SHINE Award Winner Year 2023), Joost Meijs, Solange Dooper - Gietel, Sharisma Flanegin (SHINE Committee member), Stephanie Dijkhoff (SHINE Committee member), Aisha Anthony, and Barbara Brown.

## II. QUALITY OF SERVICE



### 100 Years Aviation Celebration 2023

A special tactic was created to celebrate the 100 Years of aviation milestone leading up to the date of August 18th, 2023. Wherever possible PR opportunities were published locally and internationally while we creatively found ways to engage AAA employees, the airport community and the Aruban community. Our main challenge was to make sure that the public art piece would be completed in time for the unveiling while also making sure that the necessary permits for the public location near the airport were issued by the various government entities.

It has been remarkable how, in a relatively short period we managed to organize all the celebratory moments with great satisfaction to all.

#### AAA Staff engagement:

- Special polo uniform with 100 years logo with collector's pin and lanyard
- Airport Centennial Aviation Quiz Extravaganza
- Collector Pin and lanyard
- Volunteerism and invitations to the various events organized also for the airport and Aruba communities.

#### Airport Community engagement:

Collector's pin and lanyard distributed to entire airport community staff with a small event surrounding this in our VIP Room at the airport on August 11, 2023. Event inaugurating Dakota building as an official monument where important airport stakeholders were also recognized as "Baluartes" on August 18, 2023

#### Youngsters engagement:

- Coloring competition -100 Years Aviation (Elementary classes 1, 2 and 3)
- Crafting competition of aircraft of the future (Elementary classes 4, 5 and 6)

#### Aruba Community engagement:

- Social Media Campaigns & Quizzes on Aviation Facts
- Runway Run June 18, 2023
- Aviation Expo held on July 2, 2023
- Public Art Piece unveiled commemorating 100 years of aviation on August 18, 2023
- Commemorative coin minted during official ceremony on August 18, 2023
- Dakota building declared a monument with a seal of the Monumentenfonds making it a protected heritage infrastructure as of August 18, 2023





# Our Strategy in Action

## Performance against strategic goals

Our emphasis on Innovation and New Opportunities as a strategic Pillar underscores the need to expand and innovate to meet current and future demand and needs of aviation industry and travelers.

We maintain a strong focus on enhancement of air connectivity as a pivotal driver of economic prosperity of our tourism driven economy.

Our Gateway 2030 program sets our airport on a continued path of growth for the next decade ahead while pursuing our sustainability ambition: address capacity constraints, safely and efficiently maintain future demand and increase customer experience.

We aim to advance digitalization and process improvement to provide passengers and consumers an enjoyable, seamless, safe, secure and personalized experience. As vital and critical infrastructure, a robust digital infrastructure with sound information risk management is crucial to ensure our license to operate.

### III. INNOVATION & NEW OPPORTUNITIES



#### Gateway 2030 - Innovating Happiness

##### Governance

The execution of the Gateway 2030 program is closely monitored by internal management teams and committees and the lenders' independent construction engineer. Several site visits to update the BOSD, the Minister, and other key stakeholders, on the project's progress, were organized. In 2023 we continued with the execution of the Gateway 2030 program and made good progress.

##### Phase 1A

The execution of Phase 1A of the Gateway 2030 program started at the end of June 2021, as planned, and the construction works continue in full swing. It is currently in its first phase and is set to be completed by the 2nd quarter of 2024. This phase encompasses mainly the expanded check-in building at the US side including a new baggage hall and system and the extension of the US Check-in Hall. This expanded area will then in the future become part of the main check-in terminal for all departures.

The great majority of the civil works were completed, and the works shifted to the erection of the steel structure and the mechanical, electrical, and plumbing installations. The first contractual milestone is the delivery of the Baggage Hall (Building HC), which occurred by the end of May 2023, while the completion of the project

is set for the end of 1st half of 2024 excluding testing and commissioning which we expect to finalize in January 2025.

##### Phase 1B

With a faster-than-expected recovery of passenger travel, we stepped up our efforts on commencing Phase 1B, which includes the expansion of the current gate 8 area and the addition of two new hold room areas which will be served by three contact gates, as well as a remote boarding gate hold area and some concessions. By the end of 2023, the final design review stage will have been completed, and the tender documents are provided to invited qualified bidders for their offer submittals in 2024. We are aiming for a speedy contracting phase followed by execution in the second half of 2024.

##### Phases 2 and 3

In 2023 a preparation team was identified, and this team will start up the Phases 2 and 3 of the Gateway 2030 program by revisiting the design and applying any lessons learned from previous phases as well strategizing on these complex phases which will need to be executed in live operational areas.

2023 also showed great progress in the following projects: After lengthy discussions on design, in October 2023 Customs officially initialed the Sketch Design of the Arrival Hall project which will serve as an expanded area for the next several years until after phase 2 and 3 are executed of the Gateway 2030 program making the International Departures Hall available for the more permanent solution for Arrivals.



# Our Strategy in Action

## Performance against strategic goals



### III. INNOVATION & NEW OPPORTUNITIES



#### **Air Service Development and Traffic: A New Era of Air Service**

Air Service Development plays a critical role in bringing new route opportunities to the attention of carriers. To enhance air connectivity at AUA Airport, the most important task is to act as a core facilitator between the airlines and Aruba as a destination. By providing new travel choices, increased competition, greater convenience and possibly lower fares, new travel and economic opportunities are generated for local businesses, residents, and visitors.

Furthermore, our air service development strategy serves as the foundational framework for effective coordination of stakeholder support, aimed at retaining routes, expanding existing flights, and attracting new air services to the destination, and ensuring that efforts and resources are focused on new evolving opportunities.

AUA Airport consistently seeks avenues for enhancing its B2B and B2C (local marketing efforts) engagement with airlines, striving to position the airport as a strong, sustainable and dynamic hub. This competitive position not only secures market share but also enhances productivity by driving increased passenger and freight volumes. With the primary objective of diversifying the available air travel network, we aim to broaden the range of destinations and services.

This year's Aviation Business Development Strategy embodied the theme of 'Happy to Host Your Route.' As we reflect on the past months, 2023 stands out as a year marked by record achievements, including substantial increases in traffic volumes, the attainment of remarkable milestones, and the successful initiation of exciting new operations on the horizon.

At the end of 2023 traffic recovery for Aruba Airport stood at an impressive 108% compared to 2019, which was a record year, showcasing a strong rebound in passenger activity.

AUA Airport, is one of the busiest airports in the Caribbean region, hosting over 25 airlines contributing to processing over 2.4 million passengers per year offering nonstop air service to 45 destinations worldwide. As a result of the substantial expansion of its international network, AUA Airport has been one of the fastest recovering airports in the Caribbean. According to Cirium, in 2023, AUA Airport was recognized as the fourth busiest in the Caribbean in terms of seat capacity originating from the United States. The top three, boasting a greater seat capacity, were San Juan (SJU, US), Punta Cana (PUJ, DO), and Nassau (NAS, Bahamas).

By the end of the year AUA Airport served over 1.3 million Revenue Generating Passengers (RGPs) for the year, which is 8% above 2019 levels.

# Our Strategy in Action

## Performance against strategic goals

### III. INNOVATION & NEW OPPORTUNITIES



#### AUA Airport's Air Service Network continues to Grow

The demand for air service continues to rebound, resulting in increased options for Aruba travelers. Growth opportunities have further developed in the European, Latin America, North America, and Caribbean markets, which translated into new airlines and new routes for AUA Airport.

We take pride in the resilience and strength of our diversified network. 99% of our pre-pandemic network has been successfully restored. Not only have we reinstated former routes, but we have also expanded our reach by adding new destinations. Additionally, we have observed an increase in flight frequencies on various routes throughout the winter season.

There are over 25 airlines serving AUA Airport to and from 20+ gateways offering nonstop service to more than 46+ destinations. The AUA Airport ranks as one of the top operations in the Caribbean for two major airlines - JetBlue and American Airlines - which has supported the continued recovery of AUA Airport's air service network.

#### Air Service Development Highlights:

- New Airlines: British Airways with flights from London/Gatwick (LGW) UK and LATAM with flights from Lima, Peru.
- Frequency Increases: Spirit out of FLL, Air Century out of Santo Domingo, including a new route out of Punta Cana, Santo Domingo.

• Wingo's Commitment: Wingo has demonstrated its commitment by increasing frequencies from Medellin and introducing a new route from Cali, enriching our connection with Colombia.

Next year, Aruba will continue its network growth path with a positive demand outlook of airlines adding new destinations and capacity by increasing flight frequencies. The network expansion envisages new additional weekly flights out of new and current Latin America regions.

#### Set up General Aviation Business Model Support Integration

In 2022 a business decision was taken to insource the operation of the FBO at our airport starting January 1, 2023. Preparatory work was performed in 2022 for this take-over to be successful.

On January 1, 2023, we successfully initiated the start of a safe and secure operation of the FBO under

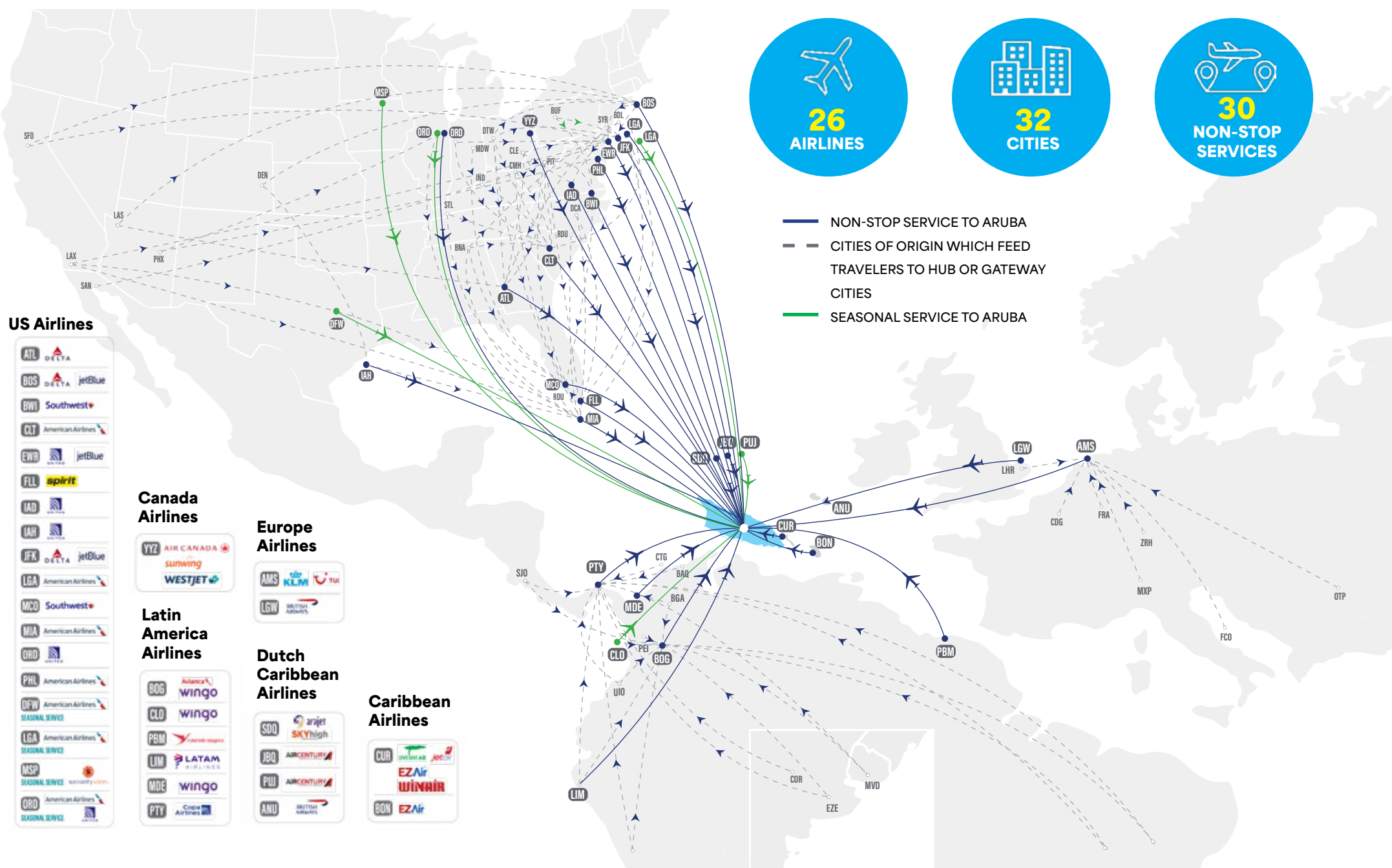
the JET-TNCA brand of AAA. Aircraft movements and passenger movements are being handled at JET-TNCA and customer relationships are being built within the FBO network to further enhance performance of the FBO at our airport structurally and sustainably into the future. Some challenges encountered were revamping the US CBP facilities, grasping the financial administrative & collection processes, and new dynamics of marketing for this niche, however by the end of 2023 these challenges have been addressed.

The performance results are much better than what we had planned for 2023, and the outlook for 2024 is that revenues will further grow at this FBO operation because of much more targeted marketing efforts and the operation of US Preclearance facility at JET-TNCA.



# Gateways and Main Feeders Cities

North America, Latin America, Caribbean, Dutch Caribbean & Europe





# Our Strategy in Action

## Performance against strategic goals

### III. INNOVATION & NEW OPPORTUNITIES



#### **Advocate research to enhance interisland connections (affordable, sustainable and efficient)**

In 2021 all six Dutch Caribbean (DC) islands formed the Dutch Caribbean Cooperation of Airports and agreed to collaborate on objectives of mutual interest, including interisland connectivity.

During the 2022 DCCA's Flight to the Future Event, a Memorandum of Understanding was signed by representatives of the Dutch Kingdom and the DC airports. As a follow-up to this agreement, in 2023, a Task Force was established, with representatives from each signatory, with the mandate to produce a Joint Strategic Plan (JSP), outlining the steps needed to enhance interisland connectivity.

The mandate of the Task Force was to pursue the objectives outlined in the MOU on behalf of all signatories.

In November 2023, during the second edition of the Flight to the Future Event hosted by Curacao Airport, the Task Force presented the preliminary draft of the JSP, which was submitted to the relevant stakeholders for their thorough evaluation and review.

Currently, DCCA is working on follow-up actions based on the results of the work of the Task Force, to execute the JSP.



#### **Improving our badging process**

We expect an increase in demand for badging services in 2024 and beyond. Despite recent upgrades, this process is still cumbersome, and workflows do not work efficiently. Privacy regulations and third-party dependencies further complicate the process.

Our internal processes can be enhanced to make the process to a certain extent more efficient. As we have not yet achieved the desired improvements completely, this tactic will be continued in 2024.

#### **Expand Training Innovation**

We are creating more capacity in training by hybrid training setup of classrooms and virtual methods such as quizzes. Furthermore, X-ray interpretation of simulator software is being implemented as well as computer based training and digital learning platforms.

One of the major challenges is the computer illiteracy amongst parts of the airport community. To help with the increasing training demand for 2024 and beyond, AAA will hire a dedicated Trainer and will continue to invest in current trainers.

# Our Strategy in Action

## Performance against strategic goals

### III. INNOVATION & NEW OPPORTUNITIES



#### Non-Aeronautical Services

The further enhancement of non-aeronautical services and related revenues is always a key focus for an airport, and this is no exception for AAA. Our commercial strategies aim at ensuring revenues through a varied choice of commercial services to increase the attractiveness of our airport and safeguard pleasant and authentic experiences. In 2023 we ended the year with a non-aeronautical revenue growth of 2% versus 2022. The overall spend on retail and F&B products and services increased respectively with 2% and 6% in 2023 versus the previous year and together the spend on these



products and services increased with 6%. Factors that positively influenced the spend in 2023 were the less congested areas within the terminal facilities throughout the US Bound process, further strong recovery of our passenger numbers surpassing 2019 levels, further marketing pushes such as various Spin-and-Win campaigns held in the 2nd, 3rd and 4th quarter of the year and the upselling workshops that were provided this year to the sales staff working within the retail and F&B outlets at the airport. Continued digital marketing/social media pushes also contributed and the provision of steel-pan entertainment daily during peak hours ensured a nice ambience for shopping within our main concession areas and upon arrival, providing that sense of place.

In 2023 new lease and concession agreements were finalized with the retail operators. As a result, 2024 will see most of the retail stores revamped. These further revamps of the available amenities will further push the spend also within those areas in 2024.

The design of the new additional retail, F&B and amenity areas in between gates 2 and 3 and 6 and 7 will commence in 2024 and is estimated to start with its build out by 2025. This will enable the Aruba Airport to further determine the commercial program for the hold room areas in anticipation of having new commercial retail and F&B areas available only after completion of the last phase of the Gateway 2030 project now estimated to occur in 2027/2028. As a result of the new agreement with the retailers the exclusivity clause has also been abolished and as such will provide Aruba Airport the needed flexibility and

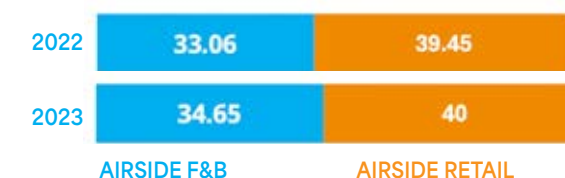
room to move into new tender processes for new ventures within these expanded terminal areas in 2025 or 2026 as soon as these are complete.

Also a lot of preparatory works have been delivered in 2023 for the food truck concept project. This project will contribute to AAA's objective to become an attractive shopping area not only for passenger but also for other visitors of our land side premises. This project will commence in 2024.

To determine the needs and wants of our passengers the use of certain research opportunities and surveys will be explored and deployed in 2024 to have that management data available for when we need to determine the exact amenities within the new concession areas.

From a branding and marketing standpoint emphasis will also be placed on researching and developing an Airport App which will not only be used to entice travelers to spend more at the airport but also to provide the important basic information to travelers on the processes at Aruba Airport. The app will also include a loyalty program for locals and/or frequent flyers.

#### Spend p/RGP (AWG)



# Our Strategy in Action

## Performance against strategic goals

### III. INNOVATION & NEW OPPORTUNITIES



#### Develop an IT roadmap to drive digital & process transformation, and to embrace IT & Operational Tech opportunities while combatting Cyber Risks

The objective reflects a focus on facilitating, supporting, but above all starting and completing projects that push our airport in the direction from a 'digitally enabled airport' to a 'fully digital airport', with elements of a 'next-gen digital airport' as referred to by IATA/ACI Airport Development.

This involves a transformation in all kinds of areas and requires at least in the coming years a culture where constant change is normal, but any change must be driven by the business strategy and not from technology. The objective will ultimately ensure that the airport is ready, 'fit for purpose', efficient and effective to improve the experience for airlines, passengers and other airport users, precisely by using more modern technological means. The transformation will have to take place airport-wide, but is mainly focused on:

- Base (IT) infrastructure (e.g. network, cyber resilience);
- Airline enabling systems (e.g. baggage, cargo, aircraft handling);
- Airport operations systems (e.g. FIDS, apron management, AODB);
- Financial and administration systems (e.g. billing);
- Building automation and other engineering systems; control centers; and

- Interfacing services (e.g. Departure Control System (DCS), Air Traffic Control (ATC), AODB).

Another objective is to 'Build future proof airport facilities and assets particularly from a business continuity perspective.

In the medium to long term, our challenge is to build a cyber-resilient digital ecosystem for the Aruba Airport that can anticipate, withstand, recover from, and adapt to an increasing array of cyber threats, whilst at the same time embracing the transformative potential of emerging technologies. IT and Cyber Security must be addressed in a holistic approach. Cyber Security is not something you do 'on top' of IT. It is the core of doing IT, right.

Therefore in 2022 with the assistance of SITA, an IT Master Plan was drawn up, however due to lack of dedicated IT resources the proposed governance and actions could not yet be implemented in 2023. To resolve this, as of September 1st, a Development Project Lead was recruited who will be specifically dedicated in ensuring the execution of an IT, Operational Tech and Cyber Security Roadmap 2024-2028 for AAA, which also includes aspects of the 2022 IT Master Plan. An essential governance element is instituting an IT Advisory Board. Other governance structural aspects are: Accountability, Decision-Making, Risk monitoring and mitigation, Strategic integration and Senior engagement. It is expected that by the second quarter of 2024 the 'IT, Operational

Tech and Cyber Security Roadmap 2024-2028' will be finalized whereby the execution can be started in the third quarter of 2024.

#### Cyber Security Awareness Day

A cyber security awareness day was held for AAA employees to empower employees to be proactive defenders against evolving threats. To comply with the cyber insurance requirements and to create a security-conscious culture, two phishing email simulations have been sent to employees, to increase the awareness and learn how to recognize these threats.





# Our Strategy in Action

## Performance against strategic goals

With Sustainability & Social Responsibility as one of the main strategic Pillars, we take pride in our ambition to be an exemplary leader in Sustainability for Aruba.

We acknowledge our responsibility to become one of the most sustainable, safe and future proof airports of the Latin America & Caribbean region.

Together with stakeholders, we aim to actively pursue a more sustainable airport operation by collaborating on meaningful projects to reduce the airports overall carbon footprint and environmental impacts.

We aim to do good by contributing to the well-being of our community through engaging in meaningful and positive community service.

We embrace the UN SDGs as our guiding principle in all decision making.

### IV. SUSTAINABILITY & SOCIAL RESPONSIBILITY



#### Achievement of Certifications on Sustainability

In 2022, the Airport became the 1st in the world to achieve the Green Globe Certification, the International Standard for Sustainable Tourism recognized by Global Sustainable Tourism Council. In October 2023, the Airport was successfully recertified by Green Globe.

Our Airport's sustainability efforts continue to focus on implementing efficient building management systems to improve energy efficiency, develop sustainable pilot projects and initiatives for data collection purposes to execute and drive a more sustainable airport operations, reduce our carbon footprint, and enhance purchasing policies to mention a few.

In 2018, AAA initiated its journey to achieve Airport Carbon Accreditation (ACA) by Airports Council International and successfully achieved Level 1 - Mapping in 2020 and Level 2 - Reduction in 2021. In 2022, AAA achieved ACA Level 3 - Optimization which includes third parties and stakeholders' involvement in data collection, behavioral change, and implementation of carbon footprint reduction initiatives. AAA is recertifying for ACA Level 3 in 2023 and will initiate preparations for ACA Level 4 starting 2024.

In 2024, AAA's Sustainability team will focus on core sustainable initiatives including preparations for ISO 14001:2015 Environmental Management Systems, Climate Risk Assessment, introduction of a Waste Management Plan, and community-based sustainable projects through Wings of Hope to mention a few.

#### ACI LAC Airport Day 2023

AAA proudly hosted the 1st ACI-LAC Airport Day Aruba 2023 with the theme of "Catering to the next 100 years" on behalf of the Airports Council International of the Latin America & Caribbean region, the only worldwide professional association of airport operators.

With over 100 delegates from around the world including Germany, Costa Rica, Colombia, Panama, and Miami, the one-day event focused on topics such as balancing aviation traffic growth and sustainable small island state economies, emerging trends in changing traveler needs and expectations of airport concessionaires, how to attract future aviation leaders, and how sustainable initiatives can balance negative impacts aviation can have on the community.

The program contributed to AAA's Corporate Strategy and vision focusing on the four main pillars which are People & Development, Quality of Service, Innovation & Opportunities, and Sustainability & Social Responsibility.



# Our Strategy in Action

## Performance against strategic goals



Q3-23 SHINE nominees from left to right: Karel Arends, Emanuel Croes, Jacqueline Angela (winner Q3), Stephanie Dijkhoff, and Ryan Peterson



Q4-23 SHINE nominees from left to right: Americo Tepedino Thijzen, Justin van Grinsven (winner Q4), Charmaine Fräser, Jereleen Peña. Not on picture is Veronique Arends.

### IV. SUSTAINABILITY & SOCIAL RESPONSIBILITY



#### Promote AAA employees' participation in sustainability programs/projects contributing to UN's SDGs

In 2023, AAA focused on executing sustainable projects that benefit the Airport community with knowledge, educational workshops, and volunteerism.

AAA's Sustainability team launched the 1st SDG Action Week 2023 program filled with interactive, educational activities including a Beach cleanup on World Beach Cleanup Day in partnership with Kiwanis Key Club, an interactive SDG Awareness Spin-The-Wheel Game, Waste Management & Recycling presentation, donation of clothing and books by AAA employees which were distributed towards the local community via Red Cross Aruba and different schools, and the official SDG Flag Hoisting Day on September 25, 2023. AAA employees received an SDG Wheel Pin to continue to spread awareness in the local community.

The 1st ECO-chat was also launched in April 2023, which stands for Environmental Communication Orientation and aims to promote, create awareness, and involve all stakeholders in becoming more sustainable and environmentally conscious by incorporating best practices in their daily operations. Throughout the year several topics focusing on UN's SDGs such as World Water Day, Earth Day, Earth Hour and World Soil Day were highlighted in an effort to create awareness, promote conservation, and sustainable management of resources.

#### Wings of Hope and Partnerships

AAA's Wings of Hope has executed several impactful community-based projects with the UN SDGs as its guiding principle including the 1st Wings of Hope AUA Airport Runway Run with a cause whilst commemorating 100 years of aviation in collaboration with AAA's Branding & Marketing team. Wings of Hope has partnered up with different organizations including the Department of Social Affairs (DSZ), SKOA and other schools, Luna Foundation, Stichting Kinderhuis Imeldahof, Fundacion Parke Nacional Aruba (FPNA) to mention a few.

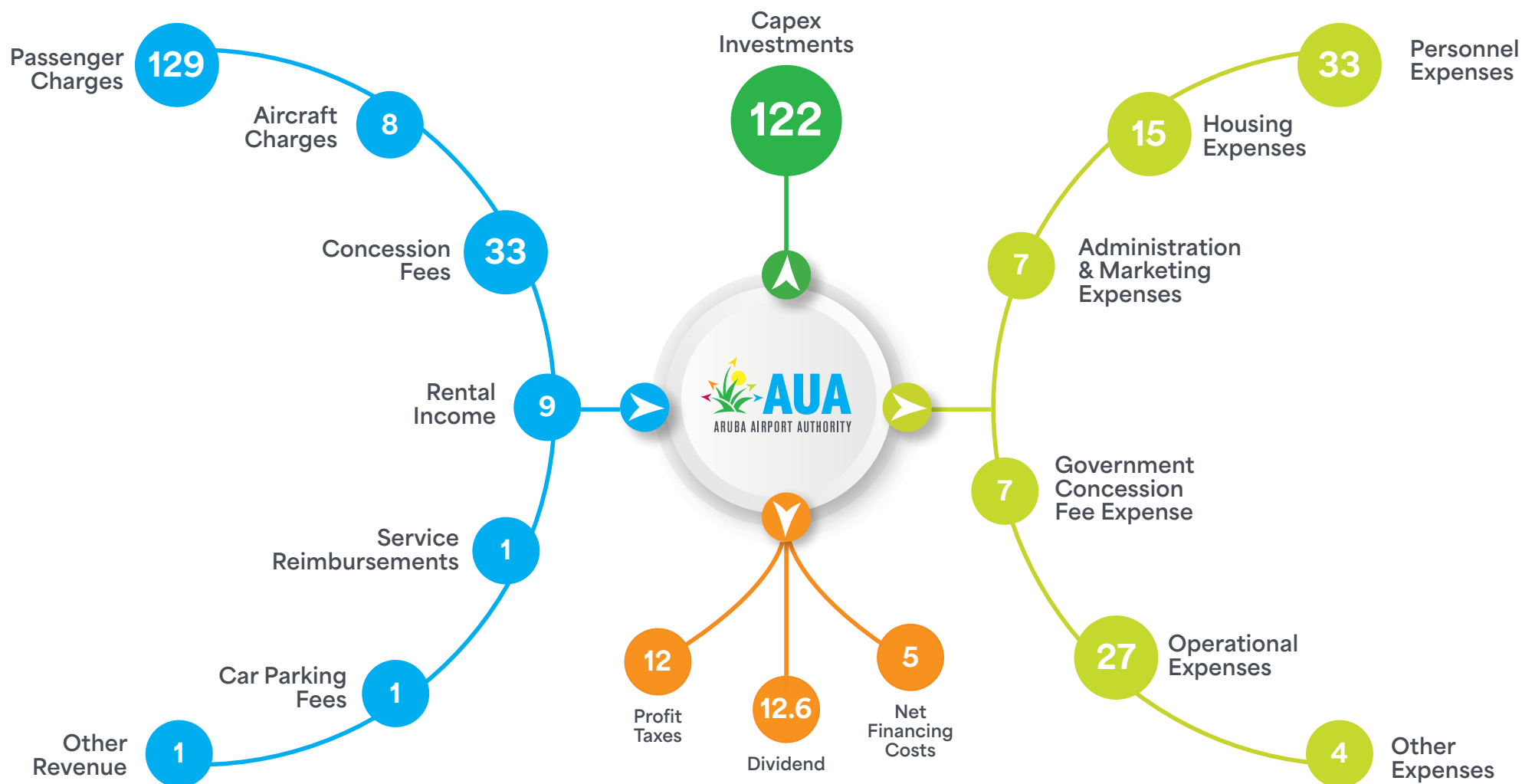
As an official inauguration partner for the Reforestation Project "Cas di Cultivo" by FPNA inaugurated on April 22, 2022, AAA aims to continuously strengthen its partnership by introducing socially responsible projects for the community and AAA employees such as World Soil Day to encourage and promote the reintroduction of native plants back into Aruba's flora.

For 2024, AAA will focus on expanding its partnerships and stakeholder engagement by developing new collaborative projects. AAA will also continue to inform the community on our CSR strategy, goals, and initiatives.

AAA hopes to positively influence other companies to also take steps towards making a difference in the Aruban Community.

## Financial Performance 2023

Our financial highlights for 2023 based on AAA's business model can be summarized as follows:





# Financial Performance 2023

On the following pages we elaborate more on our financial performance in 2023: **INFLOWS**



## Passenger Charges

Passenger charges increased with AWG 19.7 million compared to 2022 which is an increase of 18.0%. This increase is due to passenger growth and due to applying 5.3% CPI to the aeronautical rates as of January 1, 2023. In 2023 there were 161,199 more RGP than 2022, resulting in about AWG 15.1 million more passenger charges, while the CPI financial effect approximates an increase of AWG 4.6 million.



## Aircraft Charges

Aircraft charges increased with AWG 3.0 million compared to 2022 which is an increase of 65.6%. While the rates for aircraft charges have remained the same over the years 2022 and 2023, the increase in aircraft charges is due to more and larger aircraft resulting in higher MTOW class categories. The average load factor in 2022 was 83.4% while in 2023 this increased to 86.9%. Furthermore, as of January 1, 2023, the FBO was insourced which generated FBO ground handling fees and other charges of AWG 2.4 million which did not exist in 2022.



## Concession Fees

Concession fees increased primarily in concession income from JetFuel, Retail and Car Rentals. JetFuel revenue at FBO, which is new for 2023, totaled AWG 1.4 million, while Fuel Throughput concession decreased with AWG 0.1 million. Retail concession income increased with AWG 1.2 million which is an increase of 9.1% compared to 2022, and concession income from Car Rentals increased with AWG 1.4 million which is an increase of 23.9% compared to 2022. The average retail concession fee income per RGP in 2023 is AWG 10.21 compared to AWG 10.59 in 2022, and the average Food & Beverage concession fee income per RGP in 2023 is AWG 2.57 compared to AWG 2.44 in 2022.



## Rental Income

Rental income in 2023 increased with AWG 0.1 million when compared to 2022. Rent per square meter in 2023 was increased with 5.5% CPI. The total square meters rented decreased with 2,284 when compared to the previous year due to the insourcing of the FBO as per January 1, 2023.



## Service Reimbursements

Service Reimbursements represents the utility and telephone usage of airport renters/concessionaires against the actual rates from the service providers. Service Reimbursements in 2023 totaled AWG 1.4 million (increase of AWG 0.2 million).



## Car Parking Fees

Car Parking fees increased in 2023 slightly with AWG 0.2 million due to both more public parking income (increase of AWG 0.1 million) and more parking fee income from car rentals (increase of AWG 0.1 million).



## Other Revenue

Other Revenues consists of Training Revenue and Other Revenues and increased in 2023 slightly with AWG 0.1 million due to more fuel spill cleanups reimbursements from airlines, and due to some impairment of assets purchased from the previous FBO operator.

# Financial Performance 2023

On the following two pages we elaborate more on our financial performance in 2023: **OUTFLOWS**



## Profit Taxes

While the profit tax rate for the years 2023 and 2022 remained at 22%, the profit tax expense increased with AWG 1.9 million due to having more taxable income and less investment allowance compared to 2022. Furthermore, changes in deferred tax liability also increased the profit tax expense.

From a cashflow perspective, there were sufficient tax loss carryforwards to apply against the profit tax due for the year 2023, and thus no cash outflow is needed.



## Net Financing Costs

The facilities agreement was amended in December 2022 and these amendments became effective on January 1, 2023. Net Financing Costs have increased with AWG 4.3 million in 2023 compared to 2022.

There are several factors to consider; the first bridge loan tranche of AWG 165 million was converted in a term loan, the interest on this term loan, in the amount of AWG 6.3 million is capitalized while the qualifying asset is still under construction. Interest is expensed when the qualifying asset is ready for use, for 2023 this amounts to AWG 4.4 million. Furthermore, as of April 1, 2023, the LIBOR was replaced with the United States Commercial Prime rate as the new reference rate.



## Dividend

The dividends declared by the Shareholder in April 2023 over the year 2022 amounted to a one-time 30% of total comprehensive income being AWG 12.6 million. This amount was paid in June 2023.



## Capex Investments

A total of AWG 122 million was invested in 2023 in the capital investment program of which AWG 95 million into the Gateway program. It entails the construction of an expanded US Check-in Hall, a baggage handling building and as of June 2023 the assembling of the baggage handling system. By the end of December 2023, the physical progress of Phase 1A is at 78.1%.

Another important investment that was completed by the end of October 2023 is the apron rehabilitation program and passenger boarding bridges replacement for gates 7 and 8 for AWG 17.4 million. This also marked the completion of the whole rehab program from gate 1 till gate 8.

Other projects have started in 2023 and will be completed in 2024.



## Personnel Expenses

Personnel expenses increased with AWG 4.4 million in 2023 compared to 2022 which is an increase of 15.5% and can be explained as follows:

- An increase in employees from 206 at the end of 2022 to 238 at the end of 2023, resulting in AWG 3.7 million more costs in salaries and the related components pension contributions and social security expenses.
- In 2022, there was a low staff number for the level of operations resulting in high overtime. Due to the increase in staffing in 2023, overtime decreased in 2023 resulting in AWG 0.4 million less costs versus 2022. More costs related to bonuses for AWG 0.9 million due to (a) not having a year-end bonus in 2022 versus a year-end bonus 2023, leading to more costs when compared to 2023, which effect is only partly compensated by (b) not having a Gratification Bonus in 2023 when compared to 2022.
- Other Personnel Expenses were AWG 0.1 million more in 2023 when compared to 2022 mostly due to more costs for Uniforms (AWG 0.2 million more) and more costs for staff's accrual of vacation days (AWG 0.3 million more) partly compensated by less costs for Retirement compensation (AWG 0.3 million less).

# Financial Performance 2023

We continue to elaborate more on our financial performance in 2023: **OUTFLOWS**



## Housing Expenses

Housing expenses increased with AWG 2.3 million or 18.6%. The cost increases are mostly due to the increase in passengers, which increased the need for cleaning by the contractor (AWG 0.4 million more costs), more water usage (AWG 0.3 million more costs) and more need for cooling the buildings (AWG 1.7 million more costs) also because of the extreme hot temperatures in 2023 and due to capacity increases at the new Gateway buildings.



## Administration & Marketing Expenses

These costs increased with AWG 3.0 million or 70.4% mostly due to more costs for Travel & Training (AWG 1.1 million), more costs for Marketing (AWG 0.8 million), more costs for Exchange Taxes (AWG 0.4 million), more costs for Promotional Material (AWG 0.3 million, largely due to the 100 years Aviation in Aruba events) and more costs for Insurance (AWG 0.1 million due to tight insurance market).



## Operational Expenses

Operational Expenses increased with AWG 3.3 million or 14.1% compared to the prior year. The significant fluctuations are:

- Maintenance costs increased with AWG 0.9 million mostly due to more costs related to maintaining the building.
- Contracted Services increased with AWG 1.8 million, mostly due to costs related to outsourced services such as Ambassador Services, traffic attendants and some Apron staff, because of the increase in passengers, and due to the Groundhandling contract at FBO which, due to the insourcing of that part of the business, is new for 2023.
- The costs related to the contract with the Royal Schiphol group increased with AWG 0.2 million mostly due to (a) more costs for secondment fees for approximately AWG 0.1 million, and (b) more costs for incentive fee in 2023 for AWG 0.1 million due to the increase in EBITDA compared to the previous year.
- Costs for sales tax increased with AWG 0.4 million in 2023 when compared to 2022, mostly due to the tax laws introduced in 2023 whereby local Aruban companies are responsible for the sales tax on services acquired from abroad if that foreign company is not established in Aruba and does not pay those taxes to the Aruban tax department (the “verleggingsregeling”).
- More other costs for Safety Management (AWG

0.1 million) and decorations for official holidays (AWG 0.2 million).



## Government Concession Fee Expense

The Government Concession Fee for 2023 increased with AWG 0.9 million or 13.3% compared to the previous year due to the increase in RGP.



## Other Expenses

Other Expenses were AWG 2.8 million (or 259.8%) more in 2023 when compared to 2022 mostly due to:

- The events surrounding the celebrations of 100 years Aviation in Aruba, organized in 2023, e.g. Aviation Expo and other festivities.
- More events were organized for the staff in 2023 such as bowling event and Kid's Camp during school vacation in October 2023.
- In 2022, there were reversals of old accrued costs, these administrative gains of 2022 did not take place in 2023 and result in showing AWG 2.2 million more costs.
- There were more costs in 2023 related to the addition to the provision for bad receivables resulting in AWG 0.4 million more costs.



## Our Outlook for 2024

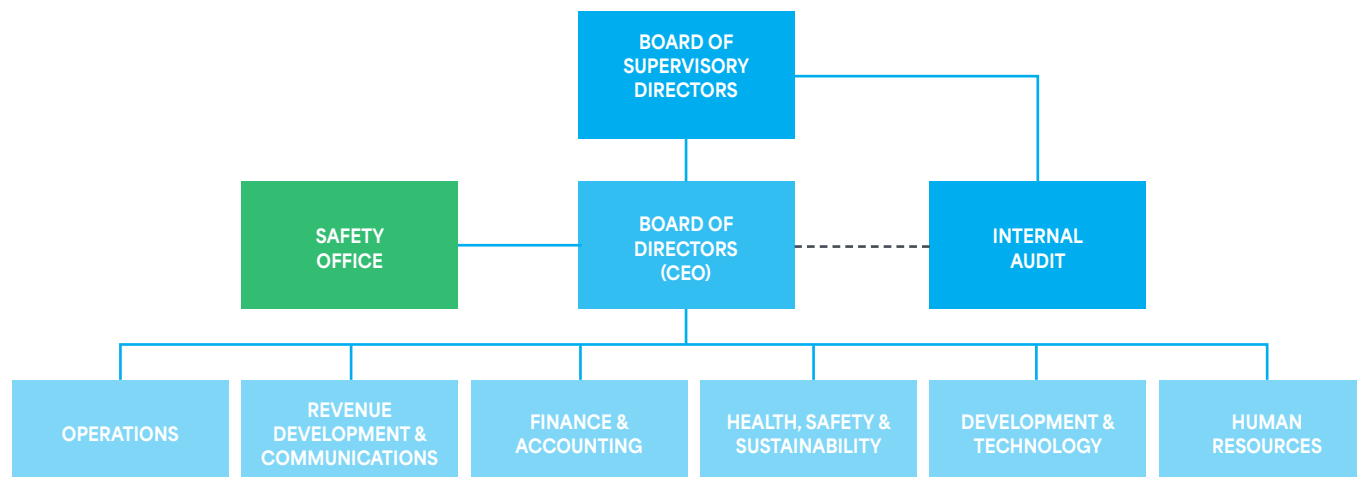
Aruba is a strong brand and the world-wide tourism sector will double towards 2037. Passengers however become more demanding, and we feel a clear global call for sustainable solutions for aviation and tourism. We will continue our ambitious endeavors with sustainability efforts within our airport and having our stakeholders embrace this as well, and continue with the interisland initiatives within the Dutch Caribbean for the 3rd convention of Flight to the Future which will take place in Sint Maarten.

We will never compromise on the appropriate level of safety. In 2024 our aerodrome certificate will expire and needs to be renewed, and a corrective action plan has been prepared to address the audit findings and to comply with the newly introduced AUA-AGA legislation of September 2023. Effective January 1, 2024 the Safety Manager will report directly to the CEO.

Having a modern and up to date infrastructure and operation is also key. We will deliver Gateway phase 1A in 2024, start the construction of phase 1B in the second half of 2024, finish the design and plans of phases 2 & 3, and invest in our current infrastructure and build resilient digital infrastructure while also working on extra retail and commercial area's (landside and airside).


Internally also we need to define our core processes and create clear expectations how every unit contributes to those processes. It is only together that we can create pleasant and authentic airport experiences!

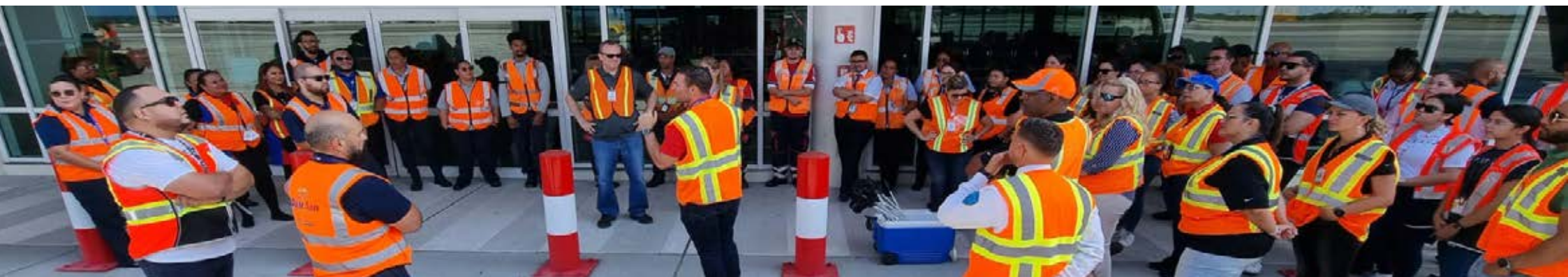
Organization Chart as of January 1, 2024



In alignment with our commitment to future readiness and the pursuit of excellence in sustainability, we are transitioning away from fireworks to ensure a brighter, sustainable future for all, and where our Dande celebration will take center stage in 2024.

For 2024 we have formulated the following company goals:

GOAL	KPI AND TARGET	STRATEGIC PILLAR	STRATEGIC GOAL
Safety is our license to operate	Renewal of the Aerodrome Certificate as of September 2024	II. QUALITY OF SERVICE 	2.1 2.3
Passenger experience should be the best as the first and last impression of Aruba	Satisfaction rate should be at least 4.0 and the Experience rate should be at least 4.0 (average of 4 ASQ surveys)	II. QUALITY OF SERVICE 	2.2
Improve our airport infrastructure	Execution rate of at least 75% for projects planned to be delivered for beneficial use to project owner in 2024	I. ORGANIZATIONAL & PEOPLE DEVELOPMENT  III. INNOVATION & NEW OPPORTUNITIES 	1.3 3.2
Good housekeeping and small maintenance matters	To optimize passenger experience, a priority list of 10 highly visible maintenance issues as well as good housekeeping will be addressed in 2024	II. QUALITY OF SERVICE  III. INNOVATION & NEW OPPORTUNITIES 	2.2 2.3 3.2
Sustainable reduction of CO2 emissions	Reduce power consumption (KWH) by 1.5% in 2024 in comparison to the power consumption in 2023 based on area (m2)	IV. SUSTAINABILITY & SOCIAL RESPONSIBILITY 	4.1 4.2 4.3







# Governance Report





# Governance Framework

## Corporate Governance Statement

At AAA, we have a proactive and transparent corporate governance structure in place to ensure responsible business conduct and long-term value creation. Corporate Governance at AAA means responsible corporate management with transparency about the way in which our company is managed and how the supervision takes place. Good corporate governance has top priority at AAA and forms an important element of our corporate culture. In this context, efficient collaboration between the Board of Directors and the Board of Supervisory Directors and maintaining open and transparent corporate communications is important.

We continuously monitor national and international developments in this area and regularly review our own corporate practices in connection with new legal regulations and revised local and international standards. The Aruban government indicated that it is developing a Corporate Governance Code for government (related) entities, and that the disclosure requirements for Annual Reports would include: Long-term vision and strategy, ESG Strategy and goals, Enterprise Risk Management, Effectiveness of internal control environment, and Organizational culture.

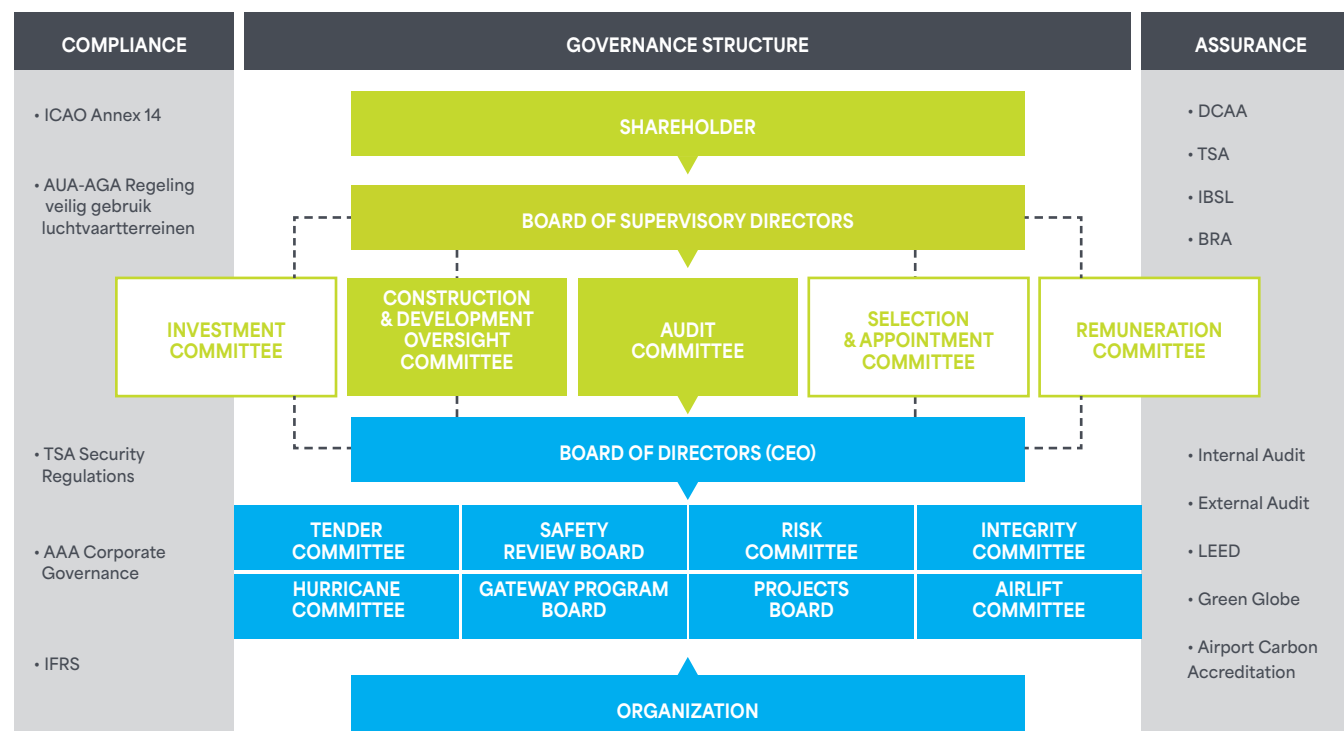
AAA provides regular reports on performance, health, safety and wellbeing of colleagues, passenger forecasts, colleague engagement, stakeholders and local communities and management of key business risks along with updates on activities and decisions.

### Governance structure

AAA is a limited liability company incorporated and organized under the laws of Aruba and has a two-tiered board: a Board of Supervisory Directors and a Board of Directors with a clear distinction between the different responsibilities of those boards as well as of the third formal corporate body, the General Meeting of Shareholders. This is to ensure that the balance of responsibilities, accountabilities and decision-making are effectively maintained.

### Our Corporate Governance rules are guided by:

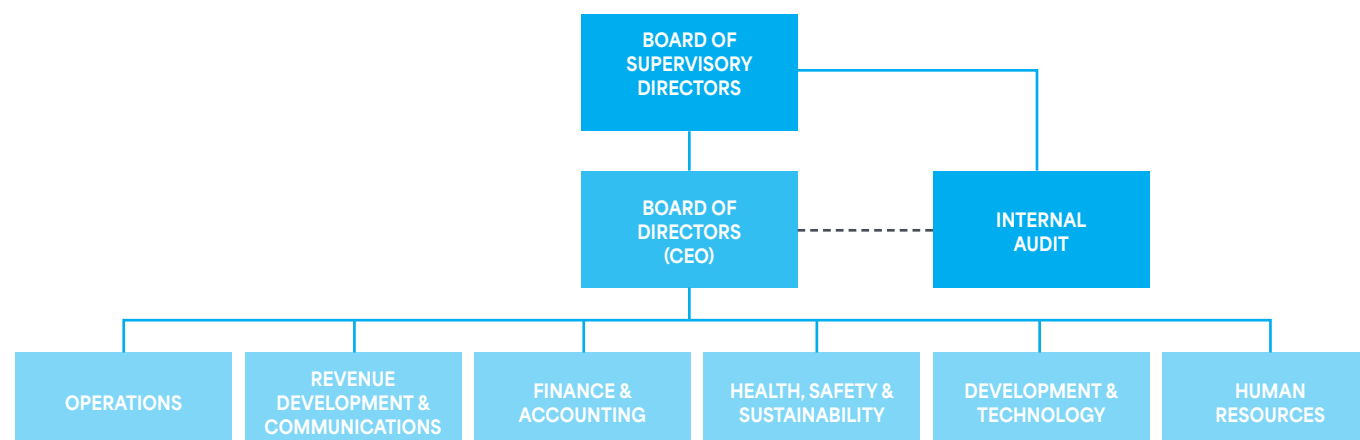
- the Articles of Incorporation.
- the Standing Rules of Procedure for the Board of Supervisory Directors (including a profile for individual members).
- the Reserve and Dividend policy.
- the Standing Rules of Procedures for the Board of Directors, including a Tender Procedure and a Code of Conduct 'Shining with our Values' including a new reporting process.



# Governance Framework

## Organizational Chart

As per January 1, 2023, the following organizational structure came into effect:



Based on an evaluation of the organizational model performed in 2022, the organizational and FTE count changes were made, guided by our new Corporate Strategy where it is important to have a future proof, safe and resilient workplace and airport. This new Corporate Strategy requires us to have new approaches, new ways of thinking, knowledge and skills, and to provide the right customer service and safety to our visitors. It is a balancing act between the need for extra personnel on one hand and keeping our organization flexible and efficient on the other hand.

All positions and job descriptions were reviewed, rated objectively using the Hay methodology in 2022, and a new salary structure was introduced as of January 1, 2023 to ensure salary competitiveness by positioning AAA's salary structure in the 75% percentile of the Dutch Caribbean labor market. The implementation of the new salary structure also means an extension of the salary

career for most of our employees and has been part of the Collective Labor Agreement ("CLA") 2023-2026 and Arbeidsvoorwaardenreglement ("AVR").

### Strategic Cooperation Agreement with Schiphol International NV

In March 2020, an addendum to the Strategic Cooperation Agreement ("SCA") with Schiphol International B.V. ("Schiphol") was signed, which includes an extension of the "non-termination clause" until January 1, 2025. The addendum furthermore includes a change in the fee structure for services rendered depending on the level of the services rendered. Schiphol receives a remuneration for assistance provided, calculated against an agreed rate per man-hour plus out-of-pocket expenses. In addition, an annual Intellectual Property Fee is charged, as well as an EBITDA based Incentive Fee. The Incentive Fee is determined annually within 14 days of the approval

of the Annual Report in the General Shareholder's Meeting and confirmed by the external auditor of AAA. As part of the SCA, Schiphol provides for the function of the company's Chief Executive Officer and Mr. Meijs was appointed by the Shareholder for a period of five years as of September 1, 2019. Mr. Meijs is seconded to the company based on a separate "Employee Lease Agreement" between AAA and Schiphol.

Key activities and projects performed by Schiphol in cooperation with AAA in 2023 were:

- Our Operations Manager, Account Manager Concessions & Commercial Property, DHR, CDT, CRDC and Legal Advisor visited Schiphol Group airports during 2023 for knowledge sharing on various topics.
- Visit from Director of Schiphol International to Shareholder.
- Advice and knowledge sharing for Gateway 2030 Program Board on the development of Phase 1A and Phase 1B.
- Two seconded personnel from Schiphol to Development & Technology unit to assist with Projects and Master Plan.
- Our Security Manager and 6 Security Officers were on a Knowledge and Inspiration Exchange program tour at several Royal Schiphol group airports.
- Our Aviation Business Development Executive attended the first Royal Schiphol Group Academy where the primary focus revolved around the commercial aspects of airport operations, and insightful visits at Schiphol and Eindhoven airports.
- Advice on in-house Fire Rescue Services and insight into assisting the governmental Fire Department at the airport.

# Governance Framework

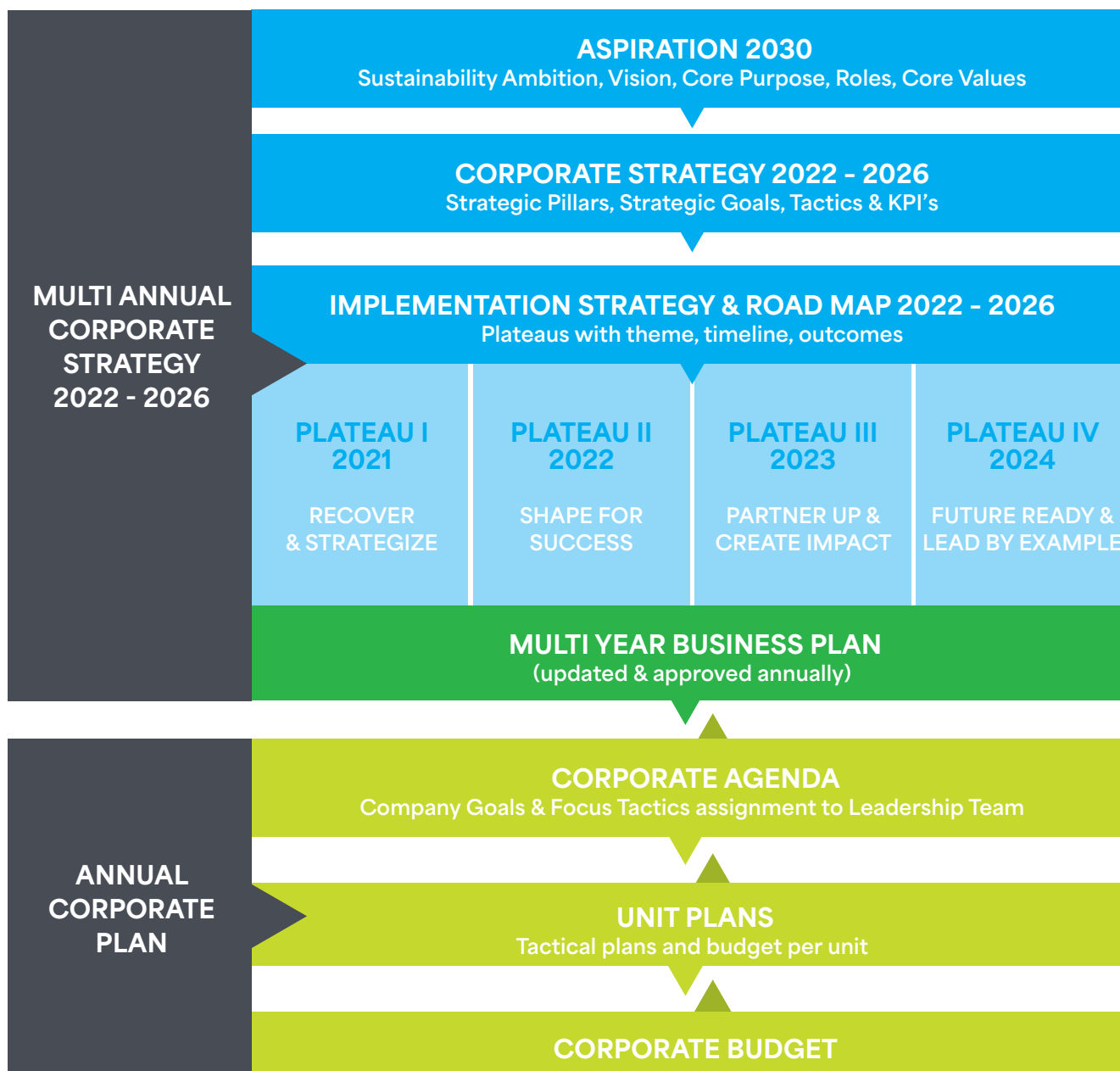
## From multi-year Strategic & Business Planning to Year Budget

We have a Multi Annual Corporate Strategy, which is translated into a multi-year Business Plan. Every year we set our annual Corporate Agenda to shape the focus of AAA as a whole. The Corporate Agenda consists of a set of Company Goals and Focus tactics derived from the implementation road map, which co-drives the yearly Corporate Budget process.

Each unit is empowered to define how they want to move forward to achieve the company goals and assigned tactics and prepare a unit & tactical plan and budget based on the budgetary guidelines which is integrated into a consolidated corporate budget.

The annually updated multi-year Business Plan outlines the strategic and financial course of AAA.

Both the Budget 2023 and the Business Plan 2022-2027 were approved by the BOSD on November 25, 2022. The Budget 2024 and the Business Plan 2023-2028 were approved by the BOSD on November 24, 2023.





# Governance Framework

## BoD and Leadership Team

The Board of Directors (BoD) consists of a sole statutory director structure and operates within the provisions of the Articles of Incorporation under supervision of the BOSD. The sole statutory director (the “Chief Executive Officer” or “CEO”), chief executives and directors form the Leadership Team, are responsible for setting the Corporate Strategy, operational and financial objectives and ensuring compliance with all relevant laws and regulations as well as effective risk control and opportunity identification.

The Leadership Team consists of seven team members, including the CEO, the Chief Operating Officer (“COO”), the Chief Revenue Development & Communications Officer (“CRDC”) (prior to 2023 known as CCO), the Chief Financial Officer (“CFO”), the Chief Development & Technology Officer (“CDT”), the Director Health, Safety and Sustainability (“DHSS”) and the Director Human Resources (“DHR”). In the Leadership Team meetings our Legal Advisor also participates in the bi-weekly meetings. The CFO and Legal Advisor accompany the CEO in the regular BOSD meetings. The statutory reporting line between the BoD and the BOSD remains with the CEO, who is AAA’s overall and ultimate responsible executive.

### Board of Supervisory Directors

The BOSD has three tasks: exercising supervision, providing advice and acting as the employer. When carrying out its supervision on the CEO, the BOSD focuses on the realization of the objectives, the risks in connection with the company’s activities, the internal systems for risk management and control and the financial reporting. Furthermore, for major decisions prior approval of the BOSD is required, such as decisions related to the strategy, the yearly budget and collective labor agreements.

The Corporate Governance framework of AAA includes the possibility of installing several Supervisory Board committees, the formal approval process remains the prerogative of the complete Board of Supervisory Directors. There are Rules of Procedures in place for an Audit Committee, an Investment Committee, a Remuneration Committee, a Selection and Appointment Committee, and since 2019, a Construction and Development Oversight Committee. Considering the relatively small size of AAA, the Corporate Governance framework further also provides for the possibility to appoint one Supervisory Director solely -rather than the installation of a complete committee- to oversee the separate area of one of the committees mentioned here above.



On picture from left to right: Jurgen Benschop, Aisha Anthony, Solange Dooper - Gietel, Joost Meijs, Barbara Brown, Gilbert Rafael, Sharin de Goede (Legal Advisor), and Angeline Flemming



On picture from left to right: Alfredo Nicolaas, Sven Faarup, Gerald Tsu, Hubert Dirks, and Albert Braamskamp (BOSD Secretary)

# Governance Framework

## General Meeting of Shareholders

The General Meeting of Shareholders is the third formal corporate body within AAA's Governance Framework. The General Meeting of Shareholders is the highest decision-making body within AAA and is responsible for adoption of the annual report and financial statements, and providing de-charge to the BoD and BOSD.

The Board of Supervisory Directors needs prior approval from the General Meeting of Shareholders for decisions related to the identity and existence of AAA, such as emission of shares, sale or transfer of a business division or activity of AAA and changes in the Articles of Incorporation.

One of the key events during 2023 was the AAA's Annual Shareholders Meeting, which also had the participation of the representative of the Shareholder. This meeting provided an opportunity for the BOSD to update the representative of the Shareholder on the progress and developments within AAA and the adoption of the Annual Report 2022 as well as the declaration of dividends.

The regular meetings and the annual Shareholders Meeting have contributed to the overall governance and accountability of the company. As AAA continues to play a vital role in the Aruban aviation industry, these meetings serve as a platform for the Shareholder, the BOSD, and the BoD to jointly evaluate and guide the organization towards sustainable growth and success.



### Correspondence and Decisions taken by Shareholder during 2023

#### APRIL 26, 2023

- Adoption of Annual Report 2022.
- Declare Dividends and to add remainder of profit to general reserve.
- Grant complete discharge to BOSD and BOD.

#### MAY 9, 2023

- Term of BOSD member, Mr. Fin Bonset, ended.
- No renewal of term.

#### MAY 12, 2023

- Withdraw BOSD member appointment decision taken Dec. 10, 2021 solely on aspect of appointment duration.
- Title of President of BOSD and tenure of BOSD member terminate on initial term of May 7, 2023 and as acknowledged in meeting of May 9, 2023.

#### MAY 17, 2023

- Appointment Mr. Gerald Tsu as Chairman and title President of BOSD ("President-Commissaris") until termination of term.
- Appointment Mr. Sven Faarup as substitute Chairman and title President of BOSD until termination of term.

# CEO and Leadership Team

## Composition in 2023



**Joost Meijs**  
Chief Executive Officer

Born 1969. Dutch nationality.

### Education:

Holds a Master's Degree in Economics from the Economic Faculty at the University of Groningen.

### Member of:

- Safety Review Board
- Risk Committee
- Gateway 2030 Program Board
- Project Board
- Chair of the Dutch Caribbean Cooperation of Airports

### Special Competencies:

Joost is an experienced Chief Executive Officer with more than 25 years of experience in senior leadership positions, in mostly commercial and general management roles and is skilled in (non) executive (statutory) board positions. Joost is a strong strategic and system thinker driving sustainable and social-responsible growth in (non)financial key performance indicators. He believes that strong companies need to be built on the principle of trust, where employees feel engaged and respected, and with a strong focus on innovation and long-term horizons. He advocates open collaboration between colleagues and with external stakeholders and maximizes the added value of companies for the community.



**Jürgen Benschop**  
Chief Operations Officer

Born 1974. Dutch nationality.

### Education:

Holds a Master's Degree in Aeronautical Science and a Bachelor's Degree in Aviation Business Administration from the Embry Riddle Aeronautical University in Florida, and has a Private Pilot License with Multi-Engine Rating.

### Member of:

- Safety Review Board
- Risk Committee
- Tender Committee
- Gateway 2030 Program Board
- Project Board
- Aruba Aviation Facilitation Committee
- Aruba Aviation Accident Investigation Board
- Aruba One Happy Pass (Digital Travel Credential) Workgroup

### Special Competencies:

Jürgen is a critical thinker and problem solver with a strong operational background. Jürgen is responsible for the capacity planning and negotiation of slots with the airlines to guarantee optimal use of the available infrastructure and resources. Jürgen is also responsible for the safe and efficient operation of our FBO terminal focusing on high service standards for our demanding clients. Jürgen believes that collaboration with internal and external teams, authorities and service providers is of the utmost importance for the streamlining of the airport's operational ecosystem to ensure compliance to our Aerodrome Certification and efficient processes for all of our airport users..



**Barbara Brown**  
Chief Revenue Development  
& Communications Officer

Born 1971. Dutch nationality.

### Education:

Holds a Bachelor's degree in Economic Linguistics (Commercial Economics combined with Cultural Business and Language skills) from HEAO Arnhem, the Netherlands.

### Member of:

- Airlift Committee
- Tender Committee
- Knowledge Network Commercial Schiphol Group

### Special Competencies:

Barbara serves as the Chief Revenue Development & Communications Officer, where she oversees all aeronautical and non-aeronautical revenues, including revenues streams derived from aviation business development, concessions, and commercial properties, and safeguards the branding and marketing activities of the company whilst also managing external communications, media, and public relations efforts of the company. As such commercial management, leadership, aviation expertise and dedication and commitment showcase her ability to deliver consistent results and contribution to the growth and success of the company ever since Barbara started her career at the company back in 1997.



**Aisha Anthony**  
Chief Financial Officer

Born 1971. Dutch nationality.

### Education:

Holds a Certified Public Accountant's License and has a Master's Degree in Accounting from the Florida International University, and a Bachelor's Degree in Accounting from the University of South Florida.

### Member of:

- Risk Committee
- Tender Committee
- Integrity Committee
- Gateway 2030 Program Board
- Project Board

### Special Competencie:

Aisha is a results driven and systems thinker with a strong financial and accounting background, and played a key role in initiating the company's strategy. She participates with courageous authenticity in BOSD and Leadership Team discussions. Aisha is responsible within the company for the Accounting, Finance, Treasury, Planning & Control, Payroll, Risk Management, Insurance and Compliance, as well as introducing Business Intelligence in 2023. Aisha's emphasis on sustainability reflects her dedication to incorporating environmental, social, and governance considerations into the company's reports, policies and procedures, while also being focused to streamlining and making them more efficient in collaboration with multi-disciplinary teams.



# CEO and Leadership Team

## Composition in 2023



**Angeline Flemming**  
Director Health, Safety  
and Sustainability

Born 1969. Dutch nationality.

### Education:

Law Enforcement Management at Nederlandse Politie Academie, Netherlands Diploma in Management at Henley Management College Curacao.

### Member of

- Safety Review Board
- Risk Committee
- AAA's volunteer group Wings of Hope (leader)
- Airport Council International-LAC Environment Committee
- Knowledge Network Sustainability, Schiphol International
- Dutch Caribbean Cooperation of Airports, Advisor
- ACI LAC Nominated for Board Member 2023-2025

### Special Competencies:

Angeline is a self-motivated leader, with extensive track record in various leadership roles in the public and private sector. As AAA's liaison for local and international entities, Angeline advises on key security and safety risks and assists in major investigations. As AAA's COVID crisis leader, Angeline successfully led the Airport closing and reopening strategies in 2020. In 2021, Angeline was appointed to lead AAA's Sustainability journey, and through her passion and commitment towards conducting corporate socially responsible business, she helped make Aruba Airport a true pioneer in the region on sustainability, achieving ACA Level 3 status, as the first airport in the Dutch Caribbean region, as well as the first airport in the world to achieve Green Globe certification. Several of Angeline's projects promoting the UN SDGs are presented yearly by the Government of Aruba during the UN Assembly in New York. As a dedicated mentor, Angeline seeks to continuously inspire and guide many of the younger colleagues and/or potential leaders, with her knowledge, experience, and drive.



**Gilbert Rafael**  
Chief Development &  
Technology Officer

Born 1974. Dutch nationality.

### Education:

Holds a Bachelor's degree in Software Engineering.

### Member of:

- Gateway 2030 Program Board
- Project Board
- Risk Committee

### Special Competencies:

Gilbert Rafael, Chief of Development and Technology at the Aruba Airport Authority since 2019, is a seasoned project management and business optimization professional with Lean Green Belt certification. Formerly a Business Architect at the Central Bank of Aruba, he streamlined operations and integrated systems. Gilbert's visionary leadership fosters innovation, aligns teams with strategic goals and bridges the gap between business and technology. His commitment to ethical standards and talent empowerment sets a high bar for integrity. With a bachelor's degree in software engineering and numerous certifications, Gilbert leverages technical trends to propel our organization forward. Under his leadership, we are poised to embrace aviation's future with cutting-edge technology, solidifying our world-class airport status.



**Solange Dooper-Gietel**  
Director Human Resources

Born 1987. Dutch nationality.

### Education:

Holds a Bachelor's degree in Human Resources Management from the 'Hogeschool van Utrecht' in the Netherlands.

### Member of:

- Safety Review Board
- Integrity Committee
- Airport Council International - LAC Human Resources Committee
- HR Knowledge Network, Schiphol Group

### Special Competencies:

Solange is a solution-oriented business partner with experience in the Human Resources Management areas. She passionately understands that human resources is a driving force behind an organization's journey towards its strategic goals. To her, the heart of any company lies in its people, and she believes in nurturing that essence. In her role as Director, Solange embraces a profound sense of accountability and takes on the responsibility for guiding AAA's people-centric vision and shaping the Human Resources function. Her unwavering commitment extends to influencing AAA's corporate culture, driven by the overarching objective of fostering an inspiring, positive, and productive work environment, where the organization's success is intrinsically intertwined with the well-being and growth of its people.

# BOSD Team

## Composition in 2023



**Gerald Tsu**  
Chairman Board  
of Supervisory Directors

Born 1975. Dutch nationality.

### Education:

Holds a Bachelor of Science Degree in Construction & Civil Engineering as well as a Master of Science degree in Real Estate Management.

### Member of:

- Construction & Development Member

### Special Competencie:

Gerald is an Aruba-born engineer with a passion for investments. After his studies, he worked for 14 years at the Department of Infrastructure and Planning, where he led the team of Institutional, Commercial, Tourism, Recreational, and Nature-Focused projects. He also served as the Deputy Director of the Department of Infrastructure and Planning. After his mentioned tenure, he served as the Chief of Staff for the Minister of Tourism, Public Health, and Sports. Today, he focuses on his own investments and serves on various supervisory boards, including the Aruba Tourism Authority S.G. and the (non-profit) foundation Impact Hub Aruba, which he also co-founded.



**Sven Faarup**  
Member Board  
of Supervisory Directors

Born 1977. Dutch nationality.

### Education:

Holds a Master's Degree in Law from the University of Aruba.

### Member of:

- Construction & Development Committee - Chairman
- Audit Committee - Member

### Special Competencies:

Sven is a highly accomplished professional with a legal background. Born in Aruba, he obtained his Master's Degree in Law from the University of Aruba in 2002. Since then, he has established himself as a seasoned lawyer, and currently holds a distinguished partnership at the law firm of Faarup Figaroa (referred to as FFH Legal since 2023). Throughout his career, Sven has garnered extensive expertise in various areas of law, displaying a particular specialization in labor and criminal law.



**Alfredo Nicolaas**  
Member Board  
of Supervisory Directors

Born 1964. Dutch nationality.

### Education:

Business Economics and holds an MBA degree from Business School Netherlands International.

### Member of:

- Audit Committee - Chairman

### Special Competencies:

Alfredo brings a wealth of experience and tenure to his position as Chief Financial Officer at SETAR N.V., a company he has been dedicated to since 1990. Alfredo's extensive professional journey is distinguished by his passion for digital transformation and his ability to nurture and lead high-performance teams. Beyond his corporate commitment, Alfredo serves as the Chairman of the Advisory Board of the Sociale Verzekeringsbank, reinforcing his commitment to contributing to the broader business community and sharing his insights and experience.



**Hubert Dirks**  
Member Board  
of Supervisory Directors

Born 1957. Dutch nationality.

### Education:

Holds a degree in Financial & Administrative Studies.

### Special Competencies:

Hubert is a seasoned business professional with a stellar track record and where his expertise lies in strategic financial management and expanding businesses. He has successfully held roles such as Financial Manager, Financial Comptroller, and Managing Director within various companies and sectors both locally and internationally. Currently, he serves as the Managing Director and Shareholder of Comprá N.V. & Comprá Holdings N.V.

# Governance Framework

## BOSD Focus

### Focus of our supervision

The primary role the Board of Supervisory Directors is to oversee and supervise the strategic direction of the company. This includes ensuring that the company is meeting its objectives, managing risks effectively, and complying with relevant laws and regulations including (yet not limited to) the applicable governance guidelines as described in the Articles of Incorporation of AAA.

Additionally, the BOSD serves as a critical advisor and guide to the Leadership Team. In this capacity, the BOSD also works closely with the leadership Team to provide guidance and support as needed. Furthermore, the BOSD is responsible for ensuring that the company is operating in a responsible and ethical manner.

Overall, the governance framework followed by the BOSD plays a pivotal role in ensuring the company's success. By providing oversight, guidance, and support to the LT, the BOSD helps to ensure that the company operates in a responsible and ethical manner, while also achieving its strategic objectives.

### Topics

Discussions during BOSD meetings cover a wide range of topics and in-depth deliberations on matters pertaining to the strategies and overall performance of the organization. These discussions are crucial for ensuring transparency and effective decision-making.

During 2023 the following topics, amongst others, were discussed and reviewed:





# Governance Framework

## Meeting & Attendance Calendar

In 2023, the BOSD had a schedule for joint meetings with the Board of Directors once every other month, amongst other meetings for approval of the budget, the Business Plan and the Annual Report. The BOSD can also adopt resolutions outside regular meetings, which as per article 25.8 of AAA's Articles of Incorporation, requires a unanimous decision.

In the fiscal year 2023, the BOSD had a total of seven meetings, all in the presence of the Board of Directors. These meetings were significant as they included the presence of CEO and representatives, showcasing the collaborative approach taken by the organization. In all meetings, the quorum required for the BOSD as per the Articles of Incorporation was met. This requirement ensures that a sufficient number of participating members are present to make valid decisions and take actions that align with the organization's objectives.

BOSD MEMBER	AUDIT COMMITTEE MEMBER	CONSTRUCTION & DEVELOPMENT OVERSIGHT COMMITTEE MEMBER	BOSD REGULAR MEETINGS ATTENDED (%)	END OF BOARD TENURE
Gerald Tsu, Chair BOSD		X	100%	November 2026
Sven Faarup	X	X (Chair)	71%	December 2025
Hubert Dirks			86%	December 2025
Alfredo Nicolaas	X (Chair)		100%	January 2026

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Shareholder Meetings				YES	YES (3X)							
BOSD Meetings		YES	YES	YES		YES			YES		YES (2X)	
Audit Committee Meetings	YES	YES (2X)	YES	YES (2X)		YES (2X)	YES			YES	YES (2X)	
Construction and Development Oversight Committee Meetings		YES	YES	YES		YES			YES		YES	

### Approvals provided by the BOSD during 2023

- Budget increases for sculpture 100 years aviation and preparation stage of Phase 1B
- Budget transfers for acquisition of 2 E-Cobus busses, execution of 5th security lane project, acquisition of 16 new E-gates, execution of maintenance strategy project
- Deviation from Tender Procedures for Phase 1B, F&B Agreement, Employees Pension Plan provider
- Investment Policy to approve use of Emergency Funds for certain low risk investments
- Budget 2024 and Business Plan 2024-2028

# Governance Framework

## BOSD and Committees



The BOSD places great importance on effective oversight and governance. To achieve this, the BOSD has established two key committees: the Audit Committee and the Construction and Development Oversight Committee. These committees meet regularly and provide vital support and guidance to the BOSD AAA.

### AUDIT COMMITTEE

Purpose: Ensuring Financial Accountability

Audit committee members have a critical role in overseeing many aspects of a company's activities and performance. The audit committee has responsibility for overseeing financial reporting and related internal controls, application of information and communication technology (ICT), tax planning policy, risk, independent external auditors and internal auditors, code of conduct, and compliance. Regular meetings of the committee contribute to proactive risk management and ensuring the company's integrity.

Subjects dealt with in 2023:

- Internal Control
- Internal Audit
- External Audit
- Corporate Integrity
- Annual Reporting
- Other

Both committees support the BOSD AAA in carrying out its responsibilities. They present reports enhancing transparency, accountability, and informed decision-making. They play crucial roles in the AAA's governance and success

### CONSTRUCTION AND DEVELOPMENT OVERSIGHT COMMITTEE

Purpose: Facilitating Growth

The purpose of this committee is to provide focus on all development and construction efforts for the Gateway 2030 program through a review of all shareable elements for the duration of the program. The Construction and Development Oversight Committee oversees the ongoing construction and new development projects, ensuring adherence to AAA's strategic objectives. Regular meetings precede BOSD regular meetings and allow evaluation of construction progress and informed decision-making for current and future developments.

Subjects dealt with:

- Phase 1A
- Phase 1B
- Phases 2 + 3
- Masterplan

# Report of Audit Committee

Main activities undertaken by the Audit Committee in discharging its functions and duties during the year under review were as follows:



## Internal Control

- Throughout the year 2023, we conducted a thorough review and extensive deliberation of multiple internal audit reports pertaining to investigations concerning internal controls, all of which were carried out by the Internal Audit Department.

- We have deliberated on AAA's internal control and risk management ensued upon the receipt of requested information from the CFO, encompassing various aspects associated with internal control and risk management.

## Internal Audit

- We have diligently reviewed and granted approval for the self-assessment of performance conducted by the Internal Audit Officers themselves, encompassing the entirety of the performance year 2022.

- We conducted a comprehensive review and subsequently adopted the Internal Audit Department's proposed internal audit plan for the year 2023.

- We have engaged in a discussion and subsequently granted approval for the goal settings established by individual members of the Internal Audit team for the year 2023.

- Mid 2023, we conducted an evaluation interview as a vital component of the "continuous feedback" – cycle with the Internal Audit Officers.

- In the 4th quarter of 2023, we engaged in discussions covering several significant matters with the Internal Audit Department. This was undertaken with the aim of obtaining a comprehensive understanding of how the Audit Committee oversees and monitors the internal audit activities within AAA.

- We have strived to conduct bi-monthly meetings between the Audit Committee and the Internal Audit Department. Formal meeting minutes are regularly documented for these sessions.

## External Audit

- We submitted a series of written inquiries pertaining to the audit program and subsequently conducted a review of the outcomes of the work executed by Ernst & Young (EY). This process was undertaken to evaluate the independence of the external auditor.

- We have attended the presentation delivered by EY concerning their findings from the 2022 audit.

- We conducted a thorough evaluation of EY's performance throughout 2023, and our assessment, which also considered feedback from the Internal Audit Department, led to the conclusion that EY had delivered a commendable performance. Their work was marked by a critical perspective, ample objectivity and independence.

- We have conducted a comprehensive review of the



scope of work and the audit plan for the fiscal year in collaboration with EY.

### Corporate Integrity

- We engaged in a comprehensive discussion and exchanged information with EY regarding the concept Corporate Governance Code Aruba and its potential implications for the organization.

- We have received, thoroughly reviewed, and held discussions with the Internal Audit Department on multiple reports received from AAA's Integrity Committee.

- In conjunction with AAA's Management and members of the Internal Audit Department, we actively took part in the "Governance Essentials" training, which was conducted by Professor F.B.M. Kunneman.

### Annual Reporting

- We conducted a preliminary review of the findings and recommendations from the 2022 audit with EY and subsequently conveyed our favorable opinion to the Board of Supervisory Directors.

### Other

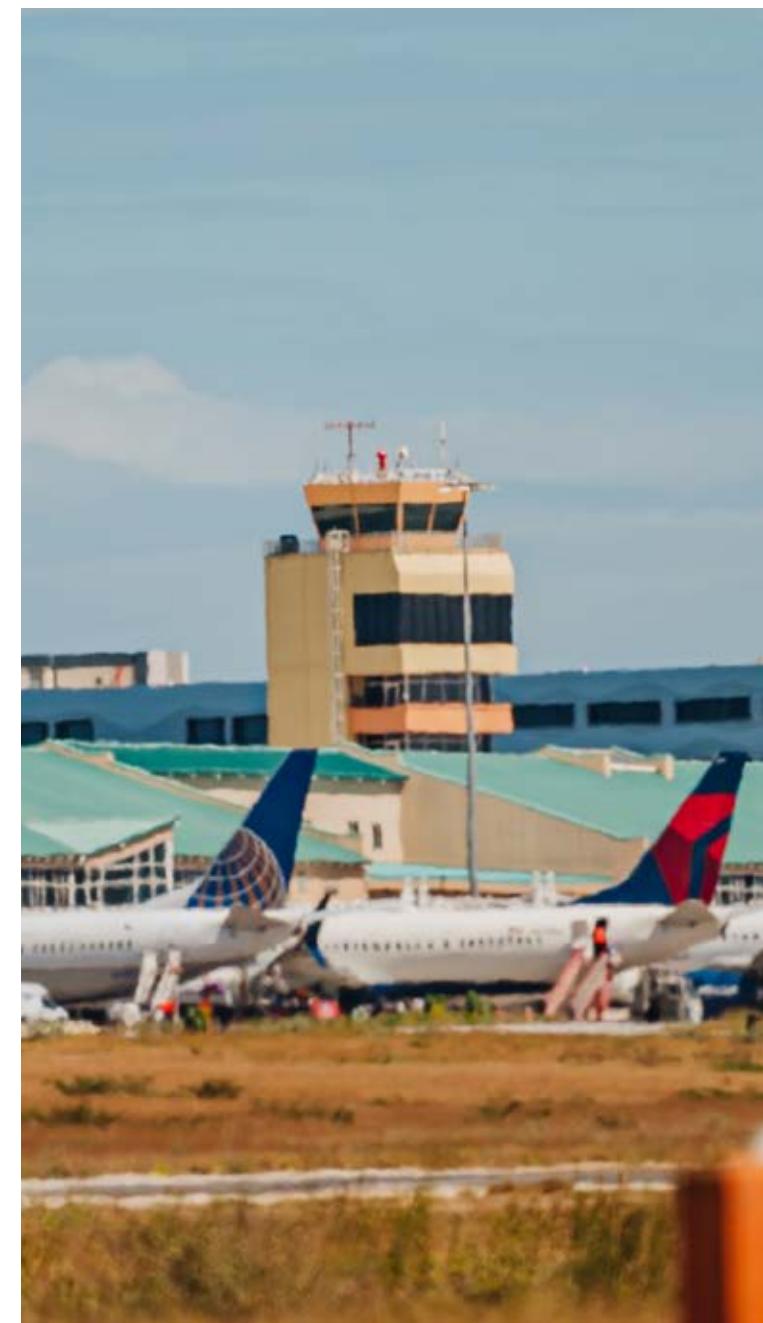
- We actively participated in the selection committee responsible for identifying a suitable candidate to fill the vacant position of Internal Audit Executive.

- We conducted a self-evaluation assessment and subsequently analyzed the outcomes in collaboration with the Internal Audit Department.

- We have engaged in discussions regarding the protocols for performance evaluation sessions in consultation with HR and the CEO.

- We conducted an evaluation of the "self-steering Internal Audit team" in conjunction with the CEO. Despite our positive assessment of the overall performance, a decision was made to revert to the previous departmental structure due to an internal transfer that altered the composition of the Internal Audit team.

- We formally requested and participated in a presentation by the IT Department, during which various topics, including digitalization, emerging technologies, and IT-related risks, were presented, and thoroughly deliberated upon with the Audit Committee.



# Report of Construction & Development Oversight Committee

Main activities undertaken by the Construction & Development Oversight Committee in discharging its functions and duties during the year under review were as follows:

The Construction and Development Oversight Committee (CDOC) is a semi-permanent committee that supports the BOSD in carrying out its supervisory responsibilities with the Gateway 2030 program by overseeing the ongoing construction and other development projects related to the Gateway 2030 program. Regular CDOC meetings always take place a day before the actual BOSD meetings and allows for in-depth presentations and discussions with the CEO, CDT and CFO. Based here on the CDOC can then efficiently inform and pre-advise the BOSD meeting of the construction developments, and informed decision-making for current and scheduled developments can be made. This way transparency, accountability, and decision-making is enhanced and fulfills a crucial role in the company's governance framework.

The recurrent topics on the agenda for the CDOC have been the following:

## Phase 1A

Regular topics that have been dealt during the meetings were:

- Monthly status by means of dashboards and presentations
- Physical construction progress
- Financial status and project budget

- Safety on the construction site
- Risks, concerns and mitigation measures
- (Milestone) Planning and handover dates
- Variation orders and claims
- Communication and relationship with contractor

As with any other construction project, Phase 1A project also has had its challenges during 2023 but has advanced in a satisfactory manner. These were catalogued during the year, and they continue gradually being resolved. In terms of safety, we are pleased to observe that there had been 200+ days without any incidents and occurrences during 2023. Furthermore, the risks and concerns that have been identified are actively being mitigated and for the most part resolved. Claims are being handled diligently by the Resident Engineer and whenever necessary by management. AAA and contractors are successful in finding collaborative solutions in the best interest of the project.

## Phase 1B

A program board and a team have been identified and installed for phase 1B in 2023. Plans have been reviewed and discussions over phase 1B designs are being held with the designer, and maintaining the momentum for a timely plan review is always a challenge. Discussions with the CDOC and BOSD

regarding the approach for tendering has been discussed and approved. By the end of 2023 the tender documents have been provided to invited qualified bidders with ambitions to start execution in 2024.

## Phase 2 & 3

We have taken notice that plans are also in the making for the remaining phase of the Gateway 2030 program, named Phase 2 & 3. Recognizing that this is a more complex project in a live operational environment, it is important that the necessary planning is continued in 2024 as well as revisiting the designs and applying learning lessons from the previous phases.

## Masterplan

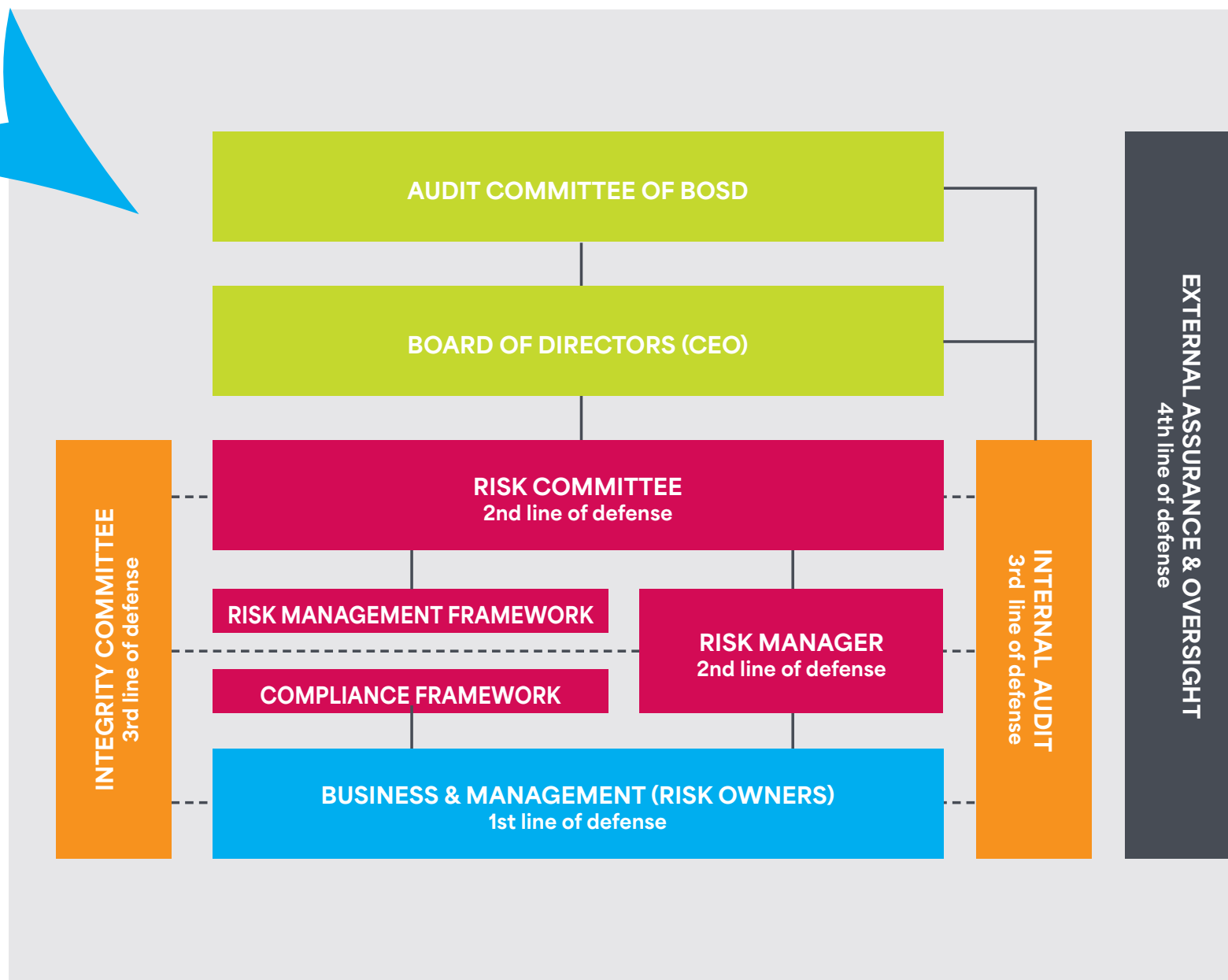
We have also reviewed management's intention to have its airport masterplan updated and maintained current in-house. The masterplan comprises of long-, mid-, and short-term segments whereby these segments refer to infrastructure projections of ten to fifteen years, five to ten years, and fewer than five years, respectively. Based on this airport masterplan, discussions and decisions can be made regarding potential scenarios to address the current limited infrastructural capacity and real estate development opportunities.

# Risk Management

Risk Management forms an integral part of managing our business. AAA has a vital role in the Aruban economy and is exposed to a broad range of strategic, operational, financial and compliance risks.

We have a risk management framework in place to identify, assess, mitigate, and monitor business risks that might impact our ability to develop our business sustainability and be a reliable partner to our customers and the communities we operate in.

We have a robust governance framework for risk management in place, with clear responsibilities and the overall responsibility for the risk management framework and approach of the Board of Directors. Risks that are merging or that could cause critical harm to the airport are subject to enhanced executive and board oversight.





### Risk appetite

Our risk appetite determines the level and type of risk that AAA is willing to accept to achieve its company goals based on the Corporate Strategy. The applicable risk appetite for strategic, operational, reporting and compliance risks for the core business processes of AAA and as well for the Gateway 2030 project are defined by the Risk Committee and Board of Directors, steering decisions on the acceptable level of risk while enabling AAA to achieve its strategic objectives.

In a dynamic and evolving environment our risk appetite and tolerance must be progressive, and it should be defined in a proportionate and calibrated way. In 2024 risk appetite brainstorm sessions will take place to determine the risk appetite per COSO objective (strategic, operational, reporting and compliance).

### Risk profile

Overall, our profile has been high in 2023, and it is expected that in 2024 it will remain on the same level due to a combination of internal and external factors and time needed to effectively improve the organization, our airport service levels, our infrastructure & assets, our IT infrastructure, and managing effects of legislators (tax legislation).

Our focus has been also on the Gateway 2030 project which posed many risks that materialized such as financial, performance and external risks. Different causes were related to the COVID effect (increasing material costs, outdated technologies or design items), tight labor market, employee changes in the internal organization, shipping & delivery speed of key materials, and legislative changes (tax increase).

External events make it crucial to have a certain resiliency in place to be able to respond to revenue fluctuations that are based on changing air travel demand. Events that could have impact are geopolitical issues such as the Ukraine and Russia war, the Israel and Hamas war, and global developments such as the closed Venezuela border, the cybersecurity threat, and climate change.

*In November 2023 the Risk team hosted for the 5th year the International Fraud Awareness Week at AAA*



# Risk Management

Our Risk Management framework is an Enterprise Risk Management system that is embedded organization-wide with the principal aim of providing oversight and governance of the key risks that AAA faces, and to monitor current, upcoming and emerging risks. The framework provides guidance on how risks should be identified, mitigated, reviewed and reported within AAA.

Identifying, understanding and managing risk is fundamental to our Corporate Strategy and success. In the AAA Risk Management policy of 2012, we have implemented COSO 2013 which at the time was the most recent and adequate risk framework for AAA. For the update of the risk management policy we will include the latest COSO risk framework for implementation in 2024.

The biggest differences between the two frameworks are that while COSO 2013 primarily focused on internal control of financial reporting, COSO 2017 emphasizes on the integration of risk management with the organization's strategy and culture and recognizes the evolving role of technology and data in managing risk.

## Our Risk Management framework and approach for 2024

The COSO ERM 2017 framework provides a structured approach to implementing risk management and internal controls with AAA by integrating this into our strategic planning and daily operations. This is key to be able to achieve strategic objectives, ensure compliance, and the safeguarding of assets.

Using COSO ERM 2017 as a framework, AAA can better identify, assess, mitigate, and monitor risks in a structured and systematic manner. Across 4 main risk categories (strategic, operational, compliance, and reporting) risks are mapped and linked to the 4 strategic pillars of AAA's Corporate Strategy which encompass the ESG and SDG components whilst also using the risk framework as guidance.



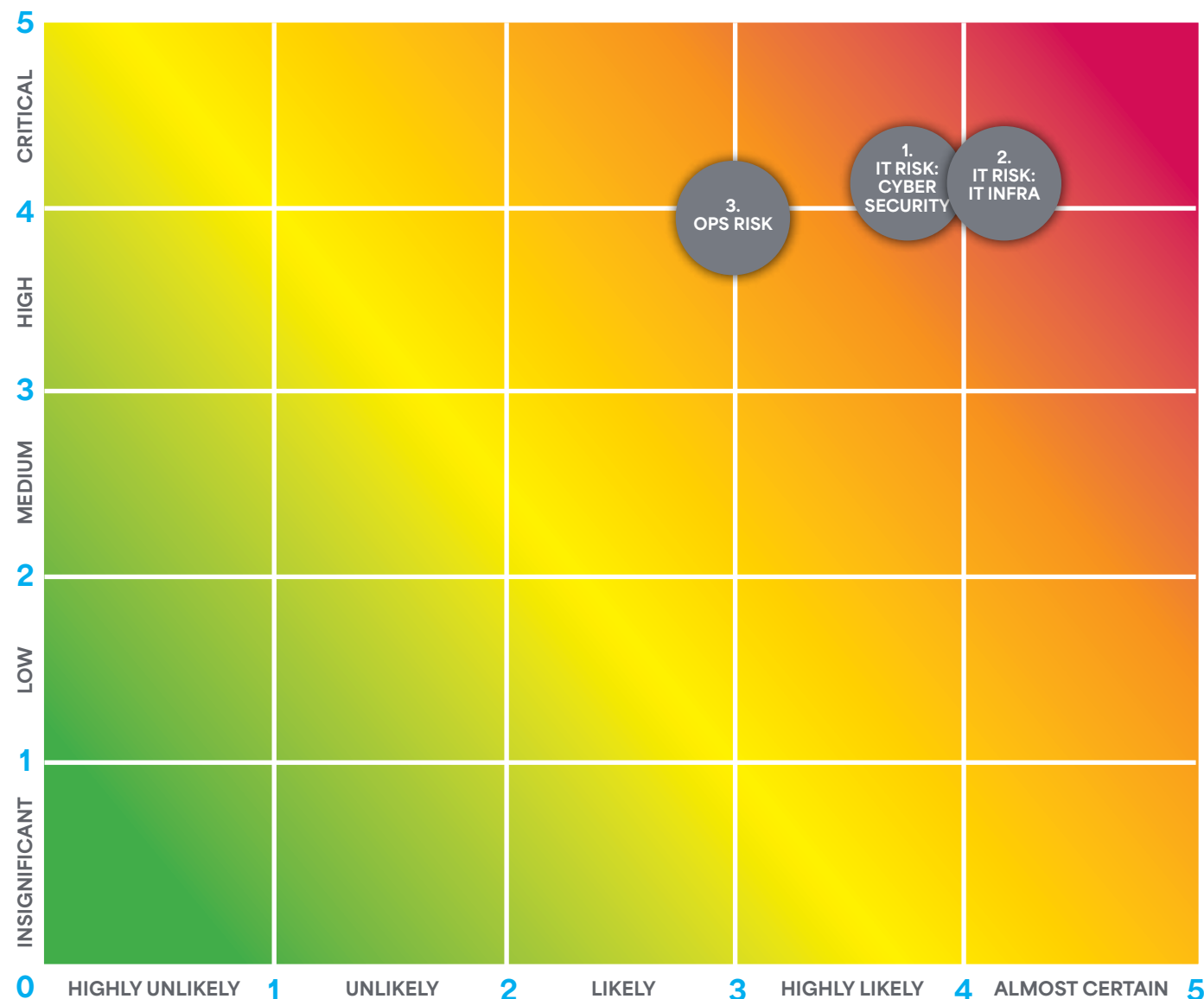
## Risk Register managed in Risk Challenger

The purpose of the AAA Risk Register is to document and manage all risks, threats, and opportunities throughout the company and the Gateway Program. The Risk Register provides a detailed overview of all identified risks and includes i.e. a detailed Risk description, Risk cause & effect and existing controls, the Risk assessment, the Risk response and related action plan. Risk Challenger is the cloud-based application used to manage all risks in the Risk Register.

Our Risk Register is reviewed and updated on a monthly basis with the Risk Committee which includes the input of the business with the aim of verifying and updating the risks to ensure the register reflects the most recent and emerging risks. The identified risks are grouped into 4 risk categories. Each category is assessed, and the results are shown in the 5x5 heatmap (impact and likelihood).

The risks are plotted in the heat map to visually give an overview of the most critical and high risks, and on the following page the risks in this risk heat map are briefly described in a risk register format.

## Risk Heat Map







### TOP RISKS REMAINING AT THE END OF 2023

	RISK CATEGORY	RISK TITLE	RISKS RELATED TO (SHORT DESCRIPTION)	RISK MITIGATION STRATEGY/RESPONSE	RESIDUAL RISK RATING	RISK TYPE
1	OPERATIONAL	IT Vulnerability Risk (Cyber)	IT vulnerability based on cyber security deficiencies which can result in cyber attacks, financial loss, and reputational damage.	<ul style="list-style-type: none"> <li>• Cyber Security measures</li> <li>• Gap analysis</li> <li>• IT Roadmap 2024-2028</li> <li>• Corrective action plan</li> </ul>	HIGH	Business Risk
2	OPERATIONAL	IT Vulnerability Risk (Infrastructure)	IT vulnerability based on IT infrastructure deficiencies which can result in downtime, security risks and increased maintenance costs.	<ul style="list-style-type: none"> <li>• Planned multi-year project</li> <li>• Business Impact Analysis</li> <li>• Change management policy</li> <li>• IT Roadmap 2024-2028</li> </ul>		Business Risk
3	OPERATIONAL	Safety Risk	The opening of the Venezuela border which can result in different consequences of unsafe conditions on the airport premises (uncertified aircraft and pax on airport premises) and financial impact. Possible opening can be June 2024.	<ul style="list-style-type: none"> <li>• The mitigation measures depend on the requirements/restrictions that will be set for entry.</li> </ul>		Business Risk

# Financial Statements



## Consolidated Statement of Financial Position as at December 31, 2023

(In Aruban florins)	Notes	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2022
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	(4)	59,298,715	69,511,796
Restricted cash balances	(5)	32,124,842	27,588,343
Trade receivables	(6)	30,083,679	22,760,040
Current tax receivable	(7)	1,669,875	1,669,875
Other receivables and prepayments	(8)	19,265,309	14,882,271
Inventories	(9)	2,721,639	2,490,218
<b>Total current assets</b>		<b>145,164,059</b>	<b>138,902,543</b>
<b>NON-CURRENT ASSETS</b>			
Prepayments	(10)	-	100,056
Property, plant and equipment	(11)	523,058,694	427,099,539
Right-of-use assets	(12)	15,896,597	18,331,609
<b>Total non-current assets</b>		<b>538,955,291</b>	<b>445,531,204</b>
<b>TOTAL ASSETS</b>		<b>684,119,350</b>	<b>584,433,747</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		6,141,841	9,787,596
Accrued expenses and other payables	(13)	29,599,198	26,222,931
Current portion of long-term borrowings	(14)	13,373,333	11,560,000
Current lease liabilities	(12)	3,347,689	2,284,196
<b>Total Current Liabilities</b>		<b>52,462,061</b>	<b>49,854,723</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	(14)	189,310,441	134,484,514
Non-current lease liabilities	(12)	15,759,867	17,238,110
Provisions	(15)	6,740,042	6,472,707
Deferred tax liability (net)	(16)	26,988,719	15,462,776
<b>Total non-current liabilities</b>		<b>238,799,069</b>	<b>173,658,107</b>
<b>SHAREHOLDER'S EQUITY</b>			
Issued and fully paid-in capital	(17)	72,071,000	72,071,000
Retained earnings		320,787,220	288,849,917
<b>Total shareholder's equity</b>		<b>392,858,220</b>	<b>360,920,917</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>684,119,350</b>	<b>584,433,747</b>

The accompanying notes form an integral part of the consolidated financial statements.



## Consolidated Statement of Profit and Loss and Other Comprehensive Income for the Year ended December 31, 2023

(In Aruban florins)	Notes	2023	2022
<b>CONTINUING OPERATIONS</b>			
<b>OPERATING REVENUES</b>			
Aeronautical revenue	(18)	136,885,488	114,112,514
Non-aeronautical revenue	(19)	45,990,544	40,647,593
<b>Total operating revenues</b>		<b>182,876,032</b>	<b>154,760,107</b>
<b>EXPENSES</b>			
Personnel expenses	(20)	32,710,299	28,322,955
Housing expenses	(21)	14,610,661	12,314,085
Administration and Marketing	(22)	7,284,758	4,276,069
Operational expenses	(23)	26,880,144	23,561,596
Other expenses	(24)	3,896,453	1,082,987
Government concession fee expense	(25)	7,368,786	6,503,328
Depreciation & Losses on disposal of PPE	(26.1)	26,402,419	23,924,208
Depreciation right-of-use assets	(26.2)	2,642,901	2,492,408
<b>Total expenses</b>		<b>121,796,421</b>	<b>102,477,636</b>
<b>Operating result</b>		<b>61,079,611</b>	<b>52,282,471</b>
Finance income	(27)	420,273	391,935
Finance costs	(27)	(4,535,554)	(121,833)
Interest costs lease liabilities	(27)	(935,500)	(1,036,974)
<b>Net financing costs</b>		<b>(5,050,781)</b>	<b>(766,872)</b>
<b>Result before profit tax</b>		<b>56,028,830</b>	<b>51,515,599</b>
Profit tax	(28)	(11,521,527)	(9,608,417)
<b>Net profit from continuing operations[1]</b>		<b>44,507,303</b>	<b>41,907,182</b>
<b>Other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>44,507,303</b>	<b>41,907,182</b>

[1] There are no discontinued operations

## Consolidated Statement of Equity for the Year ended December 31, 2023

(In Aruban florins)	Notes	ISSUED AND FULLY PAID IN CAPITAL	RETAINED EARNINGS	TOTAL
ATTRIBUTABLE TO OWNERS OF THE PARENT				
<b>BALANCE AS AT JANUARY 1, 2022</b>		72,071,000	251,292,735	323,363,735
Net profit from continuing operations		-	41,907,182	41,907,182
<b>Comprehensive income</b>		-	<b>41,907,182</b>	<b>41,907,182</b>
Dividend declared for the year 2021		-	(4,350,000)	(4,350,000)
<b>BALANCE AS AT DECEMBER 31, 2022</b>		<b>72,071,000</b>	<b>288,849,917</b>	<b>360,920,917</b>
<b>BALANCE AS AT JANUARY 1, 2023</b>		72,071,000	288,849,917	360,920,917
Net profit from continuing operations		-	44,507,303	44,507,303
<b>Comprehensive income</b>		-	<b>44,507,303</b>	<b>44,507,303</b>
Dividend declared for the year 2022		-	(12,570,000)	(12,570,000)
<b>BALANCE AS AT DECEMBER 31, 2023</b>		<b>72,071,000</b>	<b>320,787,220</b>	<b>392,858,220</b>

The accompanying notes form an integral part of the consolidated financial statements.

### Dividend declared for the year 2022

Based on the fact that all requirements within the Reserve & Dividend Policy were met, that there is compliance with loan covenants, and the Company has had a remarkable recovery in passengers and net results compared to pre-COVID, management and the Board of Supervisory Directors proposed to the Shareholder a dividend in the amount of AWG 12,570,000 being a one-time 30% of total comprehensive income for the year 2022. The Shareholder, Land Aruba, declared in a General Meeting of Shareholders dividends in the amount of AWG 12,570,000, which represents dividends per share of AWG 174.41. This dividend payment entailed payment of AWG 1,257,000 to the Aruba Tax Collector for dividend withholding tax and the remaining amount of AWG 11,313,000 as a dividend payment to the Shareholder. The remainder of the net profit of AWG 29,337,182 was added to the Company's Retained Earnings.

### Dividend proposal for the year 2023

As per the Articles of Incorporation, the Board of Directors, with approval of the Board of Supervisory Directors, can reserve a part of the profit, as determined in the annual report. The remainder of the profit is at the free disposal of the Shareholder. In order to declare the dividend, however the requirements specified in the Reserve and Dividend Policy must be met including loan covenants.

The Board of Directors and the Board of Supervisory Directors have proposed to the Shareholder a dividend of 15% of total comprehensive income for the year 2023. The Shareholder, Land Aruba, declared in a General Meeting of Shareholders dividends in the amount of AWG 6,676,100 which represents dividends per share of AWG 92.63. This dividend payment entails payment of AWG 667,610 to the Aruba Tax Collector for dividend withholding tax and the remaining amount of AWG 6,008,490 as a dividend payment to the Shareholder. The remainder of the net profit of AWG 37,831,203 is added to the Company's Retained Earnings.

## Consolidated Statement of Cash Flows for the Year ended December 31, 2023

(In Aruban florins)	Notes	2023	2022
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Result before profit tax		56,028,830	51,515,599
Adjusted for:			
Depreciation	(11)	26,386,479	23,938,458
Depreciation right-of-use assets	(26,2)	2,642,901	2,492,408
Interest income	(27)	(420,273)	(391,935)
Interest expense	(14)	4,420,160	-
Interest costs lease liabilities	(27)	935,500	1,036,974
Change in provisions	(15)	267,335	3,575,113
		<b>90,260,932</b>	<b>82,166,617</b>
<b>Changes in working capital:</b>			
Change in trade receivables	(6)	(7,323,639)	(5,036,790)
Change in other receivables and prepayments	(8)	(4,282,982)	461,619
Change in inventories	(9)	(231,421)	(96,876)
Change in accounts payable		(3,645,755)	(483,436)
Change in accrued expenses and other payables	(13)	3,386,080	2,472,966
Adjustment Lease Liabilities	(12)	1,790,659	-
<b>Cash flows from operating activities</b>		<b>79,953,874</b>	<b>79,484,101</b>
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>			
Investment in property, plant and equipment	(11)	(122,350,894)	(108,030,170)
Interest expense capitalized	(14)	6,321,919	5,898,631
Loss on disposal of tangible fixed assets	(11) & (26.1)	-	179,611
Interest received	(27)	420,273	391,935
<b>Cash flows used in investment activities</b>		<b>(115,608,702)</b>	<b>(101,559,993)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Dividend paid		(12,570,000)	(4,350,000)
Change in restricted funds	(5)	(4,536,499)	13,195,540
Withdrawal on loans	(14)	68,199,260	25,575,465
Repayment of loans	(14)	(11,560,000)	-
Interest paid	(14)	(10,742,077)	(5,898,631)
Repayment leasing - liabilities	(12)	(2,413,430)	(2,155,360)
Repayment leasing - interest	(12)	(935,507)	(1,036,974)
<b>Cash flow used in financing activities</b>		<b>25,441,747</b>	<b>25,330,040</b>
<b>Net change in cash and cash equivalents</b>		<b>(10,213,081)</b>	<b>3,254,148</b>
Cash and cash equivalents as at January 1	(4)	69,511,796	66,257,648
<b>CASH AND CASH EQUIVALENTS AS AT DECEMBER 31</b>	(4)	<b>59,298,715</b>	<b>69,511,796</b>

The accompanying notes form an integral part of the consolidated financial statements.



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2023



## 1. Nature of operations and related companies

The Aruba Airport Authority N.V. (“AAA”) is a government-owned limited liability corporation, incorporated and organized under the laws of Aruba on February 18, 1994. The office of the Company is located at the airport of Aruba and its address is Sabana Berde, Oranjestad, Aruba. The consolidated financial statements of AAA for the year ended December 31, 2023, comprises AAA as the parent company and its dormant subsidiary Aeronautical Training School of Aruba N.V. (together referred to as the “Company”). AAA is the airport operator for commercial aviation and as of January 1, 2023 also for general aviation.

By Decree of July 19, 1996, the Governor of Aruba granted a concession to the Company to operate the Airport of Aruba as of January 1, 1997, which was the date the governmental entity “The Luchthavendienst” ceased to operate the Airport. On December 4, 2014 Land Aruba and AAA agreed to change further the Enabling Act of January 17, 1997 (“Verzelfstandigingsovereenkomst”) and as revised on February 25, 1997 and September 16, 1999 with an updated document named “Overeenkomst tot Regeling van de Verhouding tussen Land Aruba en de Aruba Airport Authority N.V.”.

In this new agreement, amongst others, the following has been agreed upon:

- The possibility of extending the concession to operate the airport of Aruba, Aeropuerto Internacional Reina Beatrix, from January 1, 2027 up to December 31, 2036. On March 22, 2018, this extension until December 31, 2036 was granted by a Decree (“Landsbesluit DWJZ/No. 476/18 No. 65”). The Decree

states that at the end of each term, the concession would be extended for an additional ten years provided that AAA is in full compliance with the concession terms.

- With respect to the granted concession, AAA will pay Land Aruba a fee per passenger of USD 3.00 over the years 2019 – 2023, and in the year 2023 parties will meet to determine the fee for 2024 and beyond. This meeting has not taken place in 2023. The Government Concession Fee is not due for a year should the Debt service Coverage Ratio for that year be below 1.5.

The Board of Supervisory Directors authorized these consolidated financial statements for the year ended December 31, 2023 on April 26, 2024.

## 2. Material accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations thereof as issued by the International Accounting Standards Board (IASB). The Company’s consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The consolidated financial statements are presented in Aruban florins and rounded to the nearest florin. The statement of cash flows has been prepared using the indirect method. The consolidated financial statements provide comparative information in respect of the previous period.

## 2.2 New Standards, Interpretations and Amendments effective January 1, 2023

DESCRIPTION OF STANDARD	STATUS	ISSUE DATE OF ORIGINAL STANDARD	EFFECTIVE DATE (Annual periods beginning on or after)
EFFECTIVE FOR ANNUAL PERIODS (AND INTERIM PERIODS THEREIN) ENDING 31 DECEMBER 2023 AND THEREAFTER			
IFRS 17 Insurance Contracts (including Amendments to IFRS 17 issued in June 2020 and Amendment to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 - Comparative Information issued in December 2021)	MANDATORY	MAY 2017	1 JANUARY 2023
Amendments to IAS 8 - Definition of Accounting Estimates	MANDATORY	FEBRUARY 2021	1 JANUARY 2023
Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	MANDATORY	FEBRUARY 2021	1 JANUARY 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	MANDATORY	MAY 2021	1 JANUARY 2023
Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules	MANDATORY	MAY 2023	1 JANUARY 2023
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	MAY ADOPT EARLY	SEPTEMBER 2022	1 JANUARY 2024
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current (including Amendment to IAS 1 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date issued in July 2020)	MAY ADOPT EARLY	JANUARY 2020	1 JANUARY 2024
Amendments to IAS 1 - Non-current Liabilities with Covenants	MAY ADOPT EARLY	OCTOBER 2022	1 JANUARY 2024
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	MAY ADOPT EARLY	MAY 2023	1 JANUARY 2024
Amendments to IAS 21 - Lack of Exchangeability	MAY ADOPT EARLY	AUGUST 2023	1 JANUARY 2025

## **2.3 Basis of consolidation**

The consolidated financial statements include all subsidiaries that are owned and controlled by Aruba Airport Authority N.V. The Company determined that it is the parent company of its subsidiary based on the IFRS 10 definition of control which entails that the parent has the power over the subsidiary, has exposure or rights to the variable returns from its involvement with the subsidiary, and has the ability to use its power over the subsidiary to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. At December 31, 2022, and 2023, the Company's only subsidiary is Aeronautical Training School of Aruba N.V., a wholly owned dormant company incorporated in July 2001.

## **2.4 Transactions eliminated on consolidation**

Intra-company balances and transactions, and any unrealized gains arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

## **2.5 Foreign currency transactions**

The functional currency is Aruban Florins (AWG). Transactions in foreign currencies are translated to Aruban florins at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Aruban florins at the foreign exchange rate ruling on that date.

Foreign exchange differences arising on translation are recognized in the consolidated statement of profit or loss. The functional currency is the same in 2023 as in 2022.

## **2.6 Cash and cash equivalents, Restricted cash balances**

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. In the consolidated statement of financial position, bank overdrafts, if any, are shown within borrowings in current liabilities. Restricted cash balances are shown within the consolidated statement of cash flows used in financing activities.

## **2.7 Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. The applied principles for recognition, classification, and measurement are described in note 2.18.

## **2.8 Other receivables and prepayments**

Other receivables and prepayments are amounts due from Land Aruba and other entities. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. The applied principles for recognition, classification, and measurement of other receivables are described in note 2.18.

## **2.9 Inventories**

Inventories are valued at the lower of cost (weighted average cost) and net realizable value. The cost of an inventory item comprises all costs of purchasing, which may include purchase price, insurance, freight and other direct costs, if any. Inventories are for own use and consumption and are not held for sale to third parties. An inventory item, when consumed or used, leads to an expense in the statement of comprehensive income. Inventory items are expensed at their average cost. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

## **2.10 Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation taking into consideration the residual value and impairment losses (refer to note 2.14 Impairment of non-financial assets), if any. The cost of self-constructed assets, if any, includes the cost of materials, direct labor, and financing costs.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All capital expenditure is initially recognized as fixed assets under construction if it is probable that the Company will derive future economic benefits and the amount can be measured reliably. Assets under construction or development for future operating activities are not depreciated, although it





may be necessary to recognize impairment losses. When assets in the category fixed assets under construction are handed over and ready for use, they are transferred at the historical cost to the respective asset categories, which is also when the straight-line depreciation commences.

Assets used for operating activities include runways, taxiways, aprons, buildings and rebuilding, car parks, roads, equipment and installations, and other assets. These assets are recognized at historical cost less straight-line depreciation and impairment losses. Subsequent expenditure is added to the carrying amount of these assets if it is probable that the Company will derive future economic benefits and the amount can be measured reliably. Assets used for operating activities, with the exception of land, are depreciated on a straight-line basis over the useful life of the asset concerned, which depends on its nature and its components. The Company applies the components approach to property, plant and

equipment, as required by IAS 16, Property, Plant and Equipment. Consequently, all significant components of an asset with distinctly different useful lives are depreciated separately in accordance with their respective estimated remaining useful lives. Additional depreciation charges resulting from changes in depreciation terms are treated as changes in accounting estimates and only have an effect for the current fiscal year and onwards.

The net result on the disposal of assets used for operating activities is recognized in the consolidated statement of profit or loss as loss or gain on disposal of property, plant and equipment (PPE). They are included under note 26.1 Depreciation & losses on disposal of PPE. Day-to-day maintenance expenses are recognized in the consolidated statement of profit or loss and planned major maintenance of a long-term nature is capitalized.

### **2.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the qualifying asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

### **2.12 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **2.13 Depreciation**

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment, and right-of-use assets, taking into consideration a nil-residual value on all assets. The estimated useful lives are as follows:

Runway, taxiway and apron	5-25 years
Buildings and rebuilding	5-50 years
Land developments and roads	5-50 years
Other tangible fixed assets	3-25 years
Land	Indefinitely
Right of use equipment	1-2 years
Right of use land	4-37 years

### **2.14 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

**Calculation of recoverable amount**

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**2.15 Trade and other payables**

Accounts payable, accrued expenses and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. The applied principles for the recognition, classification and measurement are described in note 2.18.

**2.16 Provisions**

A provision is recognized in the consolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect that can be reliably estimated is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**Pension provision**

The pension provision as per year-end refers to a supplemental pension component on top of the regular APFA pension and the related cost-of-living allowance (“duurtetoeslag”) that is not funded by Stichting Algemeen Pensioenfonds Aruba (APFA) under the former defined benefit pension plan called “Pensioenverordening Landsdienaren” (PVL). It refers to those PVL participants or PVL pensioners (in total December 31, 2023: 48 and December 31, 2022: 50) that had rights under the PVL and which will continue to be honored by APFA under the previous conditions but are to be funded by the last employer.

The provision is based on an actuarial calculation taking into account discounted future cash flows and using the projected unit credit method. The provision for the cost-of-living allowance is calculated by the actuarial method. The actuarial assumptions were validated in 2023 and required no changes compared to 2022. For mortality, the tables GBM0813 (for males) and GBV0813 (for females) have been used.

The average Aruban government bond yield at the end of 2023 is estimated at 6.0% and the average of the past five years is 5.8%; management decided to increase the discount rate from 5% to 5.8%.

A sensitivity analysis performed by the Actuary based on a discount rate of 5.3% and 6.3% delivers a provision of AWG 921K (2022: AWG 1.0 million at 4.5%) and AWG 857K (2022: AWG 1.0 million at 5.5%), respectively.

The successor pension plans of PVL are called the “Nieuw Pensioenreglement 2011” (NPR 2011), and the “Nieuw Pensioenreglement 2014” (NPR 2014) and

these new plans do not require funding of the cost-of-living allowance for new participants. Since the NPR2011, NPR2014 and PVL are administered by APFA as a multi-employer plan whereby APFA is unable to provide specific information on the Company’s proportionate share of the defined benefits obligation and plan assets, these pension plans are accounted for as defined contribution plans.

Furthermore, in December 2014, the Company reached an agreement with the Government of Aruba that the cost-of-living allowance for PVL participants that were employed by the governmental entity “The Luchthaven-dienst” prior to independization in 1997 are for the expense of the Government of Aruba as agreed in the Take-Over Balance sheet of March 8, 1996. Therefore, since December 31, 2014, the Company has reported its share of the pension provision of 34% as a liability. The Company will finance the share of the Government of 66% as the





monthly pension payment becomes due and will, at that time, recognize a receivable on the Government.

#### **Provision of employment anniversary benefits:**

Pursuant to a renewed collective labor agreement and “Arbeidsvoorwaarden Reglement”/AVR) the employees of Aruba Airport Authority N.V. are entitled to certain bonus payments at every defined milestone anniversary of their employment. Anniversary benefit brackets can range from one year anniversary to 45 year anniversary. The provision takes into account all employees. As of December 31, 2023, an actuarial calculation was performed, taking into account discounted future cash flows and using the projected unit credit method. The actuarial assumptions used in 2023 for personnel turnover is 3.5% (2022: 3.5%) and the actuarial assumption used for the average annual salary increased from 2.0% to 2.5% (2022: 2.0%); these assumptions are equal to the assumptions used in the multi-annual business plan. The average Aruban government bond yield at the end of 2023 is estimated at 6.0%, and the average of the past 5 years is 5.8%; management decided to increase the discount rate from 5.0% to 5.8% for calculating the provision for employment anniversary benefit

A sensitivity analysis performed by the Actuary based on a discount rate of 5.3% and 6.3% delivers a provision of AWG 2.9 million (2022: AWG 2.6 million at 4.5%) and AWG 2.7 million (2022: AWG 2.4 million at 5.5%), respectively.

#### **2.17 Borrowings**

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. The applied principles for the recognition, classification and measurement are described in note 2.18.

#### **2.18 Disclosures of financial instruments**

##### ***Recognition and derecognition***

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, canceled, or expires.

##### ***Classification and initial measurement of financial assets***

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets other than those designated and effective as hedging instruments are classified into the following categories:

- amortized cost.
- fair value through profit or loss (FVTPL).
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Company does not have any financial assets categorized as FVOCI.

The classification is determined by both:

- The entity’s business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset.



All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade and other receivables, which are presented within other expenses.

### **Subsequent measurement of financial assets**

#### **Financial assets at amortized cost**

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows,
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit or loss. Further, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The Company holds no derivative financial instruments

nor applies hedge accounting. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by using a valuation technique since no active market exists for these financial assets.

The Company holds no financial assets at FVTPL.

#### **Financial assets at fair value through other comprehensive income (FVOCI)**

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held in a business model whose objective is achieved by both collecting associated cash flows and selling financial assets.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon the derecognition of the asset.

The Company holds no financial assets at FVOCI.

#### **Impairment of financial assets**

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1').
  - Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
  - Financial assets that have objective evidence of impairment at the reporting date ('Stage 3').
- '12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### **Impairment of Trade and other receivables**

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses the impairment of trade and other receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

#### **Classification and measurement of financial liabilities**

The Company's financial liabilities include borrowings, accounts payable, and accrued expenses and other payables. The carrying value of the accrued expenses

and other payables equals the fair value due to their short-term character.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

All interest-related charges are reported in the statement of profit and loss and are presented under finance costs or finance income.

## **2.19 Revenue and Expenses**

Expenses are recognized as they are earned or incurred and recorded in the financial statements of the period to which they relate.

Revenue arises mainly from the service to airlines and their passengers, rental of areas to airport users, and concession revenue based on sales of the Company's customers.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer (i.e., when the Company delivers its performance obligation under the contract) at an

amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the fees received or to be received.

### **Contract assets**

The Company has contract assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

A contract asset becomes a receivable when the Company's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

### **Contract liabilities**

The Company has contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

The Company recognizes revenue from the following major sources:

- Aeronautical revenue.
- Non-aeronautical revenue.



### **Aeronautical revenue**

Aeronautical revenues are invoiced on a monthly basis unless agreed otherwise on a daily basis after the flight departs.

Aeronautical revenue includes:

- Passenger charges: Recognized based on enplaned passengers on board of the departed aircraft.
- Landing charges: Recognized based on the type of aircraft in various Maximum Take Off Weight ("MTOW") classes.
- Parking charges: Recognized based on the parking time of the aircraft on the main apron or the general aviation apron.
- FBO ground handling charges: Recognized based on the type of general aviation aircraft in various MTOW classes, and the type of stop that the aircraft made.
- Other FBO charges: Recognized based on the type of services provided based on a fixed fee.
- Derelict (or non-operational) charge: Recognized for aircraft parked on any part of the airport premises without a current Certificate of Airworthiness or current Maintenance Release by the Department of Civil Aviation.

As per IFRS 15, there are three separate performance obligations in respect of aeronautical charges, namely passenger, landing, and parking charges. These charges are separately identified in respect of any aircraft movement at the airport, and the revenue is recognized at a point in time (on the day the movement takes place). Each of the charges and rates relates to distinct services and does not contain significant financing components. For passenger-related charges, a standard fee per passenger is charged based on their destination (a table with

current fees is included in note 18 Aeronautical revenue). These fees are then multiplied by the number of departing passengers and charged to the airline.

Aircraft-related charges, such as landing and parking are based on a fixed charge dependent on the type of aircraft and its MTOW class. FBO ground handling charges are based on the type of general aviation aircraft in various MTOW classes, and the type of stop that the aircraft made, such as technical stop, overnight or after hours.

Other FBO charges are based on the type of services provided, such as lavatory services, aircraft relocation, pre-clearance, ground power units etc., against a fixed fee.

### **Performance obligations**

There is no requirement to disclose information about remaining performance obligations as all contracts have an expected duration of less than one year.

### **Non-Aeronautical revenue**

Non-Aeronautical revenue includes:

#### **Rental income and concession fees**

Rental income includes concession fees from retail and commercial concessionaires at the airport and is based upon reported revenue by concessionaires, taking into account contracted minimum guarantees where appropriate.

The performance obligation for this revenue stream is the provision of retail and commercial unit space to a third party for the purposes of selling or providing services to the traveling public and to the airlines making use of the airport in return for a contractually agreed upon fee, based either on a fixed rental fee,

or a concession fee percentage based on their sales. The customer has the right to design and control the use of that space. As such, under IFRS, this concept under the contracts is aligned to a lease in nature, and therefore the rental income is treated as lease income.

### **Service Reimbursements**

These are recognized based on actual consumption of utility and telephone usage charged back against the actual rates from the Company's service providers.

### **Car parking fees**

Car parking fees are derived from the provision of parking services to customers, which include (a) public parking against an hourly fee and exits after having paid for actual usage of parking time, or (b) between the Company and a car rental company to rent certain spaces for an agreed upon time and price, or (c) revenue is earned when a client purchases a long-term parking card on an annual basis. The Company considers that the performance obligation is satisfied by the provision of a car park space for each day the car is parked, therefore, the revenue is recognized over time, in proportion to the service supplied at the reporting date.

### **Other services non-aeronautical revenue**

Revenue from other services mainly consists of revenue from contracts with customers of rental income and concession fees, as well as service reimbursements and other services and activities on behalf of third parties. Most of this revenue qualifies as revenue from contracts with customers and is recognized over time in proportion to the service supplied at the reporting date.





### **Performance obligations**

The performance obligations for non-aeronautical revenues are satisfied upon delivery of service, with the exception of business parking, and payment is generally due within 30 to 90 days from delivery. No information is provided about remaining performance obligations at 31 December 2023, as all remaining performance obligations have an original expected duration of one year or less, as allowed by IFRS 15.

Due to the nature of the revenues, there is no constraint identified in regards to an estimate of variable consideration.

### **2.20 Net financing costs**

Net financing costs comprise interest payable on borrowings, fees for maintaining the overdraft facility in place, interest related to lease liabilities and interest receivable on funds invested. Interest income is recognized in the consolidated statement of profit or loss as it accrues, taking into account the effective yield on the asset. All interest, finance and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs or are

capitalized as part of a qualifying asset, if any.

As with 2022, there were borrowings in 2023 for which the interest and finance expenses have been capitalized as part of a qualifying asset. In 2023 an amount of AWG 6,321,919 (2022: AWG 5,898,631) of interest expense was capitalized as part of a qualifying asset. The effective capitalization rate in 2023 was 5.7% (2022: 4.24%). Interest and finance expenses cease to be capitalized when substantially all the activities necessary for its intended use are complete. In doing so, management also considers that the capitalization of these borrowing costs will result in future economic benefits to the company and the costs can be reliably measured.

### **2.21 Profit tax**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for

financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse

in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The Profit tax rate was lowered from 25% in 2022 to 22% in 2023.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities

simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## **2.22 Related parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;  
(ii) has significant influence over the reporting entity;

or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.

(v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

All transactions, outstanding balances and other relationships with entities identified as related parties are disclosed in note 29, Related parties.

## **2.23 Critical judgements and estimates**

The following provides a comprehensive description of the Company's accounting estimates and assumptions. Management's judgement will be decisive in determining the way in which they are applied in certain situations. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the amounts recognized for assets, liabilities, revenue and expenses as reported in the consolidated financial statements and accompanying notes.

Management's judgements and estimates in applying IFRS that may have a significant effect on the consolidated financial statements concern particularly to:

- Useful life and the residual value of property, plant, equipment and right-of-use assets are based on history, management's judgement and estimates, and industry best practices.

- Assets with regard to collectability and the respective provision for doubtful receivables are

based on management's individual assessment of collectability and where no material credit losses are expected.

- Assets with underlying Build-Operate-Transfer agreements are based on management's assessment of future revenue generation and discounting to net present values as part of their cost upon recognition.

- Actuarial assumptions with regard to employee benefit provisions are tested annually based on management's insights and past averages.

- Liabilities regarding claims, disputes and court cases are based on management's individual assessment of claims, disputes and court cases.

- A deferred tax liability was introduced in 2016 for AWG 1.9 million with regard to the approval of a ruling on tax residual values for certain assets with useful lives longer than ten years and the change in their corresponding useful lives. As the assets are disposed, the realization occurs. In 2023 this amounted to AWG 470K (2022: AWG 149K).

Estimates and the related assumptions are based on management's experience and insights and developments in external factors which can be regarded as reasonable. Judgements and estimates are subject to change as facts and insights change and may be different in another reporting period. The differences in outcome are recognized through the consolidated statement of financial position or consolidated statement of profit or loss, depending on the nature of the item. Actual results could differ from previously reported results based on estimates and assumptions; however, management does not expect major variances.

## **2.24 Right-of-use assets**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### ***Company as a lessee***

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company has leases for copy machines, IT equipment, a car lease and land leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from the initial measurement of





the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 12).

### **2.25 LNT Accountability**

Due to the lack of further rules under the National Ordinance on the standard of top incomes (“Landsverordening Normering Topinkomens”/ LNT), no LNT accountability can be drawn up by the Company in accordance with and pursuant to the LNT provisions. This has been confirmed by the Minister of Finance & Culture by means of a letter dated February 28, 2023 with topic “Overgangperiode LNT” with reference MinFic-23/2506. The other LNT provisions in force since August 1, 2022 apply in full during the transitional period where there are no further rules with regards to LNT accountability.

## **3. Financial risk management**

### **3.1 Overview**

Every company is constantly faced with risks in its daily activities. These risks can present themselves in a strategic, operational, financial, and compliance area. With internal control systems, the objective is to reduce the chance of errors, making the wrong decisions, and unexpected events. Completeness cannot be guaranteed because no internal control management system is able to offer complete assurance that all strategic objectives can be realized or to prevent all losses, fraud, non-compliance with regulations and inconsistencies.

The Company has identified exposure to the following financial risks from its use of financial instruments:

- Credit risk
- Liquidity risk

- Market risk
- Concentration risk

This note presents information on the Company’s exposure to the aforementioned risks.

### **3.2 Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company monitors the exposure to credit risk on an ongoing basis. This credit risk is considered to be limited as most debtors (airlines and concessionaires) are required to provide a bank guarantee or similar security or to pay the airport charges in advance (prior to departure or within a certain amount of business days after departure). Only a few airlines with long-term relationships with the Company have contracts without such guarantee requirements. For these airlines, strict monitoring of the aging of receivables and credit status is maintained.

For all concessionaires (ground handlers, retail and food & beverage operators, car rental companies), guarantees or cash deposits are in place for the rent and amounts of the minimal annual guarantees for the concession fees.

The Company maintains an allowance for losses on receivables that represent its estimate of expected losses regarding receivables.

The allowance is based on a specific loss component for each individual exposure. An amount of AWG 1.8 million (2022: AWG 0.4 million) of the trade receivables which amounted to AWG 3.4 million (2022: AWG 2.4 million) before deduction of the

provision for doubtful accounts and security deposits received) were past due the usual credit terms of 30 days but not provided for. It is expected that these amounts will be received as the debtors concerned have no default history or will be able to meet their obligations with the Company, or there is a sufficient security deposit to cover the unprovided balance or payment agreements will be provided in order to give time to the debtor to pay in installments within six months without contractual interest.

As per December 31, 2023, the maximum credit risk on all receivables is approximately AWG 34.3 million (2022: AWG 22.5 million), and the remaining exposure to credit risk on trade receivables is adequately covered (2022: adequately covered) after deduction of the provision for doubtful accounts, prepayments, reimbursable deposits and off-balance sheet guarantees that can be used to settle the carrying amount of the financial asset in case of default or impairment situations.

The remaining exposure to credit risk on trade receivables is specified in the table on the next page.

### ***Trade and other receivables due from the shareholder***

Trade receivables due from the sole shareholder, Land Aruba, consist mostly of rents for office space used by various Government departments.

As per December 31, 2023, the remaining exposure to credit risk on the trade and other receivables due from the shareholder is approximately AWG 2.0 million (2022: AWG 1.9 million).

### ***Other financial assets***

With regard to the quality of other financial assets

## Credit risk

(In Aruban florins)	Notes	DECEMBER 31, 2023	DECEMBER 31, 2022
Less than 30 days		28,350,388	22,445,977
Between 31 days - 90 days		590,955	149,355
Between 91 days - 180 days		1,007,935	126,637
Older than 181 days		814,264	477,675
Bad debtors or bankruptcy debtors		319,198	321,905
		<b>31,082,740</b>	<b>23,521,548</b>
Less: provision for doubtful accounts	(6)	(1,280,621)	(1,203,324)
Less: reimbursable deposits	(13)	(5,366,995)	(6,216,674)
Less: prepayments from airlines and concessionaires	(13)	(333,734)	(489,198)
Less: off-balance sheet guarantees and letter of credits		(4,792,725)	(3,265,456)
		<b>19,308,665</b>	<b>12,346,897</b>

such as 'cash and cash equivalents' and 'other receivables and prepayments', the quality is considered optimal. For 'cash and cash equivalents', the local banks are under strict supervision by the Central Bank of Aruba, and the assets under 'other receivables and prepayments' are mostly collected within one year, except for security deposits which are tied to the contractual term of agreements. No impairment losses are expected.

### Investment securities

The Company invests certain amounts in money market accounts at local financial institutions with low risk. Hence, the credit risk on these securities is deemed limited.

### 3.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to maintain sufficient liquidity to be able to meet its liabilities when due, even under stressed conditions. In accordance with this objective and the Company's statutory requirements, the Company has established a reserve and dividend policy. One of the purposes of this reserve policy is to build up and maintain sufficient reserves for the Company to be able to pay its current obligations.

All operating expenses are paid from the Operating and Maintenance Funds, which, in accordance with the reserve and dividend policy, are filled up to an amount corresponding with 20% of the yearly expenses, excluding depreciation according to the latest approved annual budget, including a minimum maintenance reserve of 9% of last year's revenues. For the year 2023, this was established at AWG 21.5 million (2022: AWG 17.0 million).

The Company has established an Emergency Fund with a minimum of the highest of AWG 8.95 million or 1/6 of the yearly operational expenses according to the latest approved annual budget. For the year 2023, this minimum requirement was established at AWG 17.9 million (2022: AWG 17.0 million).

Capital expenditures are paid from a separate Fund that is replenished after the Operating and Maintenance Fund and the Emergency Fund are at least at their minimum level. The CAPEX Fund has a targeted minimum of 20% of the yearly revenue.

The reserve policy is further described in notes 3.6 Capital Management and 4 Cash and Cash equivalents. As mentioned in note 14 Long-term borrowings, the Company obtained long-term facilities from a group of financial institutions for the purpose of financing the Gateway 2030 project in 2018. The facilities represent a concentration of liquidity risk. The loan contract specifies increased interest and accelerated repayment upon a breach of financial and non-financial covenants. The financial covenants stipulate, amongst others, a Minimum Debt Service Coverage Ratio and a Minimum Equity Ratio.

In June 2022, the lenders decided that the Material Adverse Effect (MAE) due to the COVID-19 effect no longer exists on the business. Their consideration for this was due to all of AAA's efforts in cost savings measures, the better-than-expected passenger levels, and that the forecast shows that all financial covenants will remain in compliance. As there are no continuing defaults or indications of imminent defaults arising out of the MAE known as "COVID-19", there is no longer a necessity for AAA to request any additional waivers under the MAE clause.

The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis here below.

Liquidity needs are monitored in various time bands on a month-to-month basis, as well as on the basis of a rolling 30-day projection. Long-term GW2030 project liquidity needs for a 180-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are

expected to be sufficient over the lookout period.

As per December 31, 2023, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized in the table below.

The cash flows of the bridge loans (included within the interest-bearing loans) include the cash flows associated with the future Term loans (see note 14 for details on the maturity and interest rates of the Term loans).

31-DEC-22	CARRYING AMOUNT	CONTR. CASH FLOW	6 MONTHS OR LESS	6 - 12 MONTHS	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
<b>(In thousands Aruban florins)</b>							
Accounts payable	9,788	-	-	9,788	-	-	-
Government Concession fee payable	4,340	4,340	-	4,340	-	-	-
Interest-bearing financial liabilities	146,045	146,045	4,873	6,687	13,373	40,120	80,991
Lease liabilities	55,325	55,325	2,986	1,155	3,118	5,324	42,742
Estimated interest expense	60,560	60,560	3,401	4,566	8,515	20,730	23,348
	<b>276,058</b>	<b>266,270</b>	<b>11,260</b>	<b>26,536</b>	<b>25,006</b>	<b>66,174</b>	<b>147,081</b>

31-DEC-23	CARRYING AMOUNT	CONTR. CASH FLOW	6 MONTHS OR LESS	6 - 12 MONTHS	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
<b>(In thousands Aruban florins)</b>							
Accounts payable	8,483	-	-	8,483	-	-	-
Government Concession fee payable	7,590	7,590	-	7,590	-	-	-
Interest-bearing financial liabilities	202,684	202,684	6,687	6,687	13,373	70,210	105,727
Lease liabilities	53,057	53,057	4,748	243	1,785	5,291	40,990
Estimated interest expense	95,264	95,264	6,112	5,948	18,474	25,954	38,777
	<b>367,078</b>	<b>358,595</b>	<b>17,547</b>	<b>28,951</b>	<b>33,632</b>	<b>101,455</b>	<b>185,494</b>





### 3.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, currency rates and equity prices, will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

#### Currency risk

The Company has no major currency risk. All revenues, most purchases and investments are in USD or in AWG, which has a fixed rate to the USD. A few suppliers are paid in other currencies, usually EURO or GBP. The related risk, equal to last year, is calculated as the total purchase commitments in currencies other than USD or AWG. Such purchase commitments are usually short-term, with durations from commitment to payment of up to a few months.

#### Exchange rate risk

Management does not consider the US Dollar as an exchange rate risk since the functional currency is pegged at a fixed rate with the US Dollar. The exchange rate risk that management identifies is the EURO which can fluctuate depending on the market conditions. During 2023 the market conditions for the Euro were not in favor of the Company compared to 2022 (average for 2023: 1.95 and 2022: 1.90)

#### Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are, therefore, usually at fixed rates. The Company has an overdraft facility for a maximum amount of AWG 50.4 million as per December 31, 2023 (2022: AWG 50.4 million) with a fixed interest rate of 4.5% per annum in 2022 and 4.75% per annum as of 2023. No usage of this overdraft facility was made.

The Company's investments in money market accounts are at fixed rates. These investments have a variable return between 0% and 1% per year in 2023 (2022: between 0% and 1%). The investments and related yields are monitored monthly.

Furthermore, as of December 31, 2023, the Company is exposed to changes in market interest rates on the Bridge loan facility B (see note 14 Long-term borrowing), which bears a variable interest rate of USD Prime rate minus 0.453% (2022: 3-month USD LIBOR plus 2.28%). As per December 31, 2023 the carrying amount of the Bridge loan facility B for the

second tranche is USD 12,080,064 (AWG 21,744,116) and as per December 31, 2022: USD 30,094,021 (AWG 54,169,238).

Bridge loan facility A and the overdraft facility bear fixed interest rates and are therefore not exposed to cash flow interest rate risk. The Company does not carry any liability at fair value and does not apply hedge accounting.

The sensitivity of net profit and equity to a possible change in US Prime Rate of +/- 1% is as follows:

- An increase in the rate would have a negative impact of AWG 200,238 on net profit and equity.
- A decrease in the rate would have a positive impact of AWG 200,238 on net profit and equity.

These changes are considered to be reasonably possible based on the observation of current market conditions. The calculations are based on a change in the average market interest rate for each period and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

#### Price risk

Price risk is considered low because the intention of the Company is to maintain its assets until maturity.

### 3.5 Concentration risk

Similar to other leisure destinations in the region, the airport presents a high concentration of USA passengers i.e. US airline debtors. Approximately 23% of all commercial passenger traffic is transported by the single largest airline (2022: 27%). The three largest airlines combined are responsible for approximately 56% of all passenger traffic (2022:

60%). Geographically, commercial passenger traffic is mostly from North America with 76% (2022: 77%), followed by Latin America and Caribbean with 14% (2022: 11%), Europe with 6% (2022: 8%), and regional traffic to the Dutch Caribbean with 4% (2022: 4%).

The Company's management in the practice of airline marketing is focused on retaining existing air service and increasing service in other markets in order to mitigate the concentration risk in the North American market. Management believes that limited sensitivity analysis is sufficient for its strategic financial purposes, however, for financial statement disclosure, it is unrepresentative of the risk inherent in a financial instrument, if any, because the majority of the commercial passengers have real estate or timesharing accommodations on the island and will seek alternative routes to reach the destination; and also the inventory of hotel accommodation on the island depends on the actual realization thereof which are in the hands of third parties.

Another type of concentration risk identified is the accumulation of the majority of bank funds at only one local financial institution. Thus, as of 2018, the Company has spread this risk by using three major banks on the island for its bank balances.

Due to COVID-19, the tourism industry of Aruba took a direct hit, and the airport of Aruba experienced in 2021 passenger loss of 31% compared to 2019 and in 2022 a passenger increase of 39% compared to 2021. The expectation was that there would be a slow recovery to reach pre-COVID levels, but since April 2021, the tourism industry of Aruba recovered much better and faster than anticipated. In 2023 the volume of passengers surpassed the 2019 passenger amounts

with 8%, while aircraft movements have not returned to 2019 levels (9% less aircraft movements).

### 3.6 Capital management

The Company's capital management policy is to continue to build and maintain a strong capital base that serves (i) as a guarantee for repayment of external financing if any, and (ii) as a buffer against temporary economic down-turns or during business disruptions to be able to pay its fixed operating expenses and maintain the fixed assets in proper condition. The Reserve Policy delineates the priority order that certain funds (bank accounts) must be filled at each month's end in order to achieve the desired minimum balances.

The Reserve Policy also limits the usage of the different funds for certain specific purposes like loan repayments, operations & maintenance expenditures, emergency situations and capital expenditures. The requirements do not necessarily require that these accounts are filled solely by cash but that the minimum balances can also be achieved by means of standby credit facilities. Since March 2018, the Company has at its disposition an overdraft facility with the Caribbean Mercantile Bank N.V. As per year-end 2023, this amounts to AWG 50.4 million (2022: AWG 50.4 million).

The following table shows the Company's compliance with its internally imposed reserve policy.

(In Aruban florins)	REQUIRED/TARGETED MINIMUM BALANCE	ACTUAL BALANCES	6 MONTHS OR LESS DIFFERENCES 12/31/2023
Unallocated revenue fund	-	12,140,652	12,140,652
Loan reserve fund	8,915,781	9,018,909	103,128
Operations and maintenance funds	21,477,280	13,142,749	(8,334,531)
Emergency Fund	17,898,000	8,013,919	(9,884,081)
General Purpose Fund	-	2,009,680	2,009,680
CAPEX Fund	21,806,188	4,993,758	(16,812,430)
<b>Total</b>	<b>70,097,249</b>	<b>49,319,667</b>	<b>(20,777,582)</b>
Other available cash and equivalents			9,979,048
Available overdraft facility			50,400,000
<b>Overage / (shortage) of required/targeted minimum</b>			<b>39,601,466</b>

BALANCES FROM THE TABLE ABOVE ARE FOR CAPITAL MANAGEMENT PURPOSE	2023
Operations & Maintenance Fund	13,142,749
Loan Reserve Fund	9,018,909
Capex fund	4,993,758
<b>Total</b>	<b>27,155,416</b>

IN NOTE 4 CASH AND CASH EQUIVALENTS (BASED ON ACTUAL BALANCE IN BANK ACCOUNT)	2023
Operations & Maintenance Fund	13,245,877
Loan Reserve Fund	8,915,781
Capex fund	4,993,758
<b>Total</b>	<b>27,155,416</b>



### **Dividend Policy**

With regard to the Dividend Policy, there are certain conditions required to be met prior to the declaration of dividends by the Shareholder.

The type and the amount of the dividend to be proposed to the General Meeting of Shareholders will depend on, among other things, the business' financial result, the business' climate, and other relevant factors such as compliance with the reserves policy and specific financial ratios. Following approval by the Board of Supervisory Directors, the Board of Directors may reserve (part of) the profit reflected in the approved annual financial statements, subject to the Company's reserve and dividend policy. Conditions for Dividend Payment under the Reserve and Dividend policy:

If the following conditions are met:

A. The Company has not failed to comply with the financing conditions and meets all conditions agreed on in connection with the financing;

B. All required transfers have been made in accordance with the reserves policy in order to meet the minimum fund requirements;

C. Availability of a report by an airport consultant stating that the net revenues of the preceding fiscal year, the current fiscal year, and each of the three following fiscal years, as estimated, are or will be equal to at least 1.5 times the annual debt service; and

D. The dividend to be paid may not exceed (i) the sum of (a) an available excess amount as established for the last preceding month (less any special transfers related to such amount) and (b) any amounts on deposit in the general purpose fund, or (ii) the sum of (x) the amount of the net revenues of the current fiscal year exceeding 1.5 times the annual debt service and (y) the sum of all amounts calculated in accordance with the aforementioned clause (x) with regard to any dividend eligible fiscal year not previously paid out as a dividend, whichever is lower.

### **Conditions for Dividend Payment under the Facility Agreement:**

AAA shall be permitted once in every calendar year to declare or make payment of any dividend or make any distribution of income or profit to its shareholder, provided that:

A. all AAA operating expenses, debt service and

budgeted capital expenditure, for the relevant quarter, are current;

B. AAA is not operating under a waiver under the Facility Agreement from the lenders;

C. the distributions paid relate to the preceding fiscal year;

D. the long-term investment schedule of AAA is not affected by the distribution;

E. the distribution complies with the Reserves and Dividend Policy;

F. a financial advisor with experience in the airport business has made a report available stating that the Net Revenues of the preceding fiscal year, the current fiscal year, and each of the three following fiscal years, as estimated, are or will be equal to at least 1.5 times the Debt Service for those years;

G. no event of default or a potential event of default is continuing or would result from the payment of such distribution;

H. Agent Bank, Vidanova Bank N.V., has determined that these conditions have been complied with.

For 2023 the Company will be able to meet the requirements for dividend declaration.



### 3.7 Fair value estimation

The different levels of financial assets carried at fair value have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);  
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As per December 31, 2023 and 2022, the Company holds no financial assets carried at fair value.

### 4. Cash and cash equivalents

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Revenue Fund	12,140,652	11,165,204
Loan reserve fund	8,915,781	3,570,873
Operations & Maintenance Fund	13,245,877	30,295,463
Emergency Fund	8,013,919	14,187,917
Capex Fund	4,993,758	7,289,864
General Purpose Fund	2,009,680	3,031,929
Other bank accounts and cash	10,014,239	5,313
Checks and deposits in transit	(35,191)	(34,767)
	<b>59,298,715</b>	<b>69,511,796</b>

The Company has at its disposition an overdraft facility with the Caribbean Mercantile Bank N.V. As per December 31, 2023, this amounts to AWG 50.4 million (Dec. 31, 2022: AWG 50.4 million).

#### Reserve and Dividend Policy

The Company has a Reserve and Dividend Policy in place and this policy requires the Company to classify its Cash and Cash equivalents in different funds which are detailed below.

#### Revenue fund

All monthly revenues from the Company are deposited on the revenue fund accounts of the Company. Before the fifth of the following month all receipts are

transferred to the other funds in the order described below.

As per December 31, 2023, the Company maintained Revenue Fund accounts at Aruba Bank N.V. and Caribbean Mercantile Bank N.V.

#### Loan reserve fund

From the revenue fund the loan reserve fund will be funded first. The loan reserve fund will build up the pro-rata amount needed for the first future repayment and interest payment. In addition, the loan reserve fund will build up a buffer equal to four months of repayments and interest. As per December 31, 2023, there was AWG 8.9 million (Dec. 31, 2022: AWG 3.6 million) available in the loan reserve fund.

#### Operations and maintenance fund

Secondly, the Operations and Maintenance (O&M) Fund will be funded from the Revenue Fund. The fund is used to pay the monthly operational and maintenance expenses of the Company and to reserve for overdue, incidental, or special expenditures. For future maintenance purposes, the O&M fund will have a minimum balance of 9% of the yearly revenue. On a monthly basis the O&M fund is funded up to 20% of the total operational expenses in accordance with the latest approved annual budget.

As per December 31, 2023, the Company maintained O&M Fund accounts at RBC Bank Aruba N.V., Aruba Bank N.V. and Caribbean Mercantile Bank N.V. in AWG. One of the fund accounts is invested in a money market account which yields 0.75% (2022: 0.75%) per year.

#### Emergency fund

Thirdly, the Emergency Fund is funded from the revenue fund. The Emergency Fund has the purpose to provide liquidity when needed under extreme unforeseen circumstances. This fund will have a minimum of the highest of AWG 8.95 million or 1/6 of the yearly operational expenses in accordance with the latest approved annual budget. Withdrawals can only take place with prior authorization from the Board of Supervisory Directors and based on BOSD approved investment policy. As per December 31, 2023, the Company maintained its Emergency Funds in a Money Market Account at Aruba Bank N.V. in AWG. The money market account at Aruba Bank yields 0.75% (2022: 1%) per year, the time deposit at CMB yields 3.0% per year, and the time deposit at RBC yields 2.75% per year.

#### CAPEX Fund

Fourthly, the Capital Expenditure (CAPEX) Fund is funded from the Revenue Fund.

From the CAPEX Fund all Capital Expenditures for replacement and expansion are paid. The targeted minimum of this fund is 20% of the yearly revenues of the Company. As per December 31, 2023, the Company maintained CAPEX Fund accounts at Aruba Bank N.V. and Caribbean Mercantile Bank N.V. in Aruban florins.

### General-Purpose Fund

Lastly, any surplus funds from the Revenue Fund are deposited in the General Purpose Fund. In case shortages exist in any of the above-mentioned funds they will first be funded from funds available in the General Purpose Fund. The General-Purpose Fund will also be used for any dividend payments in accordance with the Company's dividend policy.

As per December 31, 2023, the Company maintained its General-Purpose Fund in a Money Market Account at Aruba Bank N.V. in AWG. This money market account yields 1% (2022: 1%) per year.

### 5. Restricted cash balances

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Loan Incoming & Payment account - Aruba Bank N.V.	10,266,842	6,849,637
Escrow/Loan Reserve Fund - Aruba Bank N.V.	20,833,727	20,263,557
Collective Savings AAA Employees	1,024,273	475,149
	<b>32,124,842</b>	<b>27,588,343</b>

The restricted cash balances represent the two Aruba Bank N.V. bank accounts where AAA and Agent Bank, Vidanova Bank N.V., have joint control over the funds received from the lenders taking part in the Facilities Agreement. One bank account, 'Loan Incoming & Payment account' is being used to receive the funds from the lenders and also to pay the lenders' commitment fees, penalty fees and interest. The other bank account, 'Escrow/Loan Reserve Fund' is an interest-bearing account and is intended to (1) park the funds received from the lenders for which invoices from contractors or consultants are pending to receive prior to release by the Agent Bank, (2) to start creating the reserves required in the future to satisfy the Loan Reserve Fund as delineated in the Reserve and Dividend policy.

### Collective Savings AAA Employees

As of January 2022, AAA is providing a new savings fund program to its employees via a collective corporate savings bank account at Aruba Bank N.V. and based on a fiscal facilitated approved ruling.

### 6. Trade receivables

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Trade receivables	21,204,804	14,984,207
Amounts to be invoiced	10,159,496	8,979,157
<b>Subtotal</b>	<b>31,364,300</b>	<b>23,963,364</b>
Less: provision for doubtful accounts	(1,280,621)	(1,203,324)
	<b>30,083,679</b>	<b>22,760,040</b>

The trade receivables can be further specified as follows:

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Airline carriers	17,469,161	12,859,035
Concessionaires	10,211,556	7,781,015
Other	3,683,583	3,323,314
	<b>31,364,300</b>	<b>23,963,364</b>

Reference is made to note 14 Long-term borrowings for information on collateral provided by the Company.

The movements in the provision for doubtful accounts are as follows:

(In Aruban florins)	NOTES	DECEMBER 31, 2023	DECEMBER 31, 2022
Balance as of January 1		(1,203,324)	(2,090,837)
(Addition)/Release to the provision		(77,297)	348,434
Written off during the year	(24)	-	539,079
		<b>(1,280,621)</b>	<b>(1,203,324)</b>

## 7. Current tax receivable

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Profit tax net refund receivable	1,669,875	1,669,875
	<b>1,669,875</b>	<b>1,669,875</b>

### Profit tax net refund receivable

Due to changes applied in 2020 on the corporate income taxes for 2018 and 2019, a receivable originates based on payments already made for the year 2018 (AWG 4.9 million) and off-setting this with the payable for the year 2019 (AWG 3.3 million).

## 8. Other receivables and prepayments

(In Aruban florins)	NOTES	DECEMBER 31, 2023	DECEMBER 31, 2022
Prepaid expenses		8,426,879	1,137,454
Security deposits		694,845	650,302
Other receivables		97,853	355,398
Sickness insurance premium (net of benefits receivable)		(14,411)	63,918
Prepaid to providers GW2030 project		9,914,621	12,427,019
Receivables Land Aruba (related party)	(29.3)	544,225	649,517
Less: Provision receivables Land Aruba	(29.3)	(398,703)	(401,337)
Total other receivables and prepayments		<b>19,265,309</b>	<b>14,882,271</b>

The sickness insurance premiums (net of benefits receivable) is due from the Sociale Verzekeringsbank Aruba (SVb). The financial asset due from SVb and the financial liability due to SVb has been off set because there currently is a legally enforceable right to set off the recognized amounts and SVb does settle on a net basis.

The advance payment of approximately AWG 12.4 million as per December 31, 2022 relates to the Baggage Handling Systems provider and decreased to AWG 8.9 million as per December 31, 2023 as the invoices based on milestones have been paid. Reference is made to note 10 Prepayments for long-term balance as per December 31, 2022. The remainder of AWG 1.1 million relates to a prepayment made to supplier SITA.

## 9. Inventories

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Critical parts	1,451,663	1,321,731
PBB/BHS Stock	960,560	859,779
Airside Stock	281,789	266,860
ICT stock	19,484	33,280
Office supplies	8,143	8,568
Subtotal	<b>2,721,639</b>	<b>2,490,218</b>
Less: provision obsolete stock	-	-
	<b>2,721,639</b>	<b>2,490,218</b>

Inventories consist of materials/supplies and spare parts. The Company has three types of spare parts for corrective maintenance (critical parts), preventive maintenance and parts to extend useful life. All the parts that are used for the extension of the useful life are capitalized. The other spare parts for the corrective and preventive maintenance are recognized as inventories under critical parts and Passenger Boarding Bridges (PBB) and Baggage Handling System (BHS) stock.

Inventories were recognized at average cost, less provision for obsolete inventory. Reference is made to note 14 Long-term borrowings for information on collateral provided by the Company.

## 10. Prepayments

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Prepaid to Baggage Handling Systems provider	-	100,056
	<b>-</b>	<b>100,056</b>

Under 'Prepayments' there is an amount of approximately AWG 0.1 million as per December 31, 2022 as an advance payment to the Baggage Handling System provider for the GW2030 project. As per December 31, 2023 there is no outstanding balance.



## 11. Property, plant and equipment

The movements in property, plant and equipment (PPE) are as follows:

(In Aruban florins)	RUNWAY, TAXIWAY AND APRON	BUILDINGS AND REBUILDINGS	LAND DEVELOPMENT AND ROADS	OTHER TANGIBLE FIXED ASSETS	FIXED ASSETS UNDER CONSTRUCTION	TOTAL
<b>HISTORICAL COST</b>						
<b>Balance December 31, 2021</b>	<b>197,428,110</b>	<b>206,248,145</b>	<b>35,384,234</b>	<b>191,355,709</b>	<b>100,321,650</b>	<b>730,737,848</b>
Reclassification in 2022	-	(59,488)	(238,759)	(13,111)	-	(311,358)
Investments during 2022	2,714,238	309,129	276,787	4,116,868	100,613,148	108,030,170
Transferred from fixed assets under construction	6,835,484	21,500	-	4,786,131	(11,643,116)	-
Disposals during 2022	-	-	-	(1,735,032)	-	(1,735,032)
<b>Balance December 31, 2022</b>	<b>206,977,832</b>	<b>206,519,286</b>	<b>35,422,262</b>	<b>198,510,565</b>	<b>189,291,682</b>	<b>836,721,628</b>
Reclassification in 2023	-	-	-	(3,450)	-	(3,450)
Adjustments	(133)	-	-	(91)	-	(224)
Investments during 2023	11,577,357	52,811	-	3,219,508	107,501,218	122,350,894
Transferred from fixed assets under construction	8,918,478	96,085	29,333	7,713,643	(16,757,539)	-
Disposals during 2023	-	-	-	(5,689,716)	-	(5,689,716)
<b>Balance December 31, 2023</b>	<b>227,473,534</b>	<b>206,668,182</b>	<b>35,451,595</b>	<b>203,750,459</b>	<b>280,035,361</b>	<b>953,379,131</b>
<b>ACCUMULATED DEPRECIATION:</b>						
<b>Balance on December 31, 2021</b>	<b>(85,602,860)</b>	<b>(147,594,056)</b>	<b>(13,194,514)</b>	<b>(141,144,730)</b>	<b>-</b>	<b>(387,536,160)</b>
Reclassification in 2022	-	25,651	85,837	6,009	-	117,497
Depreciation expense 2022	(7,728,997)	(6,623,246)	(1,331,070)	(8,255,145)	-	(23,938,458)
Accumulated depreciation on disposals 2022	-	-	-	1,735,032	-	1,735,032
<b>Balance on December 31, 2022</b>	<b>(93,331,857)</b>	<b>(154,191,651)</b>	<b>(14,439,747)</b>	<b>(147,658,834)</b>	<b>-</b>	<b>(409,622,089)</b>
Reclassification in 2023	461	(1,632)	28	(442)	-	(1,585)
Depreciation expense 2023	(8,110,329)	(7,687,007)	(1,333,327)	(9,255,816)	-	(26,386,479)
Accumulated depreciation on disposals 2023	-	-	-	5,689,716	-	5,689,716
<b>Balance on December 31, 2023</b>	<b>(101,441,725)</b>	<b>(161,880,290)</b>	<b>(15,773,046)</b>	<b>(151,225,376)</b>	<b>-</b>	<b>(430,320,437)</b>
<b>BOOK VALUE</b>						
<b>Balance December 31, 2022</b>	<b>113,645,976</b>	<b>52,327,635</b>	<b>20,982,515</b>	<b>50,851,731</b>	<b>189,291,682</b>	<b>427,099,539</b>
<b>Balance December 31, 2023</b>	<b>126,031,809</b>	<b>44,787,892</b>	<b>19,678,549</b>	<b>52,525,083</b>	<b>280,035,361</b>	<b>523,058,694</b>



The Company has the following encumbrances:

- First ranking credit mortgage in the amount of AWG 18,000,000, plus 50% interest and costs, on all the real property and assets of the Company;
- Non-notarized positive-negative undertaking to increase the aforementioned first ranking credit mortgage hereof to an amount equal to the aggregate of the then outstanding Principal Obligations, plus 50% interest and costs;
- Positive/Negative Pledge on immovable assets (“Positieve/Negatieve Hypotheek Verklaring”).

There is no idle PPE with a book value. The following PPE is fully depreciated and still in use at year-end:

(In Aruban florins)	HISTORICAL COST
<b>CATEGORY</b>	
Equipment	50,541,359
Airco and Electrical	44,085,723
Runway, Taxiway and Apron	37,587,963
Build & Rebuild	29,866,877
Automation	13,926,948
Furniture and Fixtures	12,011,139
Landdevelopment & Roads	5,659,605
<b>Total</b>	<b>193,679,614</b>

## 12. Right-of-use assets and Lease Liabilities

The Company has leases for copy machines, IT equipment, car leases and land leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 11).

Details of the right-of-use assets as per December 31, 2023, consist of the following:

(In Aruban florins)	IT EQUIPMENT	ADMIN. EQUIPMENT	TRANSPORT EQUIPMENT	LAND LEASE RIGHTS	TOTAL
<b>GROSS CARRYING AMOUNT</b>					
<b>Balance Jan. 1, 2023</b>	<b>4,764,468</b>	<b>145,265</b>	<b>69,544</b>	<b>17,416,287</b>	<b>22,395,564</b>
Modifications	206,342	1,159	389	-	207,890
<b>Balance Dec. 31, 2023</b>	<b>4,970,810</b>	<b>146,424</b>	<b>69,933</b>	<b>17,416,287</b>	<b>22,603,454</b>
(In Aruban florins)	IT EQUIPMENT	ADMIN. EQUIPMENT	TRANSPORT EQUIPMENT	LAND LEASE RIGHTS	TOTAL
<b>DEPRECIATION &amp; IMPAIRMENT</b>					
<b>Balance Jan. 1, 2023</b>	<b>(1,844,310)</b>	<b>(60,527)</b>	<b>(28,011)</b>	<b>(2,131,108)</b>	<b>(4,063,956)</b>
Depreciation	(1,974,630)	(73,613)	(35,098)	(559,560)	(2,642,901)
<b>Balance Dec. 31, 2023</b>	<b>(3,818,940)</b>	<b>(134,140)</b>	<b>(63,109)</b>	<b>(2,690,668)</b>	<b>(6,706,857)</b>
<i>Carrying amount December 31, 2023</i>	<b>1,151,870</b>	<b>12,284</b>	<b>6,824</b>	<b>14,725,619</b>	<b>15,896,597</b>

Details of the right-of-use assets as per December 31, 2022, consist of the following:

(In Aruban florins)	IT EQUIPMENT	ADMIN. EQUIPMENT	TRANSPORT EQUIPMENT	LAND LEASE RIGHTS	TOTAL
<b>GROSS CARRYING AMOUNT</b>					
<b>Balance Jan. 1, 2022</b>	<b>6,011,079</b>	<b>235,692</b>	<b>27,148</b>	<b>17,416,287</b>	<b>23,690,206</b>
Additions	4,764,468	145,265	69,544	-	4,979,277
Disposals / expired contract	(6,011,079)	(235,692)	(27,148)	-	(6,273,919)
<b>Balance Dec. 31, 2022</b>	<b>4,764,468</b>	<b>145,265</b>	<b>69,544</b>	<b>17,416,287</b>	<b>22,395,564</b>
(In Aruban florins)	IT EQUIPMENT	ADMIN. EQUIPMENT	TRANSPORT EQUIPMENT	LAND LEASE RIGHTS	TOTAL
<b>DEPRECIATION &amp; IMPAIRMENT</b>					
<b>Balance Jan. 1, 2022</b>	<b>(6,011,079)</b>	<b>(235,692)</b>	<b>(27,148)</b>	<b>(1,571,548)</b>	<b>(7,845,467)</b>
Disposals / expired contract	6,011,079	235,692	27,148	-	6,273,919
Depreciation	(1,844,310)	(60,527)	(28,011)	(559,560)	(2,492,408)
<b>Balance Dec. 31, 2022</b>	<b>(1,844,310)</b>	<b>(60,527)</b>	<b>(28,011)</b>	<b>(2,131,108)</b>	<b>(4,063,956)</b>
<i>Carrying amount December 31, 2022</i>	<b>2,920,158</b>	<b>84,738</b>	<b>41,533</b>	<b>15,285,179</b>	<b>18,331,608</b>

Lease liabilities are presented in the consolidated statement of financial position as follows:

(In Aruban florins)	DECEMBER 31, 2023	DECEMBER 31, 2022
Current	3,347,689	2,284,196
Non-current	15,759,867	17,238,110
	<b>19,107,556</b>	<b>19,522,306</b>



Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease,

or to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized in the consolidated statement of financial position:

	NO. OF RIGHT OF USE ASSETS LEASED	RANGE OF REMAINING TERM	AVERAGE REMAINING LEASE TERM	NO. OF LEASE WITH EXTENSIONS OPTIONS	NO. OF LEASES WITH OPTIONS TO PURCHASE	NO. OF LEASE WITH VARIABLE PAYMENTS LINKED TO AN INDEX	NO. OF LEASES WITH TERMINATION OPTIONS
IT equipment	931	10 months	10 months	1	0	1	1
Administration equipment	12	6 months	6 months	1	0	0	1
Transport equipment	3	6 months	6 months	3	0	0	0
Land lease rights	31	33 years	33 years	2	0	2	0

Total cash outflow for leases for the year ended December 31, 2023 was AWG 3,348,937 (2022: AWG 3,192,334). The lease liabilities are secured by the related underlying assets. Future minimum lease payments at December 31, 2023 were as follows:

(In Aruban florins)	MIN. LEASE PAYMENT DUE WITHIN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	AFTER 5 YEARS	TOTAL
<b>December 31, 2023</b>							
Lease payments	4,168,980	997,291	997,291	997,291	997,291	27,924,148	36,082,292
Finance charges	821,291	787,993	777,528	766,540	755,003	13,066,380	16,974,736
<b>Net present values</b>	<b>4,990,271</b>	<b>1,785,284</b>	<b>1,774,819</b>	<b>1,763,831</b>	<b>1,752,294</b>	<b>40,990,528</b>	<b>53,057,028</b>
<b>December 31, 2022</b>							
Lease payments	3,212,198	2,298,218	997,291	997,291	997,291	28,921,439	37,423,728
Finance charges	928,002	819,975	787,993	777,528	766,540	13,821,383	17,901,420
<b>Net present values</b>	<b>4,140,200</b>	<b>3,118,192</b>	<b>1,785,284</b>	<b>1,774,819</b>	<b>1,763,831</b>	<b>42,742,822</b>	<b>55,325,148</b>

**Lease payments not recognized as a liability**

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. The expense relating to payments not included in the measurement of the lease liability is as follows:

(In Aruban florins)	2023	2022
Short-term leases	-	31,213
Leases of low value assets	20,822	27,900
<b>Total</b>	<b>20,822</b>	<b>59,113</b>

At December 31, 2023, the Company was not committed to short-term leases and the total commitment at that date was therefore nil. At December 31, 2023, the Company had not committed to leases which had not yet commenced.

**13. Accrued expenses and other payables**

(In Aruban florins)	NOTES	DECEMBER 31, 2023	DECEMBER 31, 2022
Payable on contracts		7,214,603	5,025,208
Payable Land Aruba, related party	(29,3)	8,872,727	6,005,937
Reimbursable deposits		5,366,995	6,216,674
Personnel related accruals		3,920,504	2,189,920
Payable to Schiphol Group		1,183,289	1,081,087
Marketing fund		853,757	763,481
Capex related accruals and retention payables		639,416	1,526,590
Due to pension insurers		394,259	296,966
Prepayments from airlines and concessionaires		333,734	489,198
Property taxes accruals		-	1,683,024
Others		819,914	944,846
<b>Total accrued expenses and other payables</b>		<b>29,599,198</b>	<b>26,222,931</b>

**Reimbursable deposits**

Reimbursable deposits serve as collateral to the financial assets categories 'trade receivables' and 'other receivables and prepayments'. These reimbursable deposits in the amount of AWG 5.4 million (2022: AWG 6.2 million) are provided to the Company in the form of cash deposits which can be used to settle the carrying amount of the financial asset in case of default or impairment situations. In addition to the cash deposits, the Company also has received by means of bank guarantees or letter of credits a total amount of AWG 4.8 million as per December 31, 2023 (December 31, 2022: AWG 3.5 million).

**14. Long-term borrowings**

(In Aruban florins)	NOTES	DECEMBER 31, 2023	DECEMBER 31, 2022
<b>LONG TERM PORTION</b>			
Bridge loan A		27,499,657	86,435,277
Bridge loan B		21,744,117	48,049,238
Term loan A1		8,250,000	-
Term loan B1		48,960,000	-
Term loan C1		60,773,333	-
Term loan D1		22,083,334	-
<b>Total long term portion</b>		<b>189,310,441</b>	<b>134,484,514</b>
<b>CURRENT PORTION</b>			
Bridge loan A		-	5,440,000
Bridge loan B		-	6,120,000
Term loan A1		1,000,000	-
Term loan B1		6,120,000	-
Term loan C1		4,586,667	-
Term loan D1		1,666,666	-
<b>Total current portion</b>		<b>13,373,333</b>	<b>11,560,000</b>
<b>Grand total</b>		<b>202,683,774</b>	<b>146,044,514</b>

**Interest-bearing financial liabilities**

In October 2018 the Company entered into a facility agreement with a group of financial institutions through Vidanova Bank N.V. as their Agent Bank for a maximum total amount of up to AWG 495 million / USD 275 million. The facilities agreement

has been amended in December 2022, and these amendments became effective on January 1, 2023.

Following are the main features of this amended agreement:

#### ***Decrease the current Term Loan Facilities Commitments***

The current Term Loan Facilities Commitments have been decreased to AWG 330MM but leaves the maximum Total Commitments at AWG 495MM in order to create room for future accordion loans totaling AWG 165MM.

#### Bridge loan facility A:

- The facility is available in both AWG and USD and it is subject to a fixed interest rate of 4.5%. The facility is available for 5 years and will be converted into Term loans A, C & D in three parts on three dates.
- Term loans A/C/D are subject to fixed interest rates for the first 5 years.
- On the 5th, 10th and 15th anniversaries, the interest rate of the Term loans will be increased by 0.5% if the weighted average interest rate of 10-year Aruba government AWG-bonds over the preceding three-year period is more than 1% above the then applicable Interest Rate.

#### Bridge loan facility B:

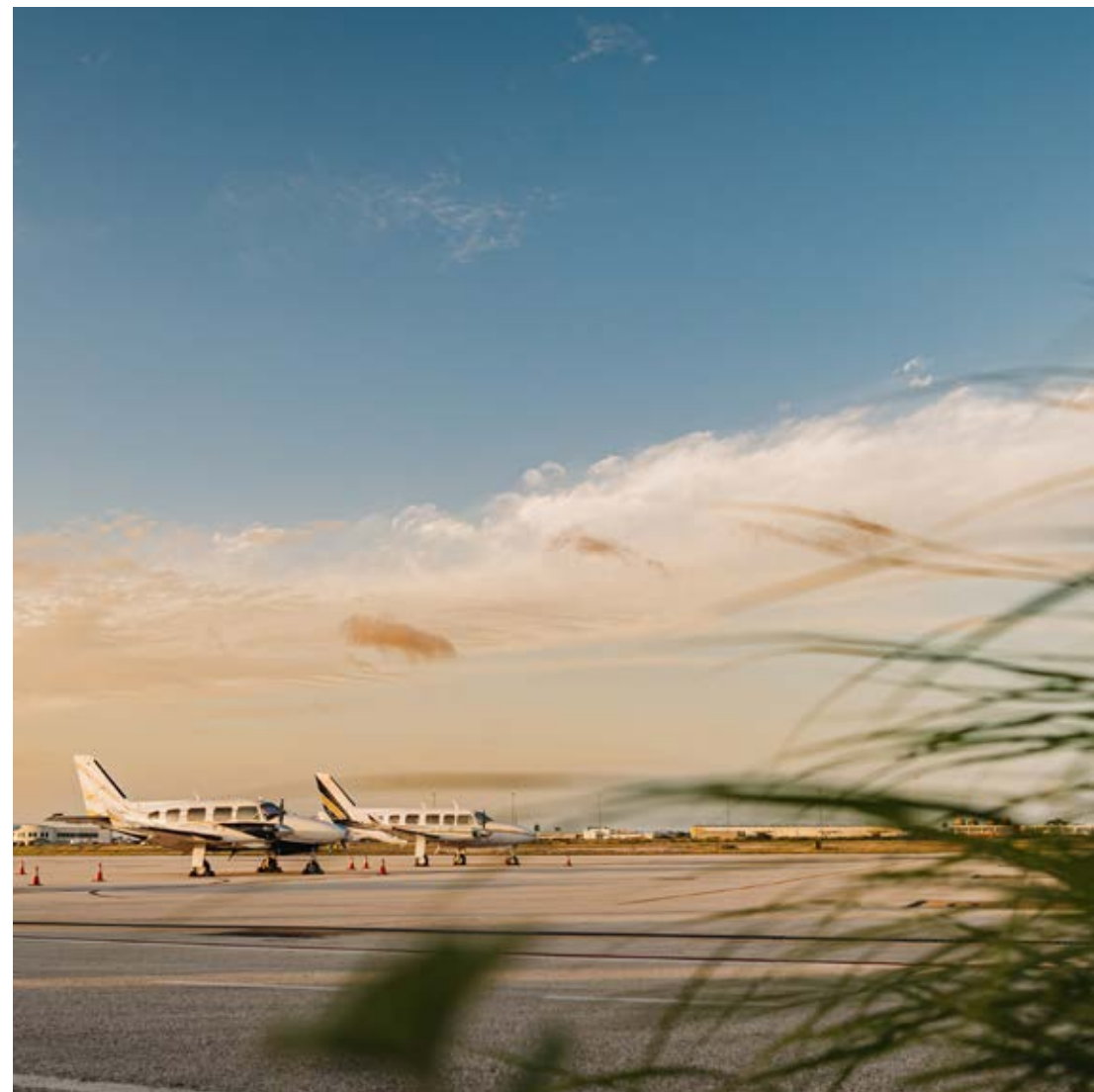
- The facility is denominated in USD and is subject to an interest rate of USD Prime rate minus 0.453%.
- The USD LIBOR ceased to exist, it is for this reason that starting January 2023, the United States Commercial Prime rate (US Prime Rate) is used as the new reference rate.
- The facility is available for 5 years and will be converted into Term loan B in three parts on three separate dates. With the amended agreement this is changed to two parts.
- Term loan B has a contractual maturity of 10 years after the respective tranche of Bridge Loan Facility B Conversion Date (subject to prepayment options). The Term loan is subject to an interest rate of 3-months USD LIBOR plus 2.00%. This changed to the US Prime Rate effective January 1, 2023.

In the amendment of the facilities agreement, new dates for contractual maturity have been incorporated. The new maturity date for the first B-Tranche is December 31, 2022, and for the second B-Tranche it is set at March 2025.

The liabilities value of the loan approximates its fair value.

For both facilities, drawdowns are subject to a 22-business days' notice period (60-business days for amounts exceeding AWG 50 million). The minimum and maximum amounts per single draw are AWG 25 million and AWG 75 million, respectively.

Interest is due and payable quarterly in arrears.





Until the reporting date, the Company has withdrawn AWG 39,424,382 from Bridge Loan Facility A, USD 15,986,044 (AWG 28,744,879) from Bridge loan facility B, and AWG 0 (nil) from the overdraft facility.

(In Aruban florins)	2023	2022
<b>January 1</b>	146,044,514	120,469,049
Withdrawn	68,199,259	25,575,465
Repaid	(11,560,000)	-
Capitalized interest	6,321,919	5,898,631
Interest expensed	4,420,160	-
Interest paid	(10,742,077)	(5,898,631)
<b>December 31</b>	<b>202,683,774</b>	<b>146,044,514</b>

The Company's accounting policy is to consider term- extending features in the liabilities as purchased loan commitments rather than embedded derivatives. The Company will account for the respective Term loan as a new loan drawn down under the loan commitment and will calculate a new Effective Interest Rate for it.

The Company also has an Overdraft facility for a maximum amount of AWG 50.4 million and subject to a fixed interest rate of 4.5% up until March 31, 2023, and as of April 1, 2023 4.75%. The Overdraft facility has the same availability period as the Bridge loan facility and is available till April 1, 2025.

The Company provided the following as collateral for the facilities:

- First ranking credit mortgage in the amount of AWG 18,000,000, plus 50% interest and costs, on all the real property and assets of the Company;
- Non-notarized positive-negative undertaking to increase the aforementioned first-ranking credit mortgage hereof to an amount equal to the aggregate of the then outstanding Principal Obligations, plus 50% interest and costs;
- Positive/Negative Pledge on immovable assets ("Positieve/Negatieve Hypotheek Verklaring");

- First priority pledge on:
  - all bank accounts;
  - the rights from the Installation/construction contracts;
  - movable assets;
  - receivables present and future;
- Assignment of:
  - monies and claims;
  - insurances including Construction;
  - All Risk Insurance during the project period.

The carrying value of the borrowings does not significantly differ from their market value. The loan covenants in the Facility Agreement as per the end of the year were in compliance as follows:

- Minimum equity ratio of 40%. The equity ratio as per December 31, 2023, is 57.4% (2022: 61.8%).
- Maintain a debt service coverage ratio equal to or exceeding 1.30. The debt service coverage ratio as per December 31, 2023, is 4.05 (2022: 13.38).
- The Funded Debt to EBITDA amounts to maximum 6:1. As per December 31, 2023, the funded debt to EBITDA amounts to 2.24 (2022: 1.85).

## 15. Provisions

(In Aruban florins)	2023	2022
Claim with regards to Phase 1A	3,580,000	3,580,000
Provision employment anniversary benefits	2,832,140	2,525,569
Pension provision	327,902	367,138
	<b>6,740,042</b>	<b>6,472,707</b>

### **Claim with regards to Phase 1A**

This provision is management's estimate for a probable outflow of resources on a dispute between a construction contractor and the Company with regards to denied price escalation claims based on the FIDIC Redbook and the Aruban Civil Code standards of reasonableness and fairness.



### **Provision employment anniversary benefits**

Pursuant to the several employment agreements, the employees of Aruba Airport Authority N.V. are entitled to certain bonus payments on every defined anniversary of their employment.

(In Aruban florins)	2023	2022
Balance as of January 1	2,525,569	2,519,759
Addition to the provision	476,520	379,692
Actuarial gain	(33,448)	(113,838)
Paid during the year	(136,501)	(260,044)
<b>Balance as of December 31</b>	<b>2,832,140</b>	<b>2,525,569</b>

### **Pension provision**

Participants in the APFA PVL pension plan are entitled to a supplemental pension component on top of the regular APFA pension. The APFA PVL pension builds up to a maximum of 66 2/3% of the pension base, and the supplemental pension may bring that to a maximum of 70%. This pension supplement amounts to 1/3% of the pension base for each service year in excess of 20 service years up to a maximum of 10 service years thereafter. The actual amounts paid out by APFA to the pensioner are charged fully on a monthly basis fully to the last employer where the participant was employed and do not take into account any financial arrangements made with previous employers. APFA charges the Company for the full supplemental pension of all pensioners for whom AAA was their last employer where they participated in the APFA PVL pension plan, regardless of any prior employment. Furthermore, APFA

charges all pension increases due to cost-of-living adjustments to the Company. In December 2014, the Company reached an agreement with the Government of Aruba that the cost-of-living allowance for PVL participants that were employed by the governmental entity “The Luchthavendienst” prior to independency in 1997 is for the expense of the Government of Aruba as agreed in the Transfer Balance sheet of March 8, 1996, and thus starting as of year-end 2014 the Company reports on the balance sheet its 34% share of the pension provision.

As per December 31, 2023, this amounts to AWG 327,902 (December 31, 2022: AWG 367,138).

The movements in the pension provision are as follows:

(In Aruban florins)	2023	2022
Balance as of January 1	367,138	377,835
Release from the provision	(11,600)	(12,952)
Actuarial loss/(gain)	(27,636)	2,255
<b>Balance as of December 31</b>	<b>327,902</b>	<b>367,138</b>

### **16. Deferred tax liability (net)**

All reconciliation items originate due to differences in fiscal applicability versus commercial applicability of depreciation, forming provisions, and maximum amounts of deductibles such as donations and investments allowances. The movement of deferred tax asset / liability is listed on the next page:

(In Aruban florins)	PROVISIONS -DUURTE TOESLAG & ANNIV.	UNEARNED FACILITY CHARGES	TOTAL DEFERRED TAX LIABILITIES	RIGHT OF USE ASSET (ROA)- LEASE LIABILITIES	PROPERTY, PLANT AND EQUIPMENT	CARRY FORWARD UNUSED TAX LOSSES	TOTAL DEFERRED TAX ASSETS	2023 (NET)	2022 (NET)
Carrying amount at January 1, 2023	(136,829)	(24,017,956)	(24,154,785)	261,953	126,800	8,303,256	8,692,009	(15,462,776)	(5,854,822)
Net change others	(29,842)	-	(29,842)	50,482	211,335	-	261,817	231,975	(387,866)
Deferral of Facility Charges	-	(7,466,349)	(7,466,349)	-	-	-	-	(7,466,349)	(7,519,927)
Loss over current year	-	-	-	-	-	-	-	-	-
Loss compensation in current year	-	-	-	-	-	(4,291,569)	(4,291,569)	(4,291,569)	(3,808,723)
Rate change from 25% to 22%	-	-	-	-	-	-	-	-	2,108,561
Total change	(29,842)	(7,466,349)	(7,496,191)	50,482	211,335	(4,291,569)	(4,029,752)	(11,525,943)	(9,607,955)
Carrying amount at December 31, 2023	(166,671)	(31,484,305)	(31,650,976)	312,435	338,135	4,011,687	4,662,257	(26,988,719)	(15,462,777)

## 17. Issued and fully paid-in capital

The authorized capital of Aruba Airport Authority N.V. consists of 100,000 ordinary shares of AWG 1,000 at par value. Issued and fully paid-in are 72,071 shares.

The shares of the Company are not traded in a public market, and the Company is not filing nor intends to file its financial statements with a securities commission or other regulatory organization for purposes of issuing ordinary shares in a public market. There were no shares issued during the year, and the number of shares outstanding at the beginning of 2023 was the same as the number of shares outstanding at the end of 2023.

## 18. Aeronautical revenue

In 2023 1,372,207 passengers were eligible for the Passenger Facility Charge or the FBO Charge (2022: 1,211,008). The number of commercial aircraft movements for the year 2023 was 25,803 (2022: 24,980).

The Company has signed user agreements with almost all airlines with a scheduled service to Aruba.

(In Aruban florins)	2023	2022
Passenger facility charges	58,799,229	49,799,181
Special facility charges	10,581,714	8,489,438
General usage charges	52,450,954	44,678,176
Security surcharges	7,376,922	6,511,399
<b>Total passenger charges</b>	<b>129,208,819</b>	<b>109,478,194</b>
Landing charges	4,626,134	4,200,433
Parking charges	884,445	613,664
FBO ground handling fees	2,061,949	-
FBO other charges	305,020	-
Derelict or Non Operational charge	-	5,012
Air Service Incentive Program	(200,879)	(184,789)
<b>Total aircraft charges</b>	<b>7,676,669</b>	<b>4,634,320</b>
<b>Total Aeronautical revenue</b>	<b>136,885,488</b>	<b>114,112,514</b>



Aeronautical revenue can be specified as follows:

During 2023 and 2022, the following passenger charges were charged to airlines based on the numbers of passengers reported by the airlines after verification of that data by AAA:

PASSENGER CHARGE COMPONENTS	ABBR.	RATES & CHARGES	US PRE-CLEARED ENPLANED PASSENGER ON ORIGINATING FLIGHT FROM ARUBA	US PRE-CLEARED ENPLANED PASSENGER ON "TRANSFER" FLIGHT VIA ARUBA	ENPLANED PASSENGER WHO TRANSFERS AIRCRAFT WITHIN 24 HOURS OF ARRIVAL TIME	ENPLANED PASSENGER ON AN ORIGINATING FLIGHT TO BONAIRE FROM ARUBA	ENPLANED PASSENGER ON AN ORIGINATING FLIGHT TO CURACAO AND SINT MAARTEN FROM ARUBA	PASSENGERS TO ALL OTHER DESTINATIONS
Passenger Facility Charge	PFC	\$24,00	\$24,00				\$24,00	\$24,00
General Usage Charge	GUC	\$22,00	\$22,00					\$22,00
Security Surcharge	SEC	\$3,00	\$3,00			\$3,00	\$3,00	\$3,00
Special Facility Charge	SFC	\$6,00	\$6,00					
Transfer - US	TRSFR US	\$34,00		\$34,00				
Transfer - NONUS	TRSFR NONUS	\$17,00			\$17,00			
Passenger Facility Charge - BON	PFC-Bon	\$9,00				\$9,00		
General Usage Charge - CUR/ BON/SXM	GUC - CUR/BON	\$9,00				\$9,00	\$9,00	
<b>Total per type of enplaned passenger in 2023</b>	-	-	\$55,00	\$34,00	\$17,00	\$21,00	\$36,00	\$49,00
<i>Total per type of enplaned passenger in 2022</i>	-	-	\$52,50	\$32,50	\$16,00	\$20,00	\$34,25	\$47,25

During 2023 and 2022,  
the following aircraft  
charges were charged  
to airlines based  
on their MTOW:

MTOW CLASS	WEIGHT IN KILOGRAMS	CHARGE PER LANDING 2023 VS 2022	PARKING CHARGE PER HOUR AFTER FIRST MINUTES FREE 2023 VS 2022
1	Between 0 (zero) and 10,000	US\$ 21.00 / US\$ 20,00	US\$ 3.00 / US\$ 3,00
2	Between 10,000 and 40,000	US\$ 63.00 / US\$ 60,00	US\$ 11.00 / US\$ 10,00
3	Between 40,000 and 70,000	US\$ 179.00 / US\$ 170,00	US\$ 21.00 / US\$ 20,00
4	Between 70,000 and 100,000	US\$ 237.00 / US\$ 225,00	US\$ 37.00 / US\$ 35,00
5	Between 100,000 and 180,000	US\$ 326.00 / US\$ 310,00	US\$ 53.00 / US\$ 50,00
6	Over 180,000	US\$ 684.00 / US\$ 650,00	US\$ 68.00 / US\$ 65,00

## 19. Non-aeronautical revenue

Non-aeronautical revenue can be specified as follows:

(In Aruban florins)	2023	2022
Concession fees	33,349,824	28,295,034
Rental income	9,068,524	8,986,905
Service reimbursements	1,403,625	1,237,026
Car parking fees	1,419,719	1,265,077
Prior year revenue	(81,239)	170,191
Other non-aeronautical revenue	830,091	693,360
	<b>45,990,544</b>	<b>40,647,593</b>

### Concession fees

Most concession revenues are charged as a percentage of gross sales as reported by the concessionaires, and in some cases fixed amounts have been agreed upon. Most sales-based concession fees are subject to a minimum annual amount. For 2023, approximately 92% (2022: 90%) of the total concession fee revenue amount was charged based on such minimum annual guarantees. The remainder consists of amounts in excess of such minimum amounts, fixed concession fee amounts and for which no minimum was agreed. Sales-based concession fees are determined based on the concessionaires' internal monthly sales reports.

These reports are subject to annual verification by an independent auditor, but such assurance reports are usually received months after year-end. As a consequence, concession fees charged for 2023 may have to be adjusted in 2024. However, management, based on past experience, does not expect significant adjustments to the reported concession fee revenues. In 2023 there were favorable minimal adjustments amounting to AWG 134K with regards to the concession fee revenues of 2022 (reported under 'Prior year revenue').

Concession fee revenues can be further specified as follows:



(In Aruban florins)	2023	2022
Retail shops	14,014,336	12,844,926
Car rentals	7,045,993	5,688,117
Food & beverage	3,534,068	2,953,031
Fuel concession	3,530,368	2,219,286
Groundhandling	2,400,546	2,609,422
Advertising	546,929	504,505
Airline catering	541,343	330,331
Other concessions	1,736,241	1,145,416
	<b>33,349,824</b>	<b>28,295,034</b>

### Rental income

Rental income refers to lease income from operating lease agreements with lessees for the rental of business accommodation and facilities at the airport, amongst others, by airlines, ground handlers, car rentals, government agencies, retailers, and cargo operators. Lease agreements are concluded for a certain number of years, and the rental income derived from these agreements is recognized in income on a straight-line basis over the lease term.

## 20. Personnel expenses

(In Aruban florins)	2023	2022
Salaries and allowances (incl. vacation pay)	22,460,035	19,399,242
Social security costs	3,610,717	3,269,690
Additional compensation	3,033,731	2,403,610
Pension contribution	2,261,080	1,995,817
Retirement pay	-	325,000
Other personnel expenses	1,344,736	929,596
	<b>32,710,299</b>	<b>28,322,955</b>

The number of employees at the end of the year 2023 was 238 (2022: 206), and FTEs 236.95 (2022: 205.7).

### Pension contribution

The Company makes contributions to two pension plans that provide benefits to employees upon retirement:

- For the defined benefit plan NPR2014, the administrator (APFA) is unable to provide yearly information on the Company's proportionate share of the defined benefits obligation and plan assets. Therefore, the plan is accounted for as if it was a defined contribution plan. The Company's premiums to the pension plans are charged to the consolidated statement of profit or loss in the year to which they relate, and the expected payment for the next annual reporting period is expected to slightly more than in 2022.

APFA does not expect any deficits in the plan in the near future which cannot be recovered by means of premium increases. The total premium due to APFA in 2023 is 15.4% (2022: 17.1%), of which employees pay 5.0% less an annual franchise amount of AWG 17,616. As of December 31, 2023, the number of employees insured at APFA is 19 (2022: 19).

The total premium due to APFA for 2024 is expected to be approximately AWG 264,932. The total preliminary premium due to APFA in 2024 increased to 15.7%. The defined contribution plan for employees that entered into service after 1997

is administered by insurer Guardian Holding. The contributions for this defined contribution plan are first used for financing defined partner's and orphan's pension benefits, as applicable for each participant; the remaining premium is used to build up an old age pension for each participant. Since 2016 a disability component is also part of the premium, and these costs are borne by the Company.

The Company's premiums to the pension plan are charged to the consolidated statement of profit or loss in the year to which they relate. The total premium due to Guardian Holding is fixed at 15.0%, of which employees pay 5.0% less a fictitious annual franchise amount of AWG 17,616. As of December 31, 2023, the number of employees insured at Guardian Holding is 219 (2022: 187). The total premium due to Guardian Holding for 2024 is expected to be approximately AWG 2,431,676.

## 21. Housing expenses

(In Aruban florins)	2023	2022
Water and electricity	9,596,275	7,655,170
Cleaning	3,362,648	2,974,207
Property taxes	1,651,738	1,684,708
	<b>14,610,661</b>	<b>12,314,085</b>

## 22. Administration and marketing

(In Aruban florins)	2023	2022
Insurance	2,091,028	1,988,863
Training/Conferences, travel and accomodation	1,559,490	481,275
Marketing	1,309,519	467,871
Exchange taxes and -differences	1,036,499	594,420
Advertisement and communication	378,598	212,257
Legal advice	190,095	270,478
Other administration expenses	719,529	260,905
	<b>7,284,758</b>	<b>4,276,069</b>



**23. Operational expenses**

(In Aruban florins)	2023	2022
Maintenance expense	10,123,673	9,183,125
Contracted services	6,387,239	4,608,462
Schiphol strategic cooperation Agreement	3,346,866	3,142,564
Sales tax (BBO) , health tax (BAZV) and BAVP	2,862,294	2,436,853
Automation	2,123,773	2,402,140
Professional services	505,836	450,923
Telephone and communication	395,110	336,554
Transport	303,843	408,505
Leases	86,658	93,604
Other	744,852	498,866
	<b>26,880,144</b>	<b>23,561,596</b>

**Schiphol Strategic Cooperation agreement**

The Company has a strategic co-operation agreement with Schiphol International B.V. ("Schiphol"). Schiphol provides technical expertise, strategic advice and training in many areas of management and operations. Schiphol receives a remuneration for assistance provided, calculated against an agreed rate per manhour plus out-of-pocket expenses, an annual Intellectual Property Fee, an EBITDA-based Incentive Fee, and a fee for seconding a CEO and other Schiphol secondees. The Incentive Fee is determined annually within 14 days of the approval of the annual accounts in the General Shareholder's Meeting and confirmed by the external auditor of AAA.

**24. Other expenses**

(In Aruban florins)	2023	2022
Special events	1,253,619	807,124
Prior year (revenue)/expenses	800,824	(1,409,203)
Airport Social Committee	529,916	352,577
Administration fee Passenger Facility Charges	407,049	462,399
Corporate Social Responsibility	291,902	268,326
Donations	66,794	97,406
Crisis Management	-	11,886
Addition/ (release) to provision for doubtful receivables, both Trade Receivables and	75,560	(305,415)
Land Aruba		
Other	470,789	797,887
	<b>3,896,453</b>	<b>1,082,987</b>

The prior year expense of AWG 0.8 million is mostly related to invoicing from the power company for capacity increases at the airport over previous years; notification of these charges were not received until early 2024.

**25. Government Concession Fee expense**

In the agreement "Overeenkomst tot Regeling van de Verhouding tussen Land Aruba en de Aruba Airport Authority N.V." signed in December 2014 with Land Aruba, AAA will pay Land Aruba in relation to the concession to operate the airport a fee per passenger of USD 3.00 for the year 2023 which was the same as 2022. The expense is calculated based on 1,372,207 passengers for 2023 (2022: 1,211,008).

(In Aruban florins)	2023	2022
Government concession fee expense	7,368,786	6,503,328
	<b>7,368,786</b>	<b>6,503,328</b>



### 26.1. Depreciation & losses on disposal of PPE

(In Aruban florins)	2023	2022
Depreciation expense	26,386,479	23,938,458
Net loss/(gain) on disposal of property, plant and equipment	15,940	(14,250)
	<b>26,402,419</b>	<b>23,924,208</b>

### 26.2. Depreciation right-of-use assets

(In Aruban florins)	2023	2022
<b>ASSETS</b>		
Right-of-use depreciation - IT equipment	1,974,630	1,844,310
Right-of-use depreciation - Land lease rights	559,560	559,559
Right-of-use depreciation - Administration equipment	73,613	60,527
Right-of-use depreciation - Transport equipment	35,098	28,011
<b>Total</b>	<b>2,642,901</b>	<b>2,492,408</b>

### 27. Net financing costs

(In Aruban florins)	2023	2022
<b>Finance income</b>		
Interest income on fund/bank accounts	420,273	391,935
<b>Finance costs</b>		
Other interest & finance charges - commitment fees	(2,200,434)	(121,833)
Interest previous year(s)	(2,335,120)	-
<b>Interest costs lease liabilities</b>		
Related to IFRS 16 Lease liabilities	(935,500)	(1,036,974)
<b>Total</b>	<b>(5,050,781)</b>	<b>(766,872)</b>

#### Finance costs

As of March 2018, there is an Overdraft Loan Facility in place at Caribbean Mercantile Bank N.V. for a maximum total of AWG 50,400,000. The Overdraft Loan Facility is a standby facility to cover minimum reserve balances as per AAA's internal reserve policy and, on occasion, for short-term working capital and/or capital expenditure needs. This Overdraft Loan Facility is part of the Facilities Agreement by means of an Intercreditor Agreement. The rate of interest is 4.5% per annum, payable monthly. A monthly standby fee of 0.15% per annum is due on any Undrawn portion of the facility. In 2022 and 2023 there were no withdrawals on the overdraft facility. The Overdraft Loan Facility was renewed in 2023 with Caribbean Mercantile Bank N.V. As per April 1, 2023 the rate of interest is 4.75% per annum and the standby fee is 0.25% per annum.

#### Interest costs lease liabilities

With the implementation of IFRS 16, the lease liabilities were discounted at the borrowing rate of January 1, 2019, being the weighted average incremental borrowing rate of 5.0%. There were no changes in 2023 and 2022 with regard to the borrowing rates.



## 28. Profit tax

The profit tax charge for 2023 can be reconciled to the consolidated statement of profit or loss as follows:

(In Aruban florins)	2023	2022
Current year profit tax expense settled against tax loss carryforwards	4,291,568	3,808,855
Change deferred tax liability - Unearned Facility Charges	7,466,349	7,519,927
Change deferred tax liability - Difference commercial - fiscal	(215,750)	316,640
Change deferred tax liability - Provision "duurtetoeslag" & anniversary allowance	29,842	155,488
Change deferred tax liability - Effect IFRS 16 Right of Use Assets & Liabilities	(50,482)	(84,262)
Profit tax rate change from 25% to 22%	-	(2,108,231)
	<b>11,521,527</b>	<b>9,608,417</b>





The applicable tax rate for 2023 is 22%. The reconciliation between profit tax expense and result before profit tax multiplied by the applicable tax rate for the year 2023 is as follows:

(In Aruban florins)	2023	TAX AMOUNT AT 22%
Result before profit tax	56,028,830	12,326,343
Effect IFRS 16 reversal on P&L	229,464	50,482
<b>Result before profit tax after IFRS 16 application</b>	<b>56,258,294</b>	<b>12,376,825</b>
Deferred unrealized income facility charges	(33,937,949)	(7,466,349)
Difference between commercial & fiscal depreciation charge	1,374,747	302,444
Provision "duurtetoeslag" & anniversary allowance	(135,646)	(29,842)
Difference bookvalue disposals	(68,973)	(15,174)
Non-deductible amounts/donations	332,680	73,190
Investment allowance and disinvestment recapture	(3,990,931)	(878,005)
Other	(325,089)	(71,520)
<b>Fiscal taxable profit for the year</b>	<b>19,507,133</b>	<b>4,291,569</b>
Compensation of tax losses previous years	(19,507,133)	(4,291,569)
<b>Taxable amount</b>	<b>-</b>	<b>-</b>

The reconciliation between profit tax expense and result before profit tax multiplied by the applicable tax rate for the year 2022 is as follows:

(In Aruban florins)	2022	TAX AMOUNT AT 25%
Result before profit tax	51,515,599	12,878,900
Effect IFRS 16 reversal on P&L	337,048	84,262
<b>Result before profit tax</b>	<b>51,852,647</b>	<b>12,963,162</b>
Deferred unrealized income facility charges	(30,079,709)	(7,519,927)
Difference commercial and fiscal depreciation charge	(1,250,590)	(312,648)
Provision "duurtetoeslag" & anniversary allowance	(37,558)	(9,390)
Difference in bookvalue disposals	(24,181)	(6,045)
<b>Income for tax purposes</b>	<b>20,460,609</b>	<b>5,115,152</b>
Non deductible amounts / donations	315,732	78,933
Investment allowance and desinvestments recapture	(5,026,770)	(1,256,693)
Investment recapture	287,934	71,984
Training expenses employees	(772,087)	(193,022)
Marketing and promotional cost	(30,000)	(7,500)
<b>Fiscal taxable profit for the year - profit +, loss (-)</b>	<b>15,235,418</b>	<b>3,808,855</b>
Settle against tax losses previous years	(15,235,418)	(3,808,855)
<b>Taxable amount</b>	<b>-</b>	<b>-</b>

The effective tax rate for 2023 is the following:

(In Aruban florins)	2023	TAX AMOUNT	EFFECTIVE TAX RATE
Profit before tax	56,028,830	12,326,343	22%
<b>Permanent differences:</b>			
Non deductible amounts / donations	332,680	73,190	0%
Investment allowance and disinvestment recapture	(4,104,527)	(902,996)	-2%
Investment recapture	113,595	24,991	0%
<b>Total</b>	<b>52,370,578</b>	<b>11,521,527</b>	<b>-</b>
<b>Profit tax expense</b>	<b>-</b>	<b>11,521,527</b>	<b>21%</b>

The effective tax rate for 2022 is the following:

(In Aruban florins)	2022	TAX AMOUNT	EFFECTIVE TAX RATE
Profit before tax	51,515,599	12,878,900	25%
<b>Permanent differences:</b>			
<b>Non deductible amounts / donations</b>	315,732	78,933	0%
Investment allowance and desinvestments recapture	(5,026,770)	(1,256,693)	-2%
Investment recapture	287,934	71,984	0%
Training expenses employees	(772,087)	(193,022)	0%
Marketing and promotional cost	(30,000)	(7,500)	0%
Other	-	144,046	-1%
<b>Total</b>	<b>46,290,408</b>	<b>11,716,648</b>	<b>-</b>
Profit tax rate change from 25% to 22%	-	(2,108,231)	-4%
<b>Profit tax expense</b>	<b>-</b>	<b>9,608,417</b>	<b>18%</b>

## 29. Related parties

Aruba Airport Authority N.V. has identified the following related parties:

- Key management personnel.
- Stichting Algemeen Pensioenfonds Aruba (APFA).
- Land Aruba (100% shareholder of Aruba Airport Authority N.V.).

### 29.1 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive, supervisory or otherwise) of the Company. Key management compensation during the year can be specified as shown in the table below:

(In Aruban florins)	2023	2022
Short-term employee benefits	3,449,246	3,697,752
Post-employment benefits	142,613	148,361
Termination benefits	-	-
	<b>3,591,859</b>	<b>3,846,113</b>

#### Short-term employee benefits

Short-term employee benefits are benefits payable within a year of the end of the year in which the employee rendered the service. At the Company, this category includes wages and salaries (including holiday pay) and fixed and variable allowances, social security contributions, paid sick leave, (performance) bonuses and variable short-term remuneration. The costs of these employee benefits are recognized in the consolidated statement of profit or loss when the service is rendered or the rights to benefits are accrued (e.g., holiday pay). These short-term employee benefits also include all costs related to the CEO provided by Schiphol International.

#### Post-employment benefits

These are employee benefits that may be due after completion of employment. At the Company, this category includes pension premiums and other retirement benefits.

### Termination benefits

These are employee benefits payable as a result of either a decision by the Company to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. The costs are recognized in full in the consolidated statement of comprehensive income as soon as such a decision is made.

### 29.2 Stichting Algemeen Pensioenfonds Aruba (APFA)

APFA, being a post-employment benefit plan fund, is considered only for reporting purposes to be a related party. APFA is the general pension fund for Aruban government employees. All employees who entered into the service of the predecessor of AAA prior to January 1, 1997, participated until January 1, 2011, in a defined benefit pension plan administered by APFA named PVL. As per January 2011, the PVL pension plan was converted into NPR2011 and subsequently into NPR2014 in the year 2014. In July 2011, the financing agreement for NPR2011 was signed with APFA, and the Company concluded a new financing agreement for NPR2014 in June 2015. The total premium due under NPR2014 to APFA is 15.4% (2022: 17.1%), of which employees pay 5.0% taking into account an annual franchise amount of AWG 17,616. In December 2023, APFA announced that the total preliminary premium for the year 2024 would become 15.7%. As of December 31, 2023, the number of employees insured at APFA is 19 (2022: 19).

The amounts paid to APFA can be specified as follows:

(In Aruban florins)	2023	2022
Employer's contributions	180,485	149,742
Contribution from participating employees	61,991	43,724
	<b>242,476</b>	<b>193,466</b>

### 29.3 Land Aruba

The Company has various amounts receivable from government-related entities and its sole shareholder, Land Aruba, as well as a number of amounts payable to Land Aruba. Collectively referred to as related party Land Aruba. The amounts receivable from Land Aruba can be specified as follows:

(In Aruban florins)	NOTES	DECEMBER 31, 2023	DECEMBER 31, 2022
Trade receivables		658,420	649,517
Less: provision on receivables	(7)	(398,703)	(401,337)
		<b>259,717</b>	<b>248,180</b>

### Trade receivables

All amounts charged to Government-related entities (Directie Luchtvaart, IASA, Inspectie der Invoerrechten & Accijnzen, Korps Politie Aruba, Meteorologische Dienst, Directie Veiligheidsdienst, Aruba Tourism Authority, Centrale Dienst Brandweer, Centraal Bureau van de Statistieken, Inspectie Beveiliging Scheepvaart & Luchtvaart, Recherche SamenwerkingsTeam) for services, mostly Airport office rents and car passes, are included under this item.

### Provision on receivables

Certain transactions with Land Aruba have not been received yet. For possible credit losses, the Company has formed a provision. The movements in this provision are as follows:

(In Aruban florins)	NOTES	2023	2022
Balance as of January 1		(401,337)	(357,421)
(Addition)/Release to the provision	(24)	2,634	(43,916)
Written off during the year		-	-
Balance as of December 31		<b>(398,703)</b>	(401,337)

(In Aruban florins)	NOTES	DECEMBER 31, 2023	DECEMBER 31, 2022
Dividend payable (net of withholding tax)		346,421	346,421
Government Concession Fee		7,589,939	4,339,793
Due to Tax Collector		936,367	1,319,723
		<b>8,872,727</b>	<b>6,005,937</b>
Profit tax payable		-	-
	(13)	<b>8,872,727</b>	6,005,937



During the years 2022 and 2023, Land Aruba requested to advance a portion of the Government Concession Fee realized in 2022 and 2023 respectively for direct payment to the supplier of the Fire Rescue Brigade at the airport for new equipment. A settlement agreement was signed for AWG 2.2 million in 2022 and AWG 2.7 million in 2023.

#### ***Dividend payable (net of withholding tax)***

The General Shareholder's Meeting declared dividends for the years 2005-2022 for a total amount net of dividend tax of AWG 73.4 million to be settled against receivables due from the sole shareholder Land Aruba and for the latter years in the form of cash settlement. Reference is made to the notes to the Consolidated Statement of Changes in Equity for the dividends of the current year and the prior year. Due to COVID-19 and non-compliance with Dividend Policy, no dividends were declared for the years 2019-2020. In April 2023 a dividend of AWG 12.6 million was declared for 2022.

#### ***Profit tax payable***

Due to the COVID-19 crisis, in 2020 and 2021, there were fiscal losses and therefore, no profit taxes were payable as per year-end 2020 and 2021. For the year 2023, an amount of AWG 4.0 million (2022: AWG 3.8 million) was due for profit taxes and has been settled against these unused tax losses.

#### ***Government Concession Fee***

In the new agreement "Overeenkomst tot Regeling van de Verhouding tussen Land Aruba en de Aruba Airport Authority N.V." signed in December 2014 with Land Aruba, AAA will pay Land Aruba in relation to the concession to operate the airport a fee per passenger of USD 3.00 for the years 2019-2023. As per this agreement, this amount is to be settled within 30 days after ratification of the Company's annual report and if and when subject to (i) the Debt Service Coverage Ratio being more than 1.5 and (ii) the Company's credit rating is the equivalent of BB+ (Fitch) or Ba1 (Moody's). As of 2014, no credit rating from a rating agency has been requested, nor is it a condition of the facility agreement. If in non-compliance, then the Government Concession Fee ("GCF") is not payable.

The rent receivables due from government agencies at the airport, if not paid, will be deducted from the Government Concession Fee up to a maximum of AWG 600,000 per year prior to settlement.





At the end of 2023 and 2022, the full year's GCF was outstanding, less any amounts advanced during the year. It is due and payable upon adoption of the audited consolidated financial statements by the Shareholder.

### 30. Commitments and long-term contracts

#### 30.1 Operating lease agreements and other long-term contracts

As a result of long-term contracts, the following obligations are incurred for the coming five years.



(In Aruban florins)	2024	2025	2026	2027	2028
Operating leases for equipment	2,093,086	14,669	8,155	-	-
Maintenance	10,376,434	7,295,835	2,486,925	31,800	31,800
Property-related obligations	2,858,694	2,858,694	2,858,694	2,800,445	2,781,029
Management & consulting services	3,784,836	3,629,251	3,777,092	3,797,663	3,952,134
Government concession fee	7,582,258	7,736,000	7,891,000	8,048,000	8,209,000
Gateway 2030 Expansion Project	30,379,141	-	-	-	-
<b>Balance December 31, 2023</b>	<b>57,074,449</b>	<b>21,534,448</b>	<b>17,021,866</b>	<b>14,677,908</b>	<b>14,973,963</b>

The Operating leases for equipment refer to CUTE/ CUSS equipment leased from SITA Information Networking Computing B.V and copying equipment leased from IBS Aruba. The lease expenses are recognized as an expense based on a straight-line basis. The total lease expenses for the CUTE/CUSS equipment in 2023 is AWG 1.9 million (2022: AWG 1.9 million). With the implementation of IFRS 16, these have been recognized as right-of-use equipment against lease liabilities and expensed as interest and depreciation expenses for the right-of-use.

The Government concession fee commitment is based on Budget 2023 and the business plan estimates of passengers and fee assumptions. The Government concession fee is not payable when in a certain year the Debt Service Coverage Ratio is lower than 1.5, and the credit rating of the Company is lower than the Fitch rating of BBB+ or Moody's rating of Ba1 or the equivalent or if the outlook is changed to negative. In addition, the government concession fee can be off-set with fire brigade investments or other government agencies in the future that are to be

pre-financed by the Company as per the agreement "Overeenkomst tot Regeling van de Verhouding tussen Land Aruba en de Aruba Airport Authority N.V." signed in December 2014, and as amended in November 2015, with Land Aruba.

With the exception of land lease, there are no significant operating lease agreements longer than five years as per December 31, 2023.

### **30.2 Passenger facility charges**

The Company has signed user agreements with almost all airlines serving the airport on a scheduled basis. Pursuant to such agreement, the Company will reimburse an administration fee to the airline if the airline complies with all aspects of the Airport Charges Regulations. In 2023 and 2022, the administration fee amounted to AWG 0.75 (USD 0.42) per PFC-paying passenger.

### **30.3 Concessions to airport users**

The Company has signed concession agreements with virtually all airport users providing goods or services on airport premises, such as retail shops, the food and beverage operator, the fuel supplier, ground handling companies, telecommunications companies, and other users. The Company receives an agreed percentage of the gross sales of these concessionaires ranging from 2% to 42%. The remaining duration of certain agreements ranges between less than 1 and 5 years. Certain concession contracts extend past December 31, 2026, such as the new concession agreements for retail operators, that started October 1, 2023, and terminate on October 31, 2028, and the new agreements for the VIP Concierge Services, which has a term of three years with an extension of two years that started November 1, 2022. Some further contracts with other concessionaires may be extended beyond December 31, 2026. However, subject to the extension of AAA's concession to operate the Aruba airport at similar conditions and also subject to the progression of the Gateway 2030 expansion project, which is ongoing and the need for these concession operations within that (expanded) footprint of the operation.

### **30.4 Long lease land**

The long lease on the land is valued at nil. The long lease expires on January 1, 2057. The total annual land lease dues amount to AWG 997,469 (2022: AWG 997,469).

At the time of the Enabling Act of January 17, 1997, Land Aruba granted AAA the right of a long lease on domanial properties on the conditions as thereby stipulated. One of these conditions was that AAA received reduced rates on the long lease taxes ("canon") for the first 20 years. With the implementation of IFRS 16, long lease land has been recognized as right-of-use land against lease liabilities when paid and subsequently expensed as interest and depreciation expense right of use.

### **30.5 Strategic cooperation agreement with Schiphol International B.V.**

In April 2004, the Aruba Airport Authority N.V. concluded a Strategic Cooperation Agreement ("SCA") with Schiphol International B.V., the international branch of Royal Schiphol Group, the operator of (among others) Amsterdam Airport Schiphol (the Netherlands), Brisbane Airport Company (Australia) and Terminal 4 at JF Kennedy International Airport, New York (USA). Under this agreement, Schiphol International will provide certain technical consulting services to Aruba Airport Authority N.V. and a CEO in connection with the management and operation of Reina Beatrix International Airport.

In March 2020, an addendum to the SCA with Schiphol was signed, which included an extension of the "non-termination clause" until January 1, 2025. The addendum furthermore included a change in

the fee structure for services rendered depending on the level of the services rendered. Schiphol receives a remuneration for assistance provided, calculated against an agreed rate per man-hour plus out-of-pocket expenses. In addition, an annual Intellectual Property Fee is charged, as well as an EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) based Incentive Fee. The Incentive Fee is determined annually within 14 days of the approval of the annual accounts in the General Shareholder's Meeting and confirmed by the external auditor of AAA. As part of the SCA, Schiphol provides for the function of the Company's Chief Executive Officer. In 2022 two secondment agreements for two years were concluded and a previous secondment agreement terminated. In 2023 no new secondment agreements. These secondments are for knowledgeable Schiphol personnel to assist with technical expertise.



### **30.6 Purchase commitments**

At year-end, the Company had contracts and purchase orders outstanding for an aggregate amount of approximately AWG 36.4 Million (2022: AWG 116.9 million) in connection with capital expenditures projects. These commitments should mostly be fulfilled in 2024 in connection with the time horizon of Phase 1A of the Gateway 2030 project. For Phase 1B no commitments were made as per year-end 2023.

### **30.7 Guarantees**

As per the end of 2023 there were no arranged guarantees in connection with purchase commitments (2022: none).

The Company has received by means of bank guarantees or letters of credit a total amount of AWG 26.7 million as per December 31, 2023 (2022: AWG 26.7 million) as security deposits from airlines, concession debtors and construction companies.



## **31. Contingent assets, liabilities and claims**

### **31.1 ABC Project Venture claims**

ABC Project Venture and AAA have a Red Book FIDIC contract for the construction of Phase 1A of the Gateway 2030 program. This entails basically a lumpsum contract. ABC Project Venture gave notice and is claiming price escalation due to price increases it encountered when procuring materials. The Resident Engineer has denied these claims under FIDIC clauses, however, ABC Project Venture is now claiming based on the Aruban Civil Code (“Burgerlijk Wetboek”). In principle, parties need to adhere to the FIDIC agreement, unless adhering to such a stipulation would be considered unacceptable in the given circumstances according to the standards of reasonableness and fairness as per article 6:248 of the Civil Code. AAA has agreed to discuss with ABC Project Venture on price escalation under certain circumstances and conditions. As per the end of December 2022, ABC Project Venture claimed a total projected claim amount of AWG 12.2 million (USD 6.8 million) in price escalation and overhead costs. During the year 2023 parties agreed to hold on these discussions and re-evaluate in 2024.

Furthermore, due to the increase in BBO taxes in 2023, the contractor is claiming as per contract the indirect effects hereon. Management will reperform its due diligence when substantiation for the claims are received but continues to maintain its reliable estimate of AWG 3.6 million (USD 2.0 million) as a provision while the remaining contingent liability could be AWG 8.6 million (USD 4.8 million). The final outcome of these discussions is uncertain and could deviate here from.

### **31.2 Import Duties/BBO at Border on BHS System**

For the import of safety and security equipment, AAA receives exemption on import duties based on the fact that the agreement between Land Aruba and AAA states that legislation will be introduced at granting AAA exemption from import duties in respect of investments related to regulations and rules to be complied with by Aruba pursuant to treaties or other international obligations or standards to be enforced with regard to the safety and security of airports. The Baggage Handling System is considered to qualify herefor however Customs will confirm after installation and after on-site verification/evaluation that it is exempted from import duties and BBO at the border as a whole. The financial effects if Customs does not apply the exemption could have a financial effect ranging from AWG 5 million to AWG 6 million which was not forecasted in the project’s budget.

### **31.3 Fiscal Reforms**

From the approved tax legislation, the following changes as per January 1, 2023, could affect the Company in the following years as of 2026: Tax deductibility of depreciation expenses on real estate is maximized on the difference between the book value and the registered value (in Dutch: “bodewaarde”) or, in the absence thereof, the value as per article 6, paragraph 1, of the Ground Tax Act, being the market value. Further limitation of the deductibility of expenses will result in a higher increase in the effective tax burden.

The financial effect of this change in tax legislation on the Company, could potentially range between at least AWG 1 – AWG 3 million more profit taxes per year starting probably in the year 2026 because of having reached the ceiling deduction for fiscal depreciation.



## **32. Events after balance sheet date**

### **32.1 Slip and Fall Accident Passenger**

On January 29, 2024 AAA was informed by means of a summation letter from the lawyer of a passenger that she slipped and fell on August 25, 2023 on the airport premises. While AAA and the airline on which the passenger traveled there are no records of this accident, AAA's insurance and loss adjuster are handling this claim. No amounts were mentioned in the summation letter.

### **32.2 Commercial cargo jet incident on FBO platform**

On March 1, 2024 a commercial cargo jet took a wrong turn from the runway onto the FBO platform for general aviation. Due to jet blast a 4-seater Cessna tipped over and sustained damaged to its wing tip. This incident is under investigation. Although there is no established culpability, a claim from the owner's aircraft could be expected. AAA's insurance broker has been informed pro-forma.





# Independent Auditor's Opinion





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## Independent auditor's report

To the Board of Directors and the Board of Supervisory Directors of Aruba Airport Authority N.V.

### *Report on the audit of the consolidated financial statements*

#### *Opinion*

We have audited the consolidated financial statements of Aruba Airport Authority N.V. (the Company), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of profit or loss, other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other information included in the Company's 2023 Annual Report*

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

***Auditor's responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aruba, April 26, 2024  
11603055 066/gdc/jz

for Ernst & Young

(Sgd.) Garrick de Cuba, MSC, RA





# Abbreviations (Glossary)



# Abbreviations (Glossary)

## A

AAA: Aruba Airport Authority N.V.  
 ACA: Airport Carbon Accreditation  
 ACDM: Airport Collaborative Decision Making  
 ACI: Airport Council International  
 AFAS: Applications for Administrative Solutions  
 AHATA: Aruba Hotel and Tourism Association  
 AIRB: Aeropuerto Internacional Reina Beatrix  
 ANSA: Air Navigation Services Aruba N.V.  
 ANU: IATA code for Antigua's V.C. Bird International Airport  
 AODB: Airport Operational Database  
 APFA: Stichting Algemeen Pensioenfonds Aruba  
 ARBO: an abbreviation of the word "arbeidsomstandigheden" in English; working conditions  
 ASQ: Airport Service Quality  
 ATA: Aruba Tourism Authority sui generis  
 ATC: Air Traffic Control  
 AUA: IATA code for Aruba's Aeropuerto Internacional Reina Beatrix  
 AUA-AGA: addresses the requirements for Aerodromes, safety-related aerodrome equipment and ground aides, the operation of aerodromes and the provision of AMS at aerodromes  
 AVG: Average  
 AVR: Arbeidsvoorwaarden Reglement (a collective benefits package for those employees with an individual labor agreement)  
 AWG: Aruban Florin

## B

B2B: Business to Business  
 B2C: Business to Consumer  
 BBO: Belasting op Bedrijfsomzetten / Turn over taxes  
 BHS: Baggage Handling System  
 BoD: Board of Directors  
 BOG: IATA code for Colombia's El Dorado International Airport in Bogota  
 BOSD: Board of Supervisory Directors  
 BRA: Bureau Rampenbestrijding Aruba

## C

CAPEX: Capital Expenditures  
 CCO: Chief Commercial Officer  
 CEO: Chief Executive Officer  
 CDT: Chief Development & Technology Officer  
 CFO: Chief Financial Officer  
 CLA: Collective Labor Agreement  
 CLO: IATA code for Colombia's Aeropuerto Internacional Alfonso Bonilla Aragon in Cali  
 COO: Chief Operating Officer  
 COSO: Committee of Sponsoring Organizations of the Treadway Commission  
 CPI: Consumer Price Index  
 CRDC: Chief Revenue Development & Communications Officer  
 CSR: Corporate Social Responsibility

## D

DC: Dutch Caribbean  
 DCAA: Department of Civil Aviation of Aruba  
 DCCA: Dutch Caribbean Cooperation of Airports  
 DCS: Departure Control System  
 DHRM: Director Human Resources  
 DHSS: Director Health, Safety & Sustainability  
 DSCR: Debt Service Coverage Ratio  
 DWJZ: Directie Wetgeving en Juridische Zaken

## E

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortization  
 ERM: Enterprise Risk Management  
 ERP: Enterprise Resource Planning software  
 ESG: Environment, Social and Governance  
 EWR: IATA code for USA's Newark Liberty International Airport  
 EY: Ernst & Young

## F

F&B: Food & Beverage  
 FBO: Fixed Based Operator  
 FIDIC: the International Federation of Consulting Engineers  
 FIDS: Flight Information Display System  
 FLL: IATA code for USA's Fort Lauderdale Hollywood International Airport  
 FTE(s): Full Time Equivalent (employee)  
 FVOCI: Fair Value through Other Comprehensive Income  
 FVTPL: Fair Value Through Profit or Loss

**G**

GAT: General Aviation Terminal  
 GUC: General Usage Charge  
 GW2030: Gateway 2030

**H**

HR: Human Resources  
 HSS: Health, Safety & Sustainability

**I**

IAD: Internal Audit Department  
 IASA: Immigration Department of Aruba  
 IASB: International Accounting Standards Board  
 IATA: International Air Transport Association  
 IBSL: Inspectorate of Safety, Maritime and Air Transportation  
 ICAO: International Civil Aviation Organization  
 IFRS: International Financial Reporting Standards  
 ISO: International Organization for Standardization  
 IT: Information Technology

**J**

JET-TNCA: TNCA is the ICAO code for Aruba and JET reflects the fact that private aircraft or jets will be handled at the FBO terminal

**K**

K: Thousand  
 Kg: Kilograms  
 KMAR: Koninklijke Marechaussee  
 KPI(s): Key Performance Indicator(s)  
 kWh: kilo Watt hour

**L**

LIM: IATA code for Peru's Jorge Chavez International Airport  
 LNT: Landsverordening Normering Topinkomens  
 LT: Leadership Team of AAA  
 LTXL: Leadership Team Extended version which includes middle and lower management of AAA

**M**

M2: square meter  
 M3: cubic meter  
 MAE: Material Adverse Effect  
 MDE: IATA code for Colombia's Aeropuerto de Medellín José María Córdova in Medellín  
 METEO: Meteorologische Dienst van Aruba  
 Mio: Million  
 MM: Million  
 MOU: Memorandum of Understanding  
 MTOW: Maximum Take Off Weight

**N**

N.V.: Naamloze Vennootschap (equivalent to Limited Liability Corporation)  
 NPR: Nieuw Pensioenreglement

**O**

O&M: Operating and Maintenance  
 OCC: Operational Control Center  
 OCI: Other Comprehensive Income  
 OPEX: Operational Expenditures  
 OSHA: Occupational Safety and Health Administration

**P**

PBB(s): Passenger Boarding Bridges  
 Ph1A: Phase 1A of Gateway 2030 program  
 Ph1B: Phase 1B of Gateway 2030 program  
 PFC: Passenger Facility Charge  
 PPE: Property, Plant & Equipment  
 PR: Public Relations  
 PTY: IATA code for Panama's Tocumen International Airport  
 PVL: Pensioenverordening Landsdienaren

**R**

RGP: Revenue Generating Passenger; meaning all departing passengers including General Aviation passengers that are subjected to passenger charges.

**S**

SAF: Sustainable Aviation Fuel  
 SCA: Strategic Cooperation Agreement  
 SEC: Security Charge  
 SLA: Service Level Agreement  
 SVb: Sociale Verzekeringsbank Aruba

**T**

TSA: Transportation Security Administration

**U**

UN SDG: United Nation's Sustainable Development Goal  
 US CBP: United States Customs and Border Protection

**V**

VDA: Veiligheidsdienst van Aruba  
 VIP: Very Important Persons





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