ANNUAL REPORT 2022

AUA

AEROPUERTO INTERNACIONAL REINA BEATRIX

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“Recovered and executing our strategy!”

Foreword

CEO statement

"Recovered and executing our strategy". This one-liner characterizes the year 2022 perfectly.

The first couple of months of the year were still heavily impacted by the Omicron virus. We were confronted with a high percentage of sick leaves and the number of passengers was lacking behind our budgeted numbers. Starting in the second quarter of the year, passenger numbers began to increase to monthly levels close or even exceeding the 2019 numbers. For the full year of 2022 we reached a recovery of 95% in comparison to 2019 and exceeded the forecast at the beginning of the year by 3%. The forecast for 2023 looks positive. For 2023 a 7% increase has been budgeted in passenger numbers in comparison to 2019, which is 13% more in comparison to 2022. The financial results have followed the positive developments of the passenger numbers. We can conclude that Aruba Airport Authority N.V. (AAA) fully recovered from the COVID crisis in 2022.

AAA's new corporate strategy and ambition were defined in 2021. In the period until 2030, AAA is committed to becoming 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. By working hard on 88 preset tactics divided over the four strategic pillars - People & Organizational Development, Quality of Service, Innovation & New Opportunities and Sustainability & Social Responsibility - we have taken the first step in 2022 on our journey towards this ambition. Together with the (middle) management, we have defined a series of tactics, divided over the same strategic pillars, to be executed in 2023 in order for us to take the next step in our strategic journey. By means of this consistent approach, we feel confident that we are moving the needle and moving with a well-established, step-by-step approach in the defined direction.

In 2022 we continued with the so-called Strategy Sessions for all AAA staff. Together with all staff, we monitored the execution of the tactics twice and where we stand as to our strategic ambitions. During these sessions, we have also measured the nontangible and cultural elements as perceived by our staff. We measure if the company is perceived as a solid company, if staff feels safe in the company, if making mistakes is allowed, if AAA is innovative according to the staff, if team spirit is felt, if they are proud of AAA and if, in the opinion of the staff, AAA is developing in the right direction. We are pleased with the improving results, and this shows strong support from the staff for our strategic approach and the direction in which the company is developing. All of this has resulted in an upward trend in our employee engagement. In 2021 we had a grand mean of 3.54 on a scale of 1 to 5 in the Gallup survey. In June 2022 we saw a grand mean of 3.44 and in December 2022 we saw a grand mean of 3.81.

In 2022 we continued with the execution of the Gateway 2030 program. The so-called Phase 1A, which entails a new baggage hall and system and the extension of the US Check-in Hall, is currently being constructed and will be delivered in 2024. Phase 1B, a new building with gates and hold rooms is now in the final design review stage, and we are planning to start the mobilization in 2023 still. The rehabs of our aircraft stands are within planning and will be finished in 2023. 2022 also showed great progress in the design of the expansion of capacity and reshuffle of all services in the current arrival hall.

Our Collective Labor Agreement (CLA) for the recovery years expired at the end of 2022. Seeing that AAA has recovered from the COVID crisis, we have agreed with

the Unions on a four-year CLA reflecting our recovered shape. A big compliment here is due to the Unions who worked so intensively with AAA's team to create a CLA which will work out well for employees and employer and is a next step in the harmonization of our labor conditions of our CLA and ILA (Individual Labor Agreement) staff. Considering the swift recovery and our strategy with new focus points, we have recalibrated our organizational structure. Per department, we have defined the positions with updated job descriptions and defined the number of staff needed. Korn Ferry rated the job descriptions based on the Hay method and we launched, in agreement with the Unions, a new salary structure.

Sarpa, Jet Air and Arajet started for the first time operations into/out of Aruba in 2022, and Wingo has expanded their operation. Southwest also commenced daily operations out of a new gateway, Orlando. British Airways announced in 2022 that they will connect Aruba twice per week with London Gatwick starting in March 2023. Our diversification strategy to become less dependent on the US as our main source market has turned out to be successful. We are proud that on October 7th KLM celebrated its 103rd birthday in Aruba. In great collaboration with KLM, ATA, Monumentenfonds Aruba and AAA, and in the presence of many guests, KLM revealed the Delft Blue House # 103, House of the Ecury family, nowadays used as the National Archeological Museum in Oranjestad. During the event, the first house was gifted to the acting Governor of Aruba.

In 2021 we took the initiative to start a collaboration between all Dutch Caribbean Airports. The Dutch Caribbean Cooperation of Airports (DCCA) aims to achieve economies of scale by further enhancing and strengthening cooperation between the six airports. In November 2022, the first Sustainable Aviation Event "A Flight to the Future" was organized in Aruba by AAA on behalf of the DCCA. With hundreds of people from the Caribbean, the Netherlands and other countries attending the conference either live in Aruba or virtually, this initiative turned out to be a success. Not only due to the high quality of topics and speakers but also by having the only certified electric aircraft in the world, the Pipistrel Velis Electra, performing several pilot flights and by being able to formalize a historical Memorandum of Understanding between four countries, three islands and six airports of the Dutch Caribbean expressing their commitment to making interisland air connectivity more affordable, efficient, and sustainable during the coming years. Next year the event will be hosted by Curaçao Airport and the first accomplishments of the joint strategic plan will be presented. AAA, as one of the drivers behind this vision, is walking the talk when it comes to the set ambitions on sustainability in our strategy.

All in all, 2022 turned out to be a successful year for AAA, its staff and Aruba. This year's success, however, cannot take away the pain of having lost one of our dear and appreciated colleagues. Mr. Carlos Rojer, Executive Internal Audit, who passed away in an unfortunate traffic accident in August.

I like to extend my heartfelt gratitude to the entire AAA staff and entire airport community who contributed to the results achieved during the last years: the airlines, the passengers, our business partners, representatives of authorities, the board of supervisory directors, our shareholder, and most importantly our employees. I look forward to continuing our cooperation in 2023!

Only together and by joining forces can we create pleasant and authentic airport experiences!

Joost Meijs

CEO

Foreword

Board of Supervisory Directors (BOSD) statement

The Year 2022 was earmarked as being another recovery year after the COVID-19 pandemic hit in 2020. However, as was evident in 2021, the recovery to pre-2020 levels have been exceptionally faster than predicted, thus showcasing Aruba's resiliency in the tourism market, which was partly due to the collective efforts of the Government of Aruba, the Aruba Tourism Authority (ATA), AAA and many other organizations to ensure that the island remained attractive as an easy to travel to, top destination in the Caribbean. The year 2022 turned out to be a successful year for AAA, with the result of a recovery of 95% compared to 2019 Levels. After a turbulent start due to the Covid Omicron variant at the beginning of the year, the months after the first quarter have performed better than expected with AAA expecting to reach 7% above 2019 levels by the end of 2023. Of course, there remain many unknowns, like the war in Ukraine and the possibility of even higher inflation and subsequent recessions. These impacts may affect the demand for travel to Aruba.

As a result of the faster-than-expected recovery, AAA has performed a reevaluation of its organizational structure to ensure the organization is aligned with the new corporate strategy. The faster-than-expected recovery allowed for an in-depth review and benchmarking effort of all job functions to be in line with local and regional salary structures and subsequent inflation and cost of living adjustments, which resulted in a positive outcome through a new official executed Collective Labor Agreement for the years 2023 - 2026. AAA employees are the company's most important assets, and the BOSD commends the AAA team for their efforts in working with the unions and employees to accomplish this well-deserved increase.

During times of crisis, an organization typically reviews its overall corporate strategy to align with new goals and initiatives needed to move forward. The BOSD is proud that AAA has taken the initiative to execute the company's newly developed Corporate Strategy in 2022. The strategy consisted of 88 tactics that support the four company pillars: Organizational & People Development, Quality of Service, Innovation & New Opportunities, and Sustainability & Social Responsibility. The latter has been a great focal point as sustainability is at the forefront of all things aviation and tourism. AAA is working towards facilitating and adopting technological advances in electrical and sustainable aviation fuel trends, which is especially relevant to serving the needs of interisland travel within the Dutch Caribbean because of the potential cost savings on tickets which are now almost unaffordable. It is for this reason, based on the leadership and idea from AAA's CEO, that the DCCA (Dutch Caribbean Cooperative of Airports) has been formed, and in November 2022, the first International Sustainable Air Transportation event called "A Flight To The Future" was hosted with great success. Aruba should be proud that the first flight with an electric aircraft in the Caribbean region was conducted during this event, a historic milestone. Lastly, the airport is also officially the 1st airport in the world to receive the Green Globe Certification, which is one of the leading certification programs for sustainable operations and management of travel and tourism worldwide (yes! Our little island is the first in the entire world!)

The BOSD is also happy to see progress on the Gateway 2030 project Phase 1A for the new baggage hall and check-in areas. Despite many logistical and material supply issues related to world events, the project is moving forward. In addition, and because of the faster-than-expected recovery of passenger travel, AAA has rightly decided to begin fully vested efforts on commencing Phase 1B, which consists of two new gates and holdrooms. These infrastructure projects will ensure that our airport can safely and efficiently maintain future demand. Of course, we are also starting our planning process on the passenger arrival side, and I am looking forward to what these efforts may entail in 2023.

As the tenure of certain BOSD members came to an end at the end of 2021, a new BOSD make-up was appointed and the search for a fifth member has proven to be challenging based on the required qualifications and limited pool of available people. The BOSD is therefore pleased to be able to report that a fifth member was found, Mr. Gerald Tsu, who joined us at the end of 2022. Our collective board is now poised to ensure continuity to safeguard the AAA’s success as manager and operator of Aeropuerto Internacional Reina Beatrix during the coming years.

On behalf of the BOSD, I compliment Mr. Joost Meijs, his team, and all the employees of AAA once again for a successful 2022 with a significant recovery trajectory, and we wish them all the best in 2023 and beyond.

Fin B. Bonset, CM, ACE, ENV SP

Chairman of the Board of Supervisory Directors, Aruba Airport Authority N.V.

From left to right: EY Partner, Mr. Garrick de Cuba; BOSD Secretary, Mr. Albert Braamskamp; BOSD member, Mr. Alfredo Nicolaas; BOSD member, Mr. Hubert Dirks; CFO, Mrs. Aisha Anthony; CEO, Mr. Joost Meijs; Representative of Shareholder and Minister of Tourism and Public Health, Mr. Dangui Oduber; Chairman BOSD, Mr. Fin Bonset; and BOSD member, Mr. Sven Faarup.

Governance

Governance structure AAA

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.

Corporate Governance Code

AAA's corporate governance rules are comprised of the following:

- Articles of Incorporation
- Rules of Procedure for the Board of Supervisory Directors and its committees, including a Profile for the individual members of the Board of Supervisory Directors
- Rules of Procedures for the Board of Directors, including
  - a Tender Procedure
  - a Code of Conduct '*shining with our values*' including a new reporting process

Board of Directors

The Board of Directors consists of a sole statutory director structure. The sole statutory director (the "Chief Executive Officer" or "CEO"), chief executives and directors form the Leadership Team, which is AAA's decision and strategy center. From within the Leadership Team, the CEO, together with the Chief Operations Officer ("COO"), the Chief Financial Officer ("CFO") and the Chief Commercial Officer ("CCO") form the company's Executive Team. The Leadership Team nor the Executive Team are formal corporate bodies of AAA: the statutory reporting line between the Board of Directors and the Board of Supervisory Directors ("BOSD") remains with the CEO, who is AAA's overall and ultimate responsible executive. The Leadership Team consists of seven team members, including the Director Human Resources, Director Health, Safety and Sustainability and Director Development and Technology. The Director Development and Technology left the company on a voluntary basis as of November 2022 and was replaced by an internal candidate on December 1, 2022.

From left to right: Director HSS, Mrs. Angeline Flemming; COO, Mr. Jurgen Benschop; CFO, Mrs. Aisha Anthony; CEO, Mr. Joost Meijs; Director HR, Mrs. Solange Dooper-Gietel; Director Development & Technology, Mr. Gilbert Rafael; and CCO, Mrs. Barbara Brown.

BOSD and Committees

The Board of Supervisory Directors ("the Supervisory Board" or "BOSD") supervises the CEO and gives the CEO advice. Furthermore, for major decisions prior approval of the Supervisory Board is required, such as decisions related to the strategy, the yearly budget and collective labor agreements. As per article 21.1 of the Articles of Incorporation, the Supervisory Board consists of at least three and at most five members who need to be independent. Its procedures are governed by the Articles of Incorporation and the Rules of Procedure for the Supervisory Board. The board consisted of the members Mr. Fin Bonset, Mr. Sven Faarup and Mr. Hubert Dirks during the first month of 2022. Mr. Alfredo Nicolaas joined the board at the end of January 2022. In 2022, Mr. Fin Bonset was Chairman of the board. As of November 2022, Mr. Gerarld Tsu joined the board and thus ended the year 2022 with a total of five Supervisory board members.

Although the corporate governance framework of AAA includes the possibility of installing several Supervisory Board committees, the formal decision-making 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.

General Meeting of Shareholders

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.

Strategic Cooperation Agreement with Schiphol International B.V.

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 (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 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.

In the first quarter of 2022 a SWOT and Opportunities analysis was performed on the Strategic Cooperation Agreement if and when RSG would expand their involvement on other Dutch Caribbean islands. This analysis was performed internally and together with BOSD in preparation for an eventual information sharing with the Shareholder. No further actions were deemed necessary.

In May 2022, the Director of Schiphol International, Mr. Kjell Kloosterziel, made a courtesy visit to Aruba where courtesy visits to the Governor of Aruba, the Minister of Tourism and Public Health and the Leadership Team of our airport were included. In November 2022, the Chief Financial Officer of Royal Schiphol Group, Mr. Robert Carsouw, visited Aruba and met with the Prime Minister and the Minister of Tourism and Public Health.

<u>Left picture</u>: From left to right: Director of Schiphol International, Mr. Kjell Kloosterziel; CEO, Mr. Joost Meijs; Chairman BOSD, Mr. Fin Bonset; CFO of Royal Schiphol Group, Mr. Robert Carsouw; and Governor of Aruba, Mr. Alfonso Boekhoudt.
<u>Right picture</u>: From left to right: Chairman BOSD, Mr. Fin Bonset; CEO, Mr. Joost Meijs; Representative of Shareholder and Minister of Tourism and Public Health, Mr. Dangui Oduber; and Director of Schiphol International, Mr. Kjell Kloosterziel.

In December 2022, AAA's BOSD Chairman, Mr. Fin Bonset, and AAA's CFO, Mrs. Aisha Anthony, made a business trip to Royal Schiphol Group which included Schiphol Airport and Headquarters, Rotterdam Airport and Lelystad Airport for several meetings on various topics. Topics included, amongst others, strategy, sustainability, airport charges, cargo operations, compliance & ethics, risk and safety management, procurement, business development, and master planning.

Other Schiphol assistance

Key activities and projects performed by Schiphol in cooperation with AAA in 2022 were, amongst others: A representative from Schiphol is on the Gateway 2030 (extended) Program Board to give his professional advice. The decision was taken to appoint two (2) new secondments from Schiphol in 2022 to assist with project management for AAA projects, Phase 1B start-up and an updated masterplan. The new secondees have been in function since March 2022, and their secondment period ends in February 2024.

Budget 2023 / Multi-Annual Corporate Business Plan 2023-2027

The last approved multi-year Business Plan covering the period 2023-2027 outlines the strategic and financial course of AAA. Both the Budget 2023 and the Business Plan 2023-2027 were approved by the BOSD on November 25, 2022.

BOSD Composition in 2022

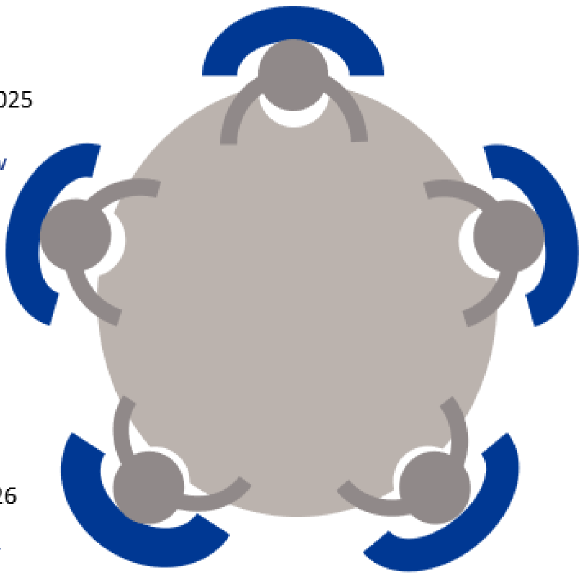
As per the articles of incorporation, a minimum of three Supervisory Board members must be in place. By the end of the year 2022, the Board consisted of the following members:

Mr. F. Bonset
DOB: December 5, 1975
End of 1st term: May 2023
Other positions:

- Director of Aviation Services and Shareholder of Vanasse Hangen Brustlin, Inc. (VHB)
- Adjunct Professor – Florida Institute of Technology College of Aeronautics
- Board Member of the Airport Consultants Council

Mr. S.O.R. de G. Faarup
DOB: December 26, 1977
End of 2nd term: December 2025
Other positions:

- Partner Faarup Figaroa Law Offices
- Director and shareholder Northmen Consulting VBA



Mr. H.A. Dirks
DOB: October 20, 1957
End of 2nd term: December 2025
Other positions:

- Managing Director Compra N.V.
- Managing Director Compra Holding N.V.
- Managing Director and shareholder Dirkrom N.V. (South Beach Building)
- Managing Director and shareholder Gustatory N.V.

Mr. A. Nicolaas
DOB: January 4, 1964
End of 1st term: January 2026
Other positions:

- Sector Manager Finance Setar N.V.
- Chairman Advisory Board Sociale Verzekeringsbank Aruba

Appointed as per Nov. 18, 2022:
Mr. G.C. Tsu
DOB: July 14, 1975
End of 1st term: November 2026
Other positions:

- Shareholder of The New Planet Holding NV
- Shareholder and Senior Advisor of Global Asset Trading & Advisory Services VBA
- Member of the Supervisory Board of the Aruba Tourism Authority SG
- Co-Founder of Impact Hub Aruba

BOSD meetings

In 2022, 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 furthermore also adopts resolutions outside regular meetings, which as per article 25.8 of AAA's Articles of Incorporation, requires a unanimous decision.

In the fiscal year 2022, the BOSD had a total of six meetings, all in the presence of the Board of Directors. In all meetings, the quorum required as per the Articles of Incorporation was met.

In the meetings, the following topics, amongst others, were discussed and reviewed:

Revolving items were the monthly AAA Corporate Dashboard, containing the monthly results and Latest Estimates for the full year in comparison with the 2021 figures and Budget 2022, the Gateway 2030 Project, and furthermore providing overall operational information.

In the fiscal year 2022, none of the BOSD members were frequently absent as described in the Board's Rules of Procedure.

Committees

The BOSD has one permanent committee, the Audit Committee, and one semi-permanent committee, the Construction and Development Oversight Committee, based on Gateway 2030 and future airport infrastructure development.

Audit Committee

In January 2022, the Audit Committee consisted of Messrs. Dirks and Faarup as members due to one member leaving in 2021. A new board member Mr. Alfredo Nicolaas joined the Audit Committee in February 2022, after which the Audit Committee consisted of Messrs. Nicolaas and Faarup.

The Audit Committee held ten meetings in 2022, all of which were also attended by the Internal Auditor(s) and at least in part by the external auditor Ernst & Young. The topics discussed during said meetings were, amongst others, the approval of the internal audit plan 2022, the review of the Whistleblower policy, the review of significant internal audit reports and findings, the review of the internal audit charter, supervising the role and performance of the internal auditor and review of the Internal Audit department action list. Furthermore, the external auditor's objectivity and independence and conformation to be obtained here for was discussed and the risk management approach used by AAA were discussed with the CFO and the Risk, Insurance & Compliance Specialist. The main considerations and conclusions of the Audit Committee were shared with the entire Supervisory Board and the minutes are available to all members of the Supervisory Board, which takes the final decisions in all matters. The Audit Committee performed a self-assessment of the functioning of the Committee in 2022.

Construction and Development Oversight Committee

This committee was instituted by the BOSD on May 29, 2019. The purpose of this committee is to provide focus on all development and construction efforts for the Gateway 2030 project through a review of all shareable elements for the duration of the project. The committee is chaired by Mr. Bonset, with Messrs. Dirks and Faarup as members. The committee did meet six times in 2022. The BOSD's Construction and Development Committee meets the day before every BOSD meeting to get informed by the CEO, the Director Development & Technology and the CFO on all actual Gateway 2030 Project details and its progression, including loan amendment progress, in order to inform the board at large of any items of concern from a supervisory perspective.

Program Board Gateway 2030 Project

The Program Board, chaired by the CEO and with its members being the CFO, the COO, the Director Development & Technology, and a representative of Schiphol, maintains oversight of the Gateway 2030 Project on a monthly basis.

Tender Committee

At AAA, there are Tender Procedures in place whose objective is to ensure that contracts are awarded in conformity with a transparent and non-discriminatory process with parties who submitted the best bids from the perspective of AAA's commercial, financial and strategic objectives.

The Tender Committee consists of at least three members, with the following permanent members (i) the Chief Financial Officer, (ii) depending on whether the tender in question is a purchase tender or a concession, the Chief Commerce Officer respectively the Director Development & Technology and (iii) the Legal Advisor. The task of the committee is to review the integrity of the tender against any applicable rules and criteria established in that context, as well as whether the tender was in conformity with Aruban law, and its advice is directed to the Board of Directors.

In this respect, the committee reviewed 25 tenders in 2022, of which one deviated from the Tender Procedures and the committee suggested requesting the BOSD for approval for deviation from the Tender Procedures. This approval was subsequently obtained.

Internal assessment and training

As per corporate governance Best Practice III.1.7, the BOSD once a year has to evaluate (i) its performance as a board and that of its individual members and the consequences thereof, (ii) idem for the Board of Directors, (iii) its desired profile and composition and the competences within the BOSD and (iv) the need for BOSD courses and training. This evaluation has not taken place in the fiscal year 2022.

In 2022 the company continued its inhouse corporate governance course provided by Professor Kunneman and the Themis Institute for Governance and Leadership for the BOSD, the Leadership Team, the Internal Audit team and the Legal Advisor.

Remuneration report

As per the Employee Lease Agreement with Schiphol, the latter provides AAA with a Chief Executive Officer at an agreed consideration. Consequently, the CEO is not on the company's payroll, but is paid directly by Schiphol. From a fiscal perspective AAA takes care of the monthly expat wage taxes and social premiums directly with the Tax Department.

The total of the consideration for the Board of Directors and the BOSD's remuneration amounted to AWG 1,342K for 2022 and AWG 1,502K for 2021.

Conflicts of interest / independency of Supervisory Directors

In 2022, the BOSD continued to mitigate two circumstances of a potential conflict of interest among their members as follows:

1. A BOSD member that is a business partner of one of the major F&B concessionaires operating at Aruba Airport and has a concession here for with AAA.
2. A BOSD member that is a business partner of the president and lawyer of one of the employee unions.

These two circumstances were openly discussed within the BOSD and the related risks of a conflict were mitigated to a satisfactory level, namely by agreeing to leave the meeting when these topics are discussed or decisions need to be taken.

Letters to the Shareholder

In 2022 the BOSD sent communications to the representative of the Shareholder on three different occasions. These communications were related to the proposed composition of the Board as of February and November 2022 and the dividend advice.

Pre-advice to the Shareholder

The BOSD declared for approval these 2022 consolidated financial statements and advises the Shareholder to adopt the Annual Report 2022 of the company as presented by the Board of Directors and as audited by the External Auditor Ernst & Young Aruba.

Aruba, April 26, 2023.

Highlights 2022

January

- SARPA Airlines starts operations twice weekly out of Medellin, Colombia and twice weekly out of Baranquilla, Colombia
- Recovery of 66% of traffic versus 2019
- On behalf of the DCCA, the first international “Sustainable Air Transportation Event" (to be held in November 2022) is announced
- Wings of Hope plans for 2022 announced with its primary focus being contributing directly to the Sustainable Development Goals (SDGs)

February

- Wingo increases from two to three weekly flights out of Bogota, Colombia
- Recovery of 79% of traffic versus 2019
- Presentation to individual lenders with Vidanova on proposed amendments Facilities Agreement

March

- Adaptation of Passenger Flow Control system as of March 13, 2022
- Start of Juan Valdez operation on the landside in the US Bound plaza area
- Recovery of 86% of traffic versus 2019

April

- Restart of ACI - ASQ Passenger Satisfaction Survey
- Recovery of 101% of traffic versus 2019
- AAA contributed to Earth Day though Wings of Hope Projects - Cas di Cultivo and a Beach Clean Up
- Approval and adoption of AAA's Annual Report 2021

May

- TUI restarts seasonal scheduled service out of Gatwick, UK
- Recovery of 104% of traffic versus 2019

June

- Southwest starts daily flights out of Orlando, US
- SARPA increases frequencies out of Medellin, Colombia to three times weekly
- Recovery of 99% of traffic versus 2019
- Passenger Flow control further adapted
- Wings of Hope School Champion Challenge 2022
- Lenders consent that as of 2022, there is no longer a necessity for AAA to request a waiver under the Material Adverse Effect clause in the Facilities Agreement

July

- Jet Air Starts operations twice weekly out of Curaçao
- EZ Air starts twice weekly direct service out of Bonaire
- Recovery of 101% of traffic versus 2019

August

- Announcement of start of operations by British Airways out of the UK twice weekly in March 2023
- U.S. Customs and Border Protection (CBP) begins piloting Global Entry receiptless facial kiosk
- Recovery of 103% of traffic versus 2019
- Directorate of Social Affairs supported through Wings of Hope assistance for Back-to-School project 2022

September

- First Class Experience wins bid for VIP Concierge Service Concession at the airport
- Recovery of 102% of traffic versus 2019
- Passenger Flow Control Temporarily eliminated
- Wings of Hope organized the first 6K Sustainable Development Goals (SDG) Awareness Fun Walk & Run

October

- Wingo starts twice weekly operations out of Medellin, Colombia
- Recovery of 105% of traffic versus 2019
- Unveiling of KLM Delft Blue House nr 103 - Ecury House during KLM event co-sponsored by AAA
- Lenders agree unanimously to proposed amendments to Facilities Agreement

November

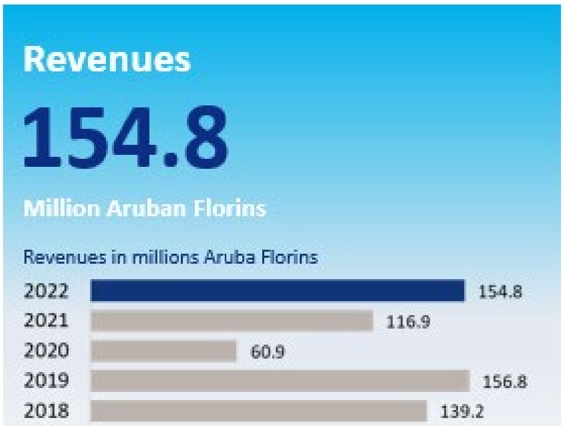
- Restart of operations by Sunclass out of Arnalda Airport, Stockholm Sweden
- Recovery of 99% of traffic versus 2019
- International Air Transportation Event "A flight to the Future" organized by AAA on behalf of DCCA, with support of all six Dutch Caribbean Airports and I&W
- Memorandum of Understanding signed between Dutch Caribbean islands, and the Netherlands during first International Sustainable Air Transportation Event hosted by AAA
- Aruba Airport is the first airport in the world to receive green Globe Certification
- The elctric aircraft, Pipistrel Velis Electro, performs historical pilot flights in the Dutch Caribbean region
- ACI ACA Level 3 obtained

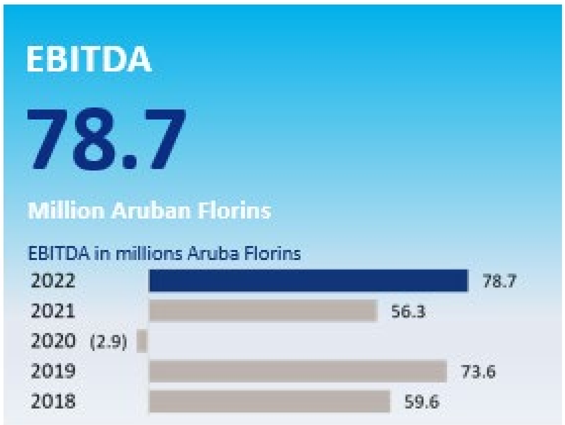
December

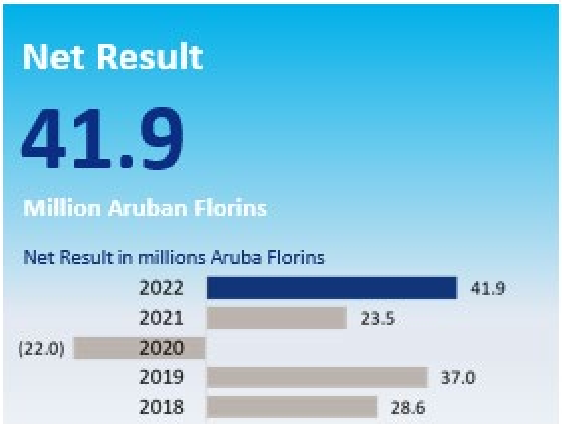
- Official opening of Panda Express operation on the landside in the US Bound plaza area
- Recovery of 107% of traffic versus 2019
- Opening of US CBP Global Entry Enrollment Center in Palm Beach Plaza hosted by AAA and ATA
- First electric apron bus shipped to AUA for use in February 2023


Total Passengers
2,570,108
Arriving, departing and transit passengers
Total passengers
2022 2,570,108
2021 1,842,864
2020 905,317
2019 2,707,172
2018 2,546,360


Total Aircraft Movements
28,586
Arriving and departing Aircraft
Total aircraft movements
2022 28,586
2021 24,029
2020 13,940
2019 32,567
2018 37,353


Revenues
154.8
Million Aruban Florins
Revenues in millions Aruba Florins
2022 154.8
2021 116.9
2020 60.9
2019 156.8
2018 139.2


EBITDA
78.7
Million Aruban Florins
EBITDA in millions Aruba Florins
2022 78.7
2021 56.3
2020 (2.9)
2019 73.6
2018 59.6


Net Result
41.9
Million Aruban Florins
Net Result in millions Aruba Florins
2022 41.9
2021 23.5
(22.0) 2020
2019 37.0
2018 28.6


Number of employees
at the end of the year
206
Employees
Number of employees
2022 206
2021 196
2020 203
2019 246
2018 228

Execution of Multi-Annual Corporate Strategy

In 2022 the efforts to realize our Multi-Annual Corporate Strategy (MACS) continued. At the end of 2022 the milestone progress for all 88 tactics that were delineated per strategic goal of each strategic pilar for 2022 showed satisfactory progress.

Approximately 86% of all the 2022 tactics were diligently worked on by those responsible for implementing and executing the tactics to reach as many of the set goals per strategic pillar for 2022 as possible. Certain tactics were reconsidered and re-evaluated and were either cancelled or rolled over into 2023, as these tactics involve long-term or medium-term projects that take more than one year to execute.

The Strategic Dashboard deployed at the start of this year was the main tool to keep track of the implementation of the tactics and their actual progress. Various strategic sessions were held once again in 2022 in order to determine and validate the new tactics that have been set for the year 2023. The tactics for 2023 are to support and execute all the strategic goals within each strategic pillar as per the MACS. The next strategic plateau that will be ventured into for 2023 and on into 2024 will focus on 'Partnering Up & Creating Impact' by transitioning to a more sustainable and inclusive airport business model for an enhanced commercial and customer experience.

Aspiration towards 2030

AAA's Aspiration 2030 is the Long-Term ambition (which exceeds the MACS) and is a company-wide, purpose-driven vision of where AAA aims to be in 2030. This aspiration is made up of AAA's vision, core purpose, role, its dream company and its core values.

Vision and Dream Company

AAA envisions 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 reflects Aruban hospitality, contributing to a prosperous future for Aruba.

AAA is building a solid company based on the principle of trust: where one feels inspired, engaged, safe and respected, where making mistakes is part of a learning process, where innovation is a common practice, where long-term focus wins from short-term gains, and where one collaborates as a team and creates partnerships to add value to the Aruban community. A company of which one can be proud of!

Roles and Core Values

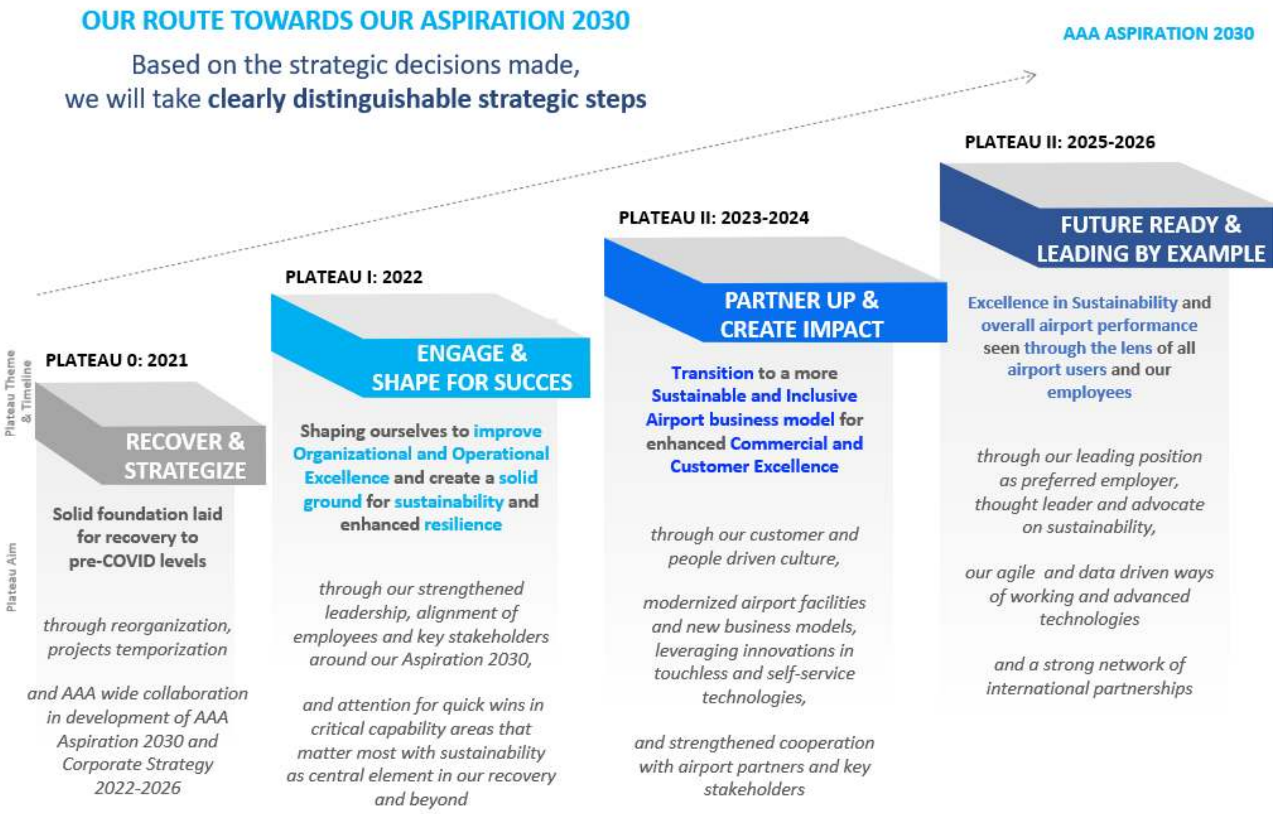
As such, AAA will display the roles of Host, Operator, Developer and Thought Leader based on the core values of SHINE – thus by being Sustainable, Honest, having Integrity, Nimble and Engaged.

"AUA
Together we create
pleasant and authentic
airport experiences"

Implementation Strategy 2022- 2026

Successful strategy implementation requires an integral organizational change in four organizational development domains: management & organization, processes & services, ICT & infrastructure and people & culture. These changes will be implemented based on the principle of Plateau Planning. This principle is based on the idea that to manage major organizational change AAA should manage complexity and risk by proceeding through a number of "plateaus". Each plateau is then described and shows how AAA as an organization will move from one plateau to the next over the migration period through the years.

Each plateau is a bold step towards AAA's Aspiration 2030, with each a (change) theme that captures that plateau's focus. Each plateau has its own distinct timing and its own intended results. This will enable a controlled yet agile execution of our strategic plan. It will have an impact on revenues and has its own investment requirements. Each plateau will also create conditions for the next plateau.



AAA has made strategic goals per plateau based on four strategic pillars: People & Organizational Development, Quality of Service, Innovation & New Opportunities and Sustainability & Social Responsibility. These pillars form the foundation for the strategic goals for the coming five years. A set of 16 strategic goals have been identified, with four goals for each strategic pillar. These strategic goals have been translated into actual tactics to reach them, and their progress can be monitored by all involved through a system embedded in a SharePoint overview. In this way, AAA can systematically control the progress in reaching the MACS during the coming five years.

Traffic

2022 Air Service Development Strategy - “Happy to host your Route”

Airlines have proven to be quite resilient and able to ramp up their operations quickly and sustainably ever since tourism was welcomed back to Aruba in 2020. The demand for leisure travel has increased considerably due to pent-up demand that has been prevalent throughout the travel industry.

A more nimble and collaborative approach towards working with the airlines has born its fruits. Harnessing new techniques to be able to capture these opportunities entails exploring the underlying competitive challenges that small airports face in retaining or enhancing commercial air service. New data collection methods, in conjunction with historical global demand and industry capacity data, are used to predict demand in a manner that works effectively even when prior year results become less representative.

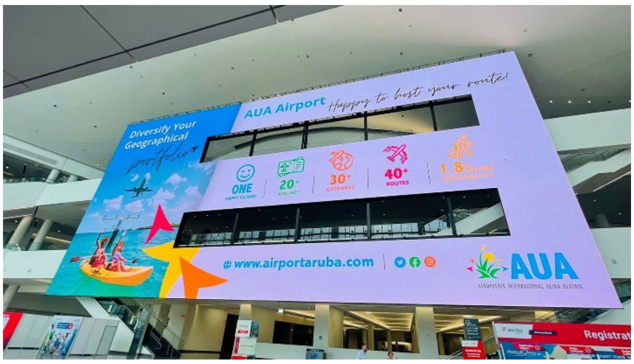
2022 has flown by, and Aruba Airport (AUA Airport) is looking back on a year marked by accomplishments, milestones, and opportunities. Among the most notable (in no particular order):

Fourth Busiest Airport in the Caribbean region

As a result of its robust international network, AUA Airport has been one of the fastest recovering airports in the Caribbean and, based on Cirium (data analytics management tool used by AAA), was the fourth busiest airport in the Caribbean region. Only three airports have seen more traffic movements and airline capacity growth in 2022 than Aruba (AUA): San Juan (SJU, US), Punta Cana (PUJ, DO) and St Thomas Island (STT VI, US). By the end of the year AUA Airport served just over 1.2 million Revenue Generating Passengers (RGPs) for the year, which is 5% below 2019 levels.

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. 95% of its pre-pandemic network has been restored, more destinations have been added, and flights have increased on other routes over the winter. It is a significant milestone in our recovery as we connect to all year-round markets. 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. In fact, there are over 20 airlines serving AUA Airport to and from 22 gateways offering nonstop service to more than 34 destinations.



This year, AUA Airport welcomed three new airlines:

Sarpa Airlines inaugurated flights to Medellin and Barranquilla. Jet Air and Arajet, new players out of the Caribbean region, commenced twice weekly service out of respectively Curaçao and Santo Domingo.

Additionally, Wingo added nonstop service to Medellin and increased flight frequencies to Bogota from two to three times weekly, and Southwest also inaugurated service Orlando, TUI UK resumed seasonal scheduled charter flights from London Gatwick and Sunclass Airlines (former Thomas Cook Scandinavia) resumed charter flights from Stockholm (ARN).

In 2022 AAA's Aeronautical Revenues reached AWG 114.1 million. Most of the planned air service objectives to improve air connectivity for this year were met except for a few following the latest challenges for the global aviation industry while improving current operations and preparing for future demand.

Entering the second half of the year, the aviation industry faced considerable challenges and risks, from battling recessions triggered by the COVID-19 pandemic, staff shortages, aircraft delivery delays, and fuel prices. There are countless issues that the airline sector, in particular, has been facing and is likely to continue to face in 2023.

To ensure continued operational reliability, JetBlue was forced to make structural changes and capacity adjustments for this fall and into 2023 that extended to some of the market suspensions and capacity cuts. The markets taking the hardest hit are Newark Liberty International Airport in New Jersey and Fort Lauderdale-Hollywood International Airport in Florida because these airports are especially challenging from an operational or air traffic control perspective. For Aruba, these schedule adjustments included a permanent departure from two separate markets and suspending daily service from Newark and Fort Lauderdale. The airline consolidated its presence in Aruba by swiftly securing the "use it or lose it" flights slots at Aruba by adding frequencies between Boston and New York (JFK) to close the capacity gap to improve schedules further and to enhance product offerings.

The following illustrates the actual results of the commercial Revenue Generating Passengers ("RGP") for 2022 versus 2021 and the same for Aircraft Movements (excluding General Aviation).

Aruba Airport's future shines bright with expanded connections and growth expectations

Despite the current aviation challenges, the demand outlook is undoubtedly positive, with airlines adding new destinations and capacity by increasing flight frequencies. Airlines are redefining their criteria to select routes and they expect new support mechanisms from airports and service providers.

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. In addition, the air service development strategy forms the basis for coordinating stakeholder support in retaining routes, expanding existing flights and attracting new air services to the destination and ensuring that efforts and resources are focused on those opportunities with the greatest potential for success. AUA Airport continuously looks for ways to improve its B2B approach in interaction with airlines and promote the airport as a strong and dynamic hub. The competitive position helps the airport to earn market share and improves productivity through higher passenger volume and freight volume.

Next year, Aruba will continue its network growth path. The network expansion envisages 30 new additional weekly flights. In March 2023, British Airways will become AUA's 26th carrier with flights from London/Gatwick (LGW) UK. The route between London and Aruba will start on March 26, 2023, and will have twice weekly flights operated on Boeing 777-200ER aircraft with a capacity of 336 and 332 passengers depending on the aircraft used.

In addition, Aruba is scheduled for more Latin America capacity than at any other time in the airport's history. With new players in the market and existing partners Avianca, Wingo and Copa with increased frequency to major hubs in Bogota and Panama. Flights between Aruba and Latin America are expected to increase by 27% compared to 2019. With these positive developments, AUA Airport is now seeing some significant interest and opportunities to expand the current network allowing for the diversification of source markets.

The enhanced network in a nutshell:

Region	Airline	Strategy	Route	Current Frequency	New Frequency	Effective
North America	American Airlines	Year-round	Double Daily MIA	Daily (Sep & Oct)		September and October
	American Airlines	Restart Overnight flight (RON) to improve connectivity to West Coast	AM Flight MIA	No RON	Daily AM (7)	To Be Confirmed (TBC)
	JetBlue	Air service retention	BOS & JFK			Year-round
	Southwest	Increase frequency	BWI	2x weekly	Daily (7)	Summer 2023 (April)
	Canadian Carriers: Air Canada, WestJet and Sunwing	Air service retention	YYZ	3-4 weekly		Summer 2023 (April)
Europe	KLM	Air service retention (smaller aircraft) swapped 777 to A330-200/300	AMS	Daily (7)		Summer 2023 (April)
	New Airline: British Airways	Air service retention	LGW	2 weekly (via Antigua)		Summer 2023 (March 26th)
Latin America	Avianca	Increase frequency	BOG	9x weekly	11 -14 weekly	Summer 2023 (July)
	Copa	Increase frequency	PTY	7x weekly	10x weekly	Summer 2023 (July)
	Wingo	Increase frequency and add new Colombia domestic route	BOG MDE CLO	2x weekly BOG 3x weekly MDE	3 weekly BOG 3 weekly MDE 2 weekly CLO	High season (Dec, Jan, April, June, and July) CLO – July 2023 (TBC)
	Sarpa	Air service retention	MDE BAQ	3x weekly 3x weekly	2-3 weekly 2-3 weekly	High season (Dec, Jan, April, June, and July)
	Potential New Airline: Viva Air	3rd Latin America Hub	MDE		3x weekly	Tentative: 2nd half of 2023
	Potential New Airline: Ultra Air	Secure additional service to BOG (main Latin America Hub)	BOG		3x weekly	Tentative: 2nd half of 2023
	Potential New Airline: Azul	Nonstop service Brazil Aruba	VCP (Brazil)		2x weekly	Tentative: 2nd half of 2023
	Potential *New Airline:* Equair.com	Nonstop service Ecuador Aruba	Quito			
Caribbean	Sky High and Arajet	Air service retention	JBQ and SDQ (St. Domingo)	2 weekly each		

Further to our airline network development, AAA will also venture into exploring the opportunities to enhance inter-island connectivity under the MOU signed between the DCCA airports in 2022. Efforts will be geared toward exploring these opportunities further and implementing activations together with the DCCA partners to improve the inter-island connectivity with the current airline partners sustainably.

AAA also insourced the General Aviation Terminal ("GAT") as of January 1, 2023, and the Air Service Development team is busy creating business development opportunities for this operation, creating as such a more diversified aviation business for AUA Airport. The GAT Terminal was dubbed with a new name (JET-TNCA) and logo and continues to be geared especially towards handling private aircraft operations. It is managed by AAA, and an operational team with past GAT experience is making sure that the GAT can operate in a safe and secure manner: The air service development team is taking care of the branding, marketing, and business development side of the GAT operation. This generates more opportunities for AAA to provide this additional service and to increase the aeronautical and non-aeronautical revenues for AAA. Contacts were made within the GAT industry during the NBAA 2022 conference, which was attended by team members of both the operational and the revenue-generating side of matters. These will continue to be attended in the years to come in order to maintain the network and to expand that same network for the GAT operation.

In terms of capacity, the enhanced AUA Airport network will lead to offering 1,350 additional weekly seats. Additionally, the improved connectivity translates into more convenience for the airport's passengers. AAA will continue to strive for the creation of pleasant and authentic airport experiences for our airlines, our travelers, and our airport community in general, whilst doing this in an as sustainable manner as possible.

"Aruba Airport's future looks bright and sunny"

Non-aeronautical

2022 Non-aeronautical revenue

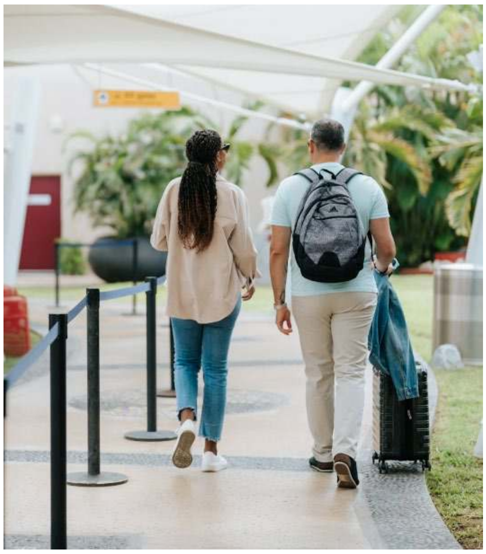
AAA's non-aeronautical revenue stream consists of the following:

- Concession Fees
- Rents
- Service Reimbursements
- Car Parking Revenues

In 2022 the following results were achieved versus 2021:

2022 closed with a 25% increase in non-aeronautical revenues versus the year 2021. The year 2022 was a further strong recovery year after 2021, where we recovered 95% of our traffic, which result has positively affected the non-aeronautical revenues in 2022. For 2022 no further relief measures were implemented.

As the number of passengers increased considerably versus 2021 (38%), creating at times constraints within terminal operations that negatively influence the dwell time of our departing passengers, the spend number was affected. The spend at Aruba Airport has decreased in 2022 versus 2021 and recovered 97% of the amount spent per passenger on average when comparing this to the spend in 2019. The Arrival outlet enjoyed increased spend again because of all entry requirements being lifted in 2022, ensuring a much better flow within the area and accessibility to the duty-free outlet operating upon arrival.



Continued challenging times for Non-Aeronautical Revenues in 2022

The further increase of non-aeronautical revenues is always a key focus for an airport and this is no exception for AAA. AAA still depends highly on aeronautical revenues which were 76% in 2019, 68% in 2020, 72% in 2021 and reached 74% in 2022 of its total revenues. This meant that the non-aeronautical revenues decreased from 32% in 2020 to 28% in 2021 and further to 26% in 2022. Compared to the average distribution of the total revenues for the Latin America and Caribbean region, which was at 79% (Aero) and 19% (non-Aero) in 2020, we nonetheless performed within that average benchmark (source: ACI's 2022 Airport Economics Report) again in 2022. Factors that negatively influenced the spend in 2022 were especially the congested areas within the terminal facilities, whilst recovery was picking up considerably starting the second quarter of 2022. The newly introduced Passenger Flow Control did not always bear the fruits needed to provide dwell time for passengers to be able to spend at the airport. The manning of certain airport departure processes did not always transpire as efficiently as expected, and as such, the passenger flow control did not always work successfully. Further hereto, the high dependency on the services provided by third parties, such as ground handling personnel at check-in, Aruba Immigration, and US Customs Border Protection, make it difficult to always have a tight grip on being able to have a smooth departure flow process. Nonetheless, marketing activations were implemented on our social media channels and at third-party advertisers, as well as the customer service training sessions for airport personnel working within the retail and F&B outlets at the airport continued in order to make as much of a difference in that aspect when upselling the available amenities. Continued digital marketing/social media pushes also contributed, and entertainment during the weekend peak hours was also provided in 2022 upon departure and arrival.

AAA continues to push content on AAA's social media that relates specifically to the retail and F&B offerings in order to even further enhance the footfall and subsequent performance as a result of the hiring of a new Marketing Officer within the CCO unit.

In 2022 it was decided that the current retail operators would be offered an extension of our partnership with them which would include a five-year renewal of our relationship based on a new agreement. The new agreement will also include the changes set to transpire in 2023 as a result of the expansion of the Alpha Security Checkpoint, which will in turn affect the retail operators within the main concession area and their locations. One of the operators will move into an additional area as their current area operating in the main concession area, will be partially used for the security filter expansion.

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 2023 and is estimated to start with its build-out by 2024. This will enable the AAA 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 and or 2028. These new gate areas will then be able to provide the opportunity to venture into new commercial programs within those expanded areas to relocate the current F&B and retail operations that are hampering the normal passenger flow within the common-use corridor areas at certain gates areas and also possibly to expand the current VIP Lounge areas. As a result of the new agreement with the retailers, the exclusivity clause has also been abolished and, as such, will provide AAA 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.

To determine the needs and wants of our passengers, the use of the Airports Council International (ACI) Airport Service Quality - Commercial Survey will also be explored and deployed in 2023 in order to have that management data available for when we need to determine the exact amenities within the new concession areas.

As part of the Commerce Program 2023 and beyond, the design of the new ForeCourt Food Truck area was completed and approved in 2022 and is set to be executed in 2023. Tenders for the operation of certain retail/F&B outlets within that area will follow as soon as the area in question is set to be constructed. This area is located in between the car rental booth areas where the current fountain and landscaping area are situated. This area will cater not only to arriving and departing travelers but also to the airport community working at the airport and the local community.

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 important basic information to travelers on the processes at Aruba Airport. The app will also include a loyalty program for locals and frequent flyers.

Operations

With the increase in the volume of passengers experienced during the year 2022 compared to the previous year, the airport is facing some challenges in operations to handle the inbound and outbound flow of passengers taking into consideration some of the limitations in place, primarily related to workforce availability of service providers and authorities. Also, for AAA's internal teams, especially security, it was challenging to meet the demands with the available number of Security Officers, which caused many overtime hours and weary staff. Approvals were received to hire additional staff to be able to meet the demand and adequate service levels. However, filling these vacancies in the short term had its challenges due to a lack of adequate applicants available in the labor market and will continue in 2023.

Outgoing Passenger Flow

AAA has evaluated and implemented alternative and innovative ways to adjust the outbound flow using new technology and also adaptations in the passenger flow process together with the service providers in order to reduce wait times at check points to improve the overall passenger experience.

Starting at the US check-in hall, temporary tents were placed in front of the check-in hall on the curb to provide cover for passengers waiting in line for the check-in process. Flow control was used for most of the year to manage the early passengers arriving for check-in; however, the decision has been taken with service providers to stop this process and evaluate further if this is still needed in the future. Together with service providers and authorities, the lines were managed much better with the use of technology such as Common Use Self Service kiosks at check-in and E-gates at immigration.

Before entering the Local Immigration outbound checkpoint, the scanning of boarding passes has been removed, and only physical verification is taking place by a AAA security traffic officer to ensure compliance with security access control measures to allow only ticketed passengers access to the restricted areas. The anonymized passenger data derived from the IASA Radex software is shared directly with AAA in passenger numbers per flight based on a Service Level Agreement (SLA) between AAA and the Government. This data is used to verify self-reporting by airlines regarding passenger numbers per departing flight.

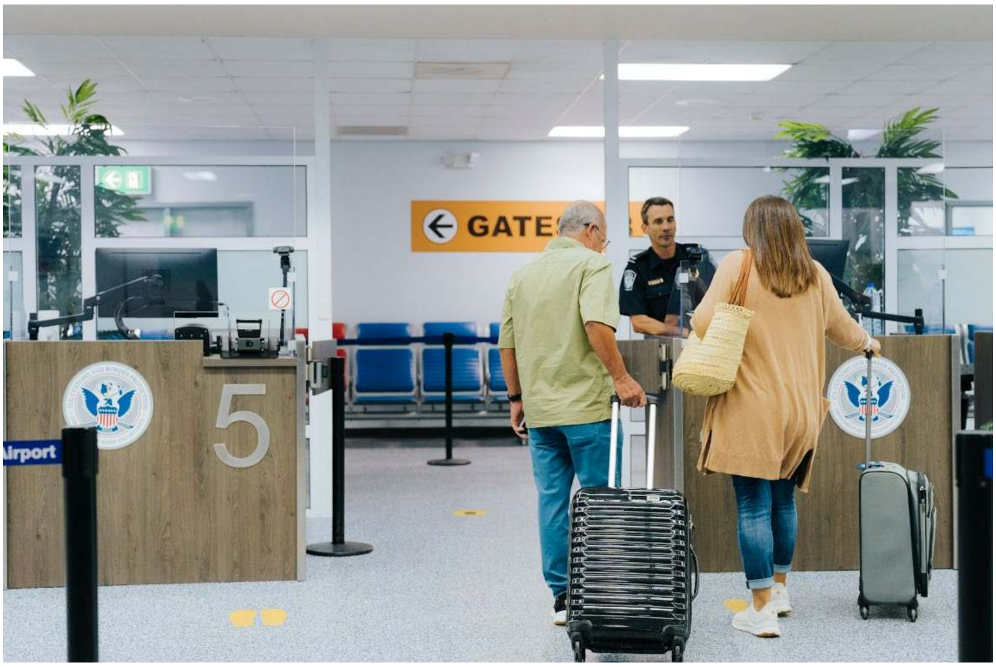
Despite IASA still having challenges with their staffing levels, by using a combination of staffed booths and E-gates, the volume of passengers was being managed, especially on peak days.

Security checkpoint Alpha has four lanes operational with a processing capacity of around 800 passengers per hour (200 per lane). In the short term Q2 2023, AAA will be adding one more lane in the existing location using the latest screening technology available to be able to meet the short-term demand until the new security checkpoint is in place in the next phases of the Gateway 2030 project. To accomplish this, some infrastructure modifications and relocation of concessions will need to take place in the area to make room for this expansion.

The biggest challenge remains the US CBP's processing capacity as sufficient and consistent staffing of the primary podiums is not always possible to handle the passenger flow. This consequently causes long lines that back up into the main concession area and checkpoint Alpha. The passenger metering, which started in the last two months of 2021, has, however, mitigated this somewhat but shifted the lines to later times, causing other operational challenges. The remote boarding of US flights because of the Apron Rehab projects also takes CBP officers away from their desks to monitor the boarding process. The secondary screening checkpoint has also struggled with an adequate workforce on peak days and hours. This checkpoint will be ultimately eliminated once Gateway Phase 1A is ready.

Due to the increased demand in Global Entry interviews at the airport upon departure, AAA worked with CBP to open a GE interview office outside the airport as a pilot project during off peak hours to alleviate the pressure on the staff at the airport during peak hour. This resulted in a great success in Q4 of 2022 and will be extended in 2023.

The CBP issues are being handled on a Governmental level to reach both short-term (temporary workforce) and longer-term (additional workforce) solutions as per the Treaty on the provision of Pre Clearance services in Aruba without impacting the number of flights serving and volume of passengers coming to our Island.



Incoming Passenger Flow

All health requirements imposed by the COVID Crisis have been lifted. Therefore, the medical testing facility and checks in place at the airport have also been removed. This helped a lot with the passenger flows in the arrival process.

While passenger volumes keep increasing and are slowly moving towards pre-covid numbers, the arrival hall is becoming a bottleneck due to the availability of only three arrival belts to handle all the incoming bags during peak hours. As an expansion of the current arrival hall was not envisioned in the Gateway 2030 project, AAA is currently working on a short/medium-term solution to add a fourth arrival belt in the coming years. In 2022 we worked out some design alternatives. However, this will take some time to plan out due to the various relocations and accommodation of existing services needed in the existing footprint.

Apron Rehab project

In 2022 it was decided to continue with the Apron Stand rehab project, which entailed finishing the replacement of the concrete and asphalt at parking stands 3 and 4 and continuing with stands 5 and 6, including the fuel hydrant piping under the ground. This project also entails replacing the Passenger Boarding bridges. In 2023 it is planned to continue with the renovation of stands 7 and 8.

As the stands were out of service for a few months, this had a direct impact on the capacity planning, and consequently, some US-bound flights needed to be handled at remote parking positions in coordination with US CBP. For this purpose, an MOU was signed between AAA and US CBP prior the start of this project to formalize the requirements for remote US bussing operation services to include live camera feeds on the busses serving the remote stands. Additionally, a temporary boarding tunnel was created East of Gate 1 to be able to board passengers into the busses for these flights. This temporary tunnel was created with unused office containers that were purchased for the Gateway 2030 project.

Availability of Manpower

As a result of a much faster recovery in airport operations, both AAA and other service providers had to deal with a shortage of operational workforce to be able to handle the increase in demand for services. This led to AAA looking for alternative options to fill in this demand, such as hiring and subcontracting staff. For the security team, it was challenging to meet the demands with the available number of security officers, which led to overtime hours and overworked staff. Approvals were received to hire additional staff during the year to be able to meet the demand and adequate service levels. However, it was challenging to fill in the vacancies in the short-term due to the scarcity of adequate applicants available. AAA is further evaluating the medium to short-term numbers of full-time staffing needs and organizational changes to prepare the company for future growth and innovation. The Ambassador Tender was finalized in 2022 to be able to provide a consistent and professional service to our passengers throughout the terminal operations and providing us with the needed flexibility when needed. By implementing a specialized scheduling software in 2023, in combination with a scheduling and planning team, improvements will be made in just-in-time staffing demands to keep up with the peaks in the operation and security units.

General Aviation Terminal

AAA decided to insource the General Aviation Terminal ("GAT") as of the expiration date of the current contract with the third-party operator at the end of 2022. As of January 1, 2023, AAA operates the GAT Terminal as part of the overall management and operations of the airport. In 2022 preparations were made by internal resources to have all aspects of operating a safe and secure GAT in place as per the hand over date of December 31, 2022, and safely start operations on January 1, 2023.

Electrification of AAA Fleet

As part of the sustainability efforts (by reducing carbon emissions) incorporated in the strategies of AAA moving forward to be able to receive the Carbon Accreditation credentials of ACI, AAA has implemented a new policy where all vehicles and equipment of AAA will be replaced with electric/hybrid vehicles where possible. As part of this process, AAA has purchased a new electric E-Cobus (the first in the region) to transport passengers on the airside and a couple of pickup trucks to be used for operations and security. These are planned to be received in early 2023. Additionally, a couple of the Management vehicles were also replaced with electric SUV's, and moving forward, this strategy will continue in the coming years. AAA will also work with other service providers, such as ground handlers, to also upgrade their Ground Service Equipment (GSE) fleet with electric equipment to be able to use these in the new climate-controlled environment of the new Baggage Handling System building in Gateway 2030 Phase 1A.

Airport Collaborative Decision Making

Preparations will continue to modernize the airport operations using more advanced software tools and technology as part of the ACDM concept introduction into the operations. These new tools will enable the operations team to share pertinent data with key stakeholders to make timely adjustments in the operations when needed.

Development & Technology

The newly formed Development & Technology (DevTech) unit set out with a strategy to create efficiency and structure in all aspects of its work. The long-term goal is to develop a mature, efficient, and proactive department that executes with a high level of safety and quality across its three key areas of responsibility: Projects, Maintenance and Master planning.

Gateway 2030

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 are in full swing. 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 is scheduled for May 2023, while the full completion of the project is set for the second half of 2024. The execution of the works is closely monitored by internal management teams and committees and the lenders' independent construction engineer. Several site visits to update the Board, the Ministers, and other key stakeholders, on the project's progress, were organized.

Phase 1B

With Phase 1A in execution, the time was right to move forward with the remaining Gateway 2030 program and assess which phase should go into preparation for execution. This assessment was conducted in May 2022, which led to the conclusion that the design of Phase 1B remains roughly intact, and its execution would have less impact on the operations of the airport considering the location of the construction area, whereas Phases 2 and 3 will have to be reevaluated in the longer term. It also became apparent that the design of Phase 1B required a review and update, considering that the design was completed in 2018 but also to incorporate the Phase 1A lessons learned and approved changes. The Leadership Team agreed with the conclusion and approved the selection of Phase 1B from the Gateway 2030 program and prepare it for execution, which task was assigned to a Preparation Team.

The completion of the Phase 1B will result in improved passenger experience due to increased capacity in the existing and new facility; the hold room at Gate 8 will be expanded and three new hold rooms with Passenger Boarding Bridges will be constructed for existing gates 9, 10 and 11 including retail and F&B outlets for last minute shopping, food, and drinks.

Apron Rehab Stands

The current aircraft apron pavement consists of concrete slabs constructed in 1962. Part of these slabs were replaced in 1995 by new pavement slabs designed for the increased loads of aircraft. However, later extension resulted in aircraft stand configuration putting aircrafts partly on the original concrete pavement slabs, resulting in increased distress and damage to the concrete- and asphalt pavements at the new aircraft stand locations and connecting taxiway. Based on the results of pavement investigations of the areas, it was decided to renovate the existing aircraft apron in front of the passenger terminal building and simultaneously install fuel hydrant pits in the apron pavement, including the underground fuel supply piping. The renovation of aircraft stands 3, 4, 5 and 6 on the main apron is part of this plan and additionally includes the procurement and installation of new Passenger Boarding Bridges (PBB).

Maintenance & Operations

The role of the sub-unit Maintenance & Operations is to service, troubleshoot, and repair equipment, airport facilities and infrastructure without causing extended equipment downtime. Besides this Maintenance & Operations advises and supports other departments within the company.

Maintenance Engineers

The Maintenance & Operations sub-unit focused in 2022 on regaining the necessary knowledge and expertise in the electrical, mechanical, electro-mechanical, structural, and civil fields. In-house knowledge is essential to challenge the work performed by AAA's service providers and makes coordination of these works more efficient.

In 2022 two tenders were held, one to perform a Baseline assessment of the Maintenance Strategy and the other to assess the condition of the Terminal Building and define a Multi-Annual Maintenance Plan using common industry standards. The result of the works of the two tenders will be implemented in 2023. To improve the quality of services, the development of a Quality Plan is planned and budgeted for in 2023. This Quality Plan will complement the Building Maintenance Plan and ensures that construction/maintenance defects will be detected in an early stage.

Asset Administration

With Asset Management Software, the asset administration team records and tracks an asset throughout its life cycle, from procurement to disposal. The collected data is used to analyze the performance of the assets. The focus in 2022 was on creating more in-house knowledge in Asset Management to make more efficient use of the system. As a result, the complete Asset Management Team achieved their IBM certification for "Maximo Asset Management Fundamentals." To even level up the team more, the necessary course will be arranged.

Following the reorganization and working with a leaner team, innovative and efficient methods of working, like Robotic process automation (RPA), were integrated into the workflows to help with the increasing workload. The focus for 2023 is to eliminate the very few remaining paper forms and have simple but time-consuming repetitive tasks automated as much as possible.

IT & Cybersecurity

The focus in 2022 was on IT security, business continuity and resiliency of our environment. Compiling existing, creating/rewriting new documentation, and implementing monitoring tools helped identify the most urgent improvements/ repairs needed. SITA established itself as a reliable and knowledgeable partner. Their role in our partnership is to work together with AAA IT staff on the constant improvement of the IT infrastructure. As a strategic guideline, an IT Masterplan was developed which will be implemented starting in 2023. Next to the IT Master Plan, an IT Advisory board with internal and external members has been established. The IT Advisory board will ensure the alignment between IT Master Plan, AAA overall strategy, IT Projects as well as IT operations. Other actions scheduled for 2023 are to perform a Business Impact Analysis and implement a Business Continuity Plan.

Cybersecurity is a hot topic and is an essential part of the portfolio of an IT department. The protection of systems, networks, and programs from digital attacks is of the utmost importance to prevent business interruption. As part of its efforts to protect AAA against digital attacks, the following actions were taken in 2022.

- A security assessment, including a penetration test, was performed.
- As part of the network security upgrade, a new security system was purchased and implemented.
- Introduction of Multi-Factor Authentication.
- Revision of the existing backup and recovery process.
- Process mapping for the IT processes and IT Risk Assessments done where risks have been identified.
- Continuously addressed recommendations from the Cyber insurer.
- Ongoing 24/7 endpoint detection trial (cybersecurity) and will be implemented in 2023.
- Data classification analysis has been performed by Deloitte and will be implemented in 2023.

Health, Safety & Sustainability

Health

Although 2022 was still a Covid 19-Pandemic year, Government Covid-related measures were eased at the beginning of the year and were removed by the Government entirely later in the year.

The Health, Safety & Sustainability team (HSS) continued to support vaccination efforts, and continuously kept AAA, as well as the Airport community, well informed of any new developments. Also, in 2022 HSS made sure that everyone at AAA had access to the best Personal Protective Equipment (PPE) for Covid prevention.

In 2022, HSS, in collaboration with Human Resources, prepared a "Health and Wellness Plan 2022", 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.

HSS also trained additional Emergency Response Team (ERT) members to guarantee first-response assistance in case of any medical emergency. In November, AAA showed our ERT/EMT-ers special attention during a breakfast to thank all AAA ERT/EMT-ers and to highlight the importance of the ERT/EMT for AAA as well as the entire Airport community.

Safety

Creating new ways to keep or increase safety awareness amidst a pandemic continues to be a true challenge for HSS. The ever-increasing demand for training and badging, combined with an extremely high staff turn-over rate in some major airport employers, and the reduced training staff at AAA, forced HSS to move to create online options for training and awareness. The transition to computer-based training (CBT) and other online options have proven to be somewhat challenging due to limited IT - affinity or limited access to the internet or computer of some airport users.

In November 2022, HSS organized a Full-Scale Emergency Exercise (FSEE), the FSEE 2022 "Runway Skid" to comply with ICAO requirements. This FSEE was organized in collaboration with Crisis Management Office ("CMO"), to test the response of all entities during a scenario of an aircraft accident. The exercise had the participation of national crisis clusters. The goal of the 2022 FSEE was to test teamwork and communication between the several participating entities and organizations. This exercise was the first FSEE since the new Crisis Structure was formalized in 2019. The lessons learned from this exercise will serve for AAA to update its Aerodrome Emergency Manual as well as make any necessary changes to its crisis preparedness and action plans.

2022 Safety Performance *Indicators*

The method and structure of how SPIs were presented in year 2022 were revamped in the form of a dashboard to make safety data relatable and easier to understand for the organization.

Selection of new 2022 Safety Performance Indicators

Two selection criteria are used during the new SPI selection:

1. The top five most recurrent issues in the year
2. The current SPI categories with the lowest negative percentage difference or highest percentage difference.

From these criteria, the five SPIs for the year 2022 were chosen:

SPIs 2022
• Incidents/Accidents • Wildlife • Vehicle/Equipment Issues • Facilities – Safety Related • FOD

Performance of 2022 Safety Performance Indicators

The table below represents year totals ending December 31, 2022.

SPI	2022 Targets	Actual 2022	Difference	% Difference
Incidents/Accidents	4.4	8.0	+ 3.6	+ 81.8
Wildlife	8.1	9.8	+ 1.7	+ 20.9
Vehicle/Equipment Issues	14.2	13.4	- 1.9	-5.7
Facilities – Safety Related	12.6	12.3	- 0.3	- 2.4
FOD	5.9	3.3	- 2.6	- 39.0

In 2022 there were 22 Incidents/Accidents reported on 27,667 aircraft movements. On December 31, 2022, the SPI was 81.8% above target. A re-defined goal, objectives and SPIs will need to be set for 2023 to reduce the incident/accident rates.

In 2022 there were 27 reports relating to Wildlife within 27,667 aircraft movements. Of the 27 reports, 15 were bird strikes. On December 31, 2022, the SPI was 20.9% above the target.

For 2023, the Wildlife plan will be reviewed for improvements.

Safety Performance Targets for 2023

Prior to 2022, all SPIs were derived from only safety reporting. For 2023 SPIs will be derived from the company’s afety policy, safety goals and objectives.

SAFETY GOALS & OBJECTIVES		
SAFETY GOAL #1	**Improve safety reporting culture**	
SAFETY OBJ.	1	Increase of submitted Airside Safety reports in SMS Pro.
	2	Increase of submitted Landside Safety Reports in SMS Pro.
	3	Increase the percentage of closed Safety Reports in 2023.
SPI	1	Submission of 25 Airside Safety reports per month.
	2	Submission of 25 Landside Safety reports per month.
	3	75% of Safety Reports closed.
	4	95% of Airside Safety Reports closed.
SAFETY GOAL #2	**Improve Safety Culture**	
SAFETY OBJ.	1	Increase AAA personnel safety awareness on their safety responsibilities.
SPI	1	HSS Week - 70% sessions attendance (AAA)
	2	FOD Walk - 50 minimum total attendance for each walk.
	3	Safety awareness videos (Safety Policy & Obj) - 70% completion. 70% score on quiz.
	4	Live Safety Awareness Sessions (AEP) - 70% session attendance. 70% quiz score.
SAFETY GOAL #3	**Safer Airside Vehicle - & Equipment traffic on the Airside**	
SAFETY OBJ.	1	Reduction of Airside Vehicle Incidents / Accidents.
SPI	1	Reduction of Vehicle-Facility Incidents/Accidents by 10%. (10 issues in 2023)
SAFETY GOAL #4	**Regulatory Compliance: Comply with legislative, regulatory requirements**	
SAFETY OBJ.	1	Successfully pass the DCA re-certification audit.
SPI	1	Obtain Aerodrome certification from DCA (Sept 2023)

** is company goal*

Sustainability

In early 2021, AAA initiated an important process of realigning its purpose and coming to a new corporate strategy to be better prepared for the future. Sustainability is now anchored throughout our purpose, vision, values, strategies, and yearly tactics.

In 2022 AAA made the UN SDGs a crucial basis for its Sustainability projects. Projects included Awareness campaigns, both for AAA as well as the Aruban community, a school competition to get educators and students involved in SDG awareness and the involvement of other key stakeholders in our projects and campaigns on sustainability.

In 2022 and on behalf of the Dutch Caribbean Cooperation of Airports (DCCA), AAA organized an International Sustainable Air Transportation Event “A Flight to the Future”. On the first conference day, representatives of the entire Dutch Kingdom and Airports signed a Memorandum of Understanding, further strengthening the commitment of the Dutch Caribbean islands and the Netherlands, to work together on ways to achieve sustainable air connectivity between the islands of the Dutch Caribbean, based on the principles of efficiency, affordability, and dependability. During that week, a historical moment was also reached when a total of twenty-four demo flights were conducted with an electric aircraft for the first time in the Dutch Caribbean Region.

Corporate Social Responsibility

In 2021 AAA issued its first Corporate Social Responsibility (CSR) Annual report, and for 2022, AAA adapted its CSR report. The draft Standard “Corporate Sustainability Reporting Directive (CSRD)” and the draft European Sustainability Reporting Standards (ESRS) were guidelines used to prepare the CSR report for 2022. This now illustrates AAA’s actions as undertaken in 2022 to contribute to a more sustainable (airport) community. It reflects the actions AAA has taken to protect the environment, support its employees and contribute to the community. The CSR 2022 report will be made available to the public.

Wings of Hope

Wings of Hope (“WOH”) was initiated in 2020 amidst the crisis as a way for AAA to help those most affected by the pandemic.

In 2022 WOH approached its projects based on a variety of SDGs and focused on creating partnerships to achieve the SDG Goals. There was in 2022 continuation of some 2021 projects; Food Voucher Project (Assisting over 50 families in need with basic food supplies – Social Development Goal 2 -), Education Project (Assisting over 150 kids with their essential school supplies needs like uniforms and school materials, and providing over 40 students with school tuition assistance – Social Development Goal 4 -). The “Scol Campeon di SDG” campaign was done in partnership with Grant Thornton and entailed workshops on how to create and present a project plan based on one or more SDGs to be implemented at that school, as well as a final competition to determine the winning school. For Social Development Goal 14, and in partnership with Scrubblebubbles organization and Grupo Scouting Ora Obou, WOH organized a beach clean-up event. WOH also organized a 6 km Fun Run/Walk event to promote a healthy lifestyle. In 2022 WOH also prepared and executed a social media campaign in which it focused on creating awareness of the SDGs by depicting examples of how everyone in the community can contribute to creating a better world for future generations (Social Development Goal 17).

The WOH's 2022-year report describes the above, and other actions undertaken in 2022 in more detail.

Aruba Airport in the Community

In the following overview, the donations, sponsorships, and community outreach efforts of AAA are shown.

Human Resources

Evaluation and recalibration of organizational & salary structure

After having reorganized AAA in 2020, our focus in 2021 was geared toward bringing about a new strategy that would guarantee our employees, but also our island, a future-proof and resilient workplace and airport. This year AAA diligently worked with both today in mind but also towards achieving the strategic goals that were set for 2022.

To be able to achieve our strategy, it was imperative that AAA evaluate our current organization. The new strategy requires new approaches, new ways of thinking and working, and knowledge and skills that AAA has not had before. As a company known for adapting and timely, AAA has done just that by not only evaluating the current organizational structure but also recalibrating this.

Aside from the above, Aruba has been extremely fortunate and has experienced an unexpected but very welcome recovery. The increase in passenger numbers has shown to be structural, and it seems that this positive trend will continue in 2023. This meant that AAA also had to revisit the FTE count for 2022, but also for the upcoming years, to provide and guarantee the level of customer service and safety that our visitors are so accustomed to.

The re-evaluation of the organizational and salary structure included an in-depth review of the HAY grading for all job functions and a salary benchmark. We can say with confidence that after a thorough evaluation, our recalibrated organizational & salary structure is in line with the demands of today and the near future. The implementation of both mentioned structures went into effect as of January 1, 2023.

The implementation of the recalibrated organizational structure is still in line with AAA's efforts and conviction that AAA should remain an agile and resilient company.

Employee Engagement

Employee engagement refers to how committed an employee is to their organization, their role, their manager, and their co-workers. Engagement drives performance. More highly engaged employees give more discretionary effort at work and have higher productivity, provide better customer service as well as have fewer safety incidents.

For the year 2022, the goal pertaining to AAA's employee engagement was set as follows: achieving an engagement grand mean score of 3.80 by December 2022. Last year's employee engagement survey was concluded with a grand mean of 3.52 in December 2021. In comparison to the grand mean of December 2021, we have seen an increase as the year 2022 was concluded with an engagement grand mean of 3.81. The set goal for 2022 has been achieved and it is visible in the output of the organization as a year as successful as 2022 could have only been achieved with an engaged team such as AAA's.

Engaged: The group of employees who are highly involved in and enthusiastic about their work and workplace, the psychological "owners" who drive performance, innovation and move the organization forward, has grown to 32% (from 24% to 32%).

Not engaged: The group of not engaged employees consists of AAA employees who may be satisfied and productive, but they are not psychologically connected to their company. They are more likely to miss workdays and leave the organization; they are less likely to put high energy and passion into their work. This group represents 54% of AAA's workforce; in December 2021 this was 53%.

Actively disengaged: The most recent results show that the actively disengaged group of personnel has shrunk by 11% in comparison with December 2021 (from 23% to 14%). This is a very positive indication that AAA is 'moving the needle' of engagement and that the efforts towards creating an engaged workforce are bearing results.

The most positive development by far is the engagement index ratio. There is a powerful link between employees who are engaged in their jobs and the achievement of crucial business outcomes. As per the results of December 2022, AAA has 2.29 engaged employees for each actively disengaged employee. This ratio was 1.04:1 back in December 2021.

New Collective Labor Agreement (CLA)

On September 28, 2022, AAA and STA signed off the protocol to start the negotiations in good understanding, which officially started on October 12, 2022. Although AAA has employees represented by the two unions STA and FTA, only one union negotiated the Collective Labor Agreement (CLA); FTA was not officially part of the CLA negotiations but was kept updated by AAA during the negotiation process.

Prior to starting the negotiations with the union, AAA introduced a 'Focus Group' which entailed inviting employees to find out their perspectives to have the right subjects on the agenda when addressing the CLA. The objective for putting together a focus group was to create conversations and inclusiveness to find out from our employees where our focus needs to be. This was done with the aim to best serve our employees as an innovative, future-proof, people-driven employer who cares and of which our employees can be proud.

Aside from including our employees in the process, we also took a conscious decision, keeping our team in mind, to bring about a CLA and AVR for a 4-year period to guarantee 'arbeidsrust' after having gone through a few years of uncertainty and even a reorganization.

On November 28, 2022, the renewed CLA 2023-2026 was signed by STA and AAA.

As per year-end 2022, a total of 130 AAA employees were affiliated with a union, whether it be STA or FTA.

'Arbeidsvoorwaardenreglement' (AVR)

The AVR was introduced in 2021 and is a document that consists of a compilation of employment conditions and benefits, currently still only applicable to Individual Labor Agreement (ILA) employees. Since the introduction hereof, 46 ILA-employees have signed (nine of this total being new ILA colleagues who have joined our AAA team either in 2021 or 2022), and ten have opted not to sign this document. When signing the AVR, the stipulations in the AVR apply in full and replace the employment conditions as stated in each individual's individual employment agreement. For the ILA- employees who decide not to sign the AVR, their existing individual employment agreement and pertaining employment conditions and benefits will remain applicable in full.

As the first version of the AVR was valid up to and including December 31, 2022, a renewed AVR was introduced on December 2, 2022, and made available for all ILA employees for the 4-year period: January 1, 2023, till December 31, 2026. This is in line with not only the CLA but, most importantly, our Corporate Strategy.

The ‘Focus Group’ not only entailed inviting CLA employees, but also ILA (Individual Labor Agreement) employees, as they were also invited to the table for AAA to gain insights firsthand from our own team members, also when addressing the AVR.

The renewed AVR will automatically apply to new ILA employees hired between January 1, 2023, and December 31, 2026. Prior to year-end 2022, almost all existing ILA employees signed the AVR.

Culture Transformation

AAA is working with the intent of transforming its culture and is committed to the time and effort this process requires. This is an evolving and developing process of shifting a company culture that takes place based on the values and organization of AAA, which requires changing the hearts, minds, and skills of the workforce to support the desired culture.

The objective of cultural change is to adapt norms and behaviors within the scope of AAA’s core values and to bring these into alignment with the business strategy- the direction in which the organization is headed. The cultural transformation AAA is committed to achieving, requires taking an introspective look at our company and making changes to shape our policies, commitments, processes, and behaviors.

AAA has started with the process of transforming the organization’s culture by taking steps in the following areas:

1. Creating a safe and healthy work environment
2. Leaders’ behaviors
3. Employee behaviors
4. Continuous improvement activities

Savings Fund Program

Mid-2021, AAA received a termination letter from Caribbean Mercantile Bank N.V. for the fiscal savings plan for its employees. As of that moment, the search for the best possible solution on the market had begun. The outcome of this search resulted in Aruba Bank N.V., as the proposed collective savings plan by Aruba Bank proved to be the best on the market and the only one that resembles what was offered before. As of January 2022, AAA is providing a new savings fund program to its employees.

The annual interest percentage is at 3% and can be reviewed by the bank on a yearly basis. This is the highest interest percentage being offered on the market and is far above what banks are offering for regular savings accounts.

With this new plan, AAA’s employees no longer receive bank statements because this savings plan entails only one corporate savings bank account instead of individual employee savings bank accounts. AAA took on the responsibility upon itself to administer the savings account, the deposits and withdrawals and the accrued interest per employee.

AAA has also taken on the responsibility to provide each employee with an overview of their savings balance plus interest, plus deposits and withdrawals. A third party administrates this and provides quarterly statements to all employees in digital version via AAA’s ERP system.

AAA still has the wish to turn this savings plan into a fiscally approved program in order to avoid having its employees taxed on the employer’s contribution and withdrawal moments. This ruling request is currently in the hands of the tax department.

Internal Audit

The main aim of the Internal Audit Department ("IAD") in 2022 was to provide an independent and objective opinion to AAA's management as to risks that are being managed to acceptable levels and that the general internal control framework is operating efficiently and effectively, as such assisting AAA in achieving its objectives.

The method of continuous auditing for the Gateway 2030 Phase 1A project was implemented in 2020 by the IAD. As such, IAD was able to perform control and risk assessments in (near) real-time in 2022 and increased continuous auditing by monitoring the processes that AAA's management puts in place to ensure that the policies, procedures, and business processes are operating effectively. This led to a pro-active perspective and provision of recommendations on internal control risks once they were in place but before the risk occurred. Traditional testing of controls on a retrospective basis also remained part of IAD's focus, as well as investigations conducted as part of internal company policies.

The Internal Audit procedures were performed in accordance with International Standards on Auditing (ISA) except for the independence requirements. Key relevant standards for the Internal Audit of AAA are ISA 500 which describes the requirements for audit evidence, ISA 520 on Analytical procedures, and ISA 240, which describes the auditor's responsibility to consider fraud in an audit of financial statements.

The IAD reports to the Supervisory Board's Audit Committee on a quarterly basis. However, the Supervisory Board's Audit Committee is informed immediately in the event of a serious incident.

Furthermore, IAD's aim during 2022 was to make integrity an integral part of our organization. To do so, AAA has introduced a new Code of Conduct, a new reporting process and a new reporting method called SpeakUp, where employees can make a report anonymously if they wish to do so. Reports are submitted to the Integrity Committee, which appoints the Unit that will investigate and advise on the necessary actions. The Integrity Committee reports to the CEO on a per-case basis.

In line with AAA's strategy to become more agile, sustainable, innovative, and customer-focused, in the upcoming year, the IAD will focus on aligning with this strategy and continuing to anticipate new risks, provide advice and help to accelerate positive change.

Finance and Risk

"SUSTAINABLE GROWTH WILL BE AS IMPORTANT TO CORPORATE PERFORMANCE IN THIS CENTURY AS BUSINESS PRODUCTIVITY WAS IN THE LAST CENTURY. BUT CREATING AND IMPLEMENTING AN EFFECTIVE SUSTAINABLE GROWTH STRATEGY WILL ALSO BE ONE OF THE GREATEST CHALLENGES." – RAM NIDUMOLU

AAA experienced a remarkable passenger recovery in the year 2022, which is much faster than anticipated in 2020 and lacks a mere 5% Revenue Generating Passengers (RGPs) to match pre-covid 2019 levels. In 2023 AAA expects to surpass the 2019 RGP level by 7%.

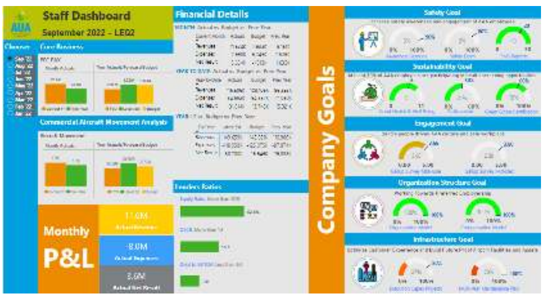
At the start of the pandemic, AAA created a financial recovery vision for 2020 up to 2023. Based on this vision, AAA set financial goals for those respective years. These goals have proven to be great guidelines for managing through the crisis and recovery period. Now that the company is reaching pre-pandemic levels, the year 2022 can be considered a recovered year, and the company is switching over to a strategic management approach. This approach allows the company to take an objective view of its core activities and allows it to evaluate whether the business is strategically aligned with its goals and priorities. The key point is that strategic management allows the company to orient itself to its market and consumers and ensures that it is actualizing the right strategy.

The financial goals (Cashflows, EBITDA, Cost-to-Revenue Ratio and Lenders' ratios) that were set in 2020 to be achieved gradually in crisis years 2020 and 2021 and further on in the recovery years 2022 and 2023, all have practically been met at year-end 2022, with the exception of the Cost-to-Revenue ratio which is forecasted to be 55% in 2023 as opposed to the original established financial goal of maximum 54%. The difference of 1% is due to the inclusion of the new business model for General Aviation Terminal as of January 1, 2023, and the expected financial effects of the implementation of a revised US Treaty agreement where AAA will be reimbursing the United States Customs Border Protection (US CBP) for additional manpower around April/May 2023 to provide a better passenger service level experience.

Due to this new cost component, AAA will concurrently increase its Special Facility Charge with USD 3.00 for every US-bound passenger to recover its cost herewith. AAA has duly notified the airlines of this increase along with the CPI adjustment of 5.3% on the passenger and aircraft rates & charges that will take effect on January 1, 2023. The intended fiscal tax reforms announced of a 1% increase in turnover taxes (BBO/BAZV/BAVP) do not affect the aeronautical rates & charges.

As per the issue of this Annual Report, unfortunately the US Treaty revisions were not signed-off yet by the governments. The reimbursement for additional manpower will not commence May 1, 2023, nor will an increase of the SFC charge of US$ 3.00 be announced.

One of the tactics in 2022 was to make the Airport Charges Regulations sustainable. One of the conclusions was that a Pricing Policy would have been drafted by the end of 2022, and a Cost Allocation Study would need to be updated and performed in 2023 to revise the Airport Charges Regulations with revised/new charges that reflect incentives for sustainable aviation practices and discourage an increased carbon footprint or noise pollution based on a Roadmap 2022-2026. It is expected that 2024 will be a year for airline consultation, while in the year 2023, a CPI index of 5.3% will be applied to airport charges (passenger and aircraft charges). On March 1, 2023, the Pricing Policy documents was approved by the Leadership Team.



The 2022 company goals on Safety, Sustainability, Engagement, Organization, and Infrastructure were not always easily attainable; however, it shows the values of a dream company where we are building a sustainable company and where it's also important to learn from the experience and the process.

For the year 2023, five new company goals (Passenger Experience, Safety Management, Sustainability, Employee Engagement and Infrastructure) based on the four strategic pillars will be linked to a performance bonus system. KPI's and targets have been formulated and will be monitored by a staff dashboard committee and made available to staff via SharePoint.

With regards to its financing activities, AAA had decided in 2020 to commit only to Phase 1A of the Gateway 2030 Program due to longer-term passenger recovery perspectives at that time, the severe negative impact on the revenues, and the outlook was uncertain surrounding the crisis. Therefore, AAA requested in October 2020 to officially amend the Facilities Agreement. At the end of 2021, however, not all lenders agreed, and thus other amendments were presented to AAA. AAA's official response via the Agent Bank, Vidanova, was sent on December 17, 2021, whereby reconsideration was requested to lenders since AAA had gained better insight into its financing strategy based on the Building Blocks exercise performed at that time and was also gaining insights into a better-than-anticipated recovery in the airport business. In February 2022, AAA, together with its financial consultant RCFA (Reliant Corporate Finance & Assurance) and Agent Bank Vidanova, held individual lenders' meetings and presented the reasons why AAA still was requesting lenders for the total loan facilities to remain intact at AWG 495 million while decreasing the current term loan facilities from AWG 495 million to AWG 330 million. While all lenders were positive in February 2022, the individual review and approval process from each lender was finally completed in October 2022. After two years there was a unanimous decision by lenders to amend the Facilities Agreement officially. The signing of the amended Facilities Agreement took place in December 2022 via email with digital signatures.

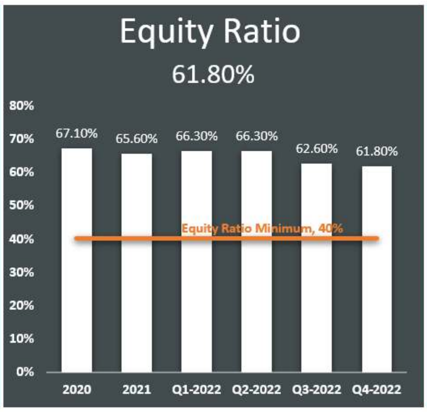
The amendments to the Facilities Agreement entail the following:

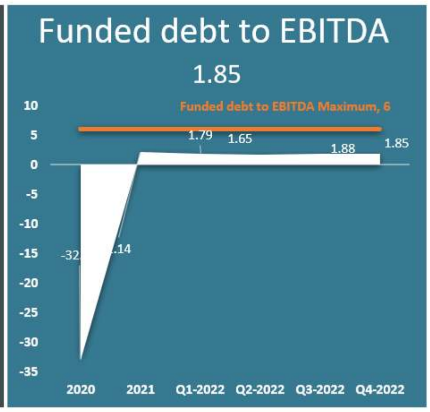
1. Reduction of the Term Loan Facilities Commitments to AWG 330.0 million leaving the maximum Total Commitments at AWG 495.0 million. Future accordion loans totaling AWG 165.0 million.
2. Changes in availability periods of Bridge Loan Facility A up until March 31, 2025, and for Tranche B-I up until December 31, 2022, and the availability period of Tranche B-II is the earlier of December 31, 2022, or the maturity/conversion of Tranche B-I up to March 31, 2025.
3. LIBOR rate has been replaced with United States Commercial Prime as the reference rate for the Bridge Loan Facility B and Term Loan Facility B.
4. Clarification of the works to be performed by the LICE and new schedules for interest rates for term loans.

For the Overdraft Facility Agreement with lender CMB Aruba N.V., which is a part of the Facilities Agreement, also the termination date has been amended to extend till the date of March 31, 2025. Furthermore, the standby fee of 0.15% per annum was increased to 0.25% per annum in order to reflect ongoing market events and trends, and the interest rate was increased from 4.50% per annum to 4.75% per annum as per April 1, 2023. Signing of this Overdraft Facility Agreement took place in February 2023.

With regards to financial covenants, it was agreed in 2020 with the lenders that the impact of COVID-19 on the airport's business was considered to be an event that causes a Material Adverse Effect (MAE) on the business. While the airport business was showing strong signs of recovery after the first quarter of 2022, the Facilities Agreement did not provide a mechanism to decide whether AAA could stop requesting waivers since the Pandemic was not officially canceled. During the individual meetings in February 2022, this topic was also discussed with lenders, and a request letter was sent to lenders subsequently to consider not needing a waiver for MAE due to COVID-19 because, for four quarters in a row, AAA complied with financial covenants and the expectations for the year 2022 would be a 92% passenger recovery compared to 2019 (the actual number turned out to be 95% recovery). In June 2022, Vidanova informed AAA that lenders believed it no longer considered necessary to request a waiver for MAE given the remarkable turnaround with the actions taken by AAA (reorganization, cost-saving measures, better than expected passenger results, profit in 2021) and there being no defaults or indications of imminent default.

The positive development of the financial covenants in 2022 compared to 2020 and 2021 are as follows:





BCQS International, as the Lenders' Independent Construction Engineer (LICE), certified the one and only drawdown request in June 2022. The drawdown request was made up in the amount of AWG 12.5 million and USD 7.2 million. During the year 2022, the LICE was on the construction site on a monthly basis (9 times) and held monthly meetings with the contractor, AAA's PMO and management, and reported as well in the monthly construction progress report. There were also weekly meetings with the Financial Analyst to go over costs and weekly meetings with the Resident Engineer to go over construction activities. Also, during the year, Agent Bank Vidanova, one lender and the insurers visited the construction site.

During the year 2022, there were also fiscal reform developments to track as well as the introduction of the National Ordinance on the standardization of top income ("Landsverordening Normering Topinkomens"/ LNT) as of July 1, 2022. This law will be phased out over five years before the standardization of top income comes into effect fully. As of July 1, 2027, the total top income of executives in the company must be maximized to AWG 329,000 annually. Based on the analysis performed, this law will affect certain executives in the company. AAA has submitted a letter prior to the law taking into effect to the Ministers in order to consider an exemption based on equal treatment as in the Netherlands with Royal Schiphol Group where the airport operates in a free and competitive international market, and does not depend on public funds. Also, a presentation was held to Parliament in May/June 2022 together with the unions STA and FTA. No response has been received on this request for exemption. In January 2023 the Minister of Finance requested an inventory of the effects of LNT at AAA, which AAA responded back with the information. AAA will continue with its efforts for obtaining an exemption.

The Government of Aruba announced during the year 2022 that there would be fiscal reforms as of January 1, 2023 whereby a Value Added Tax ("BTW") would be introduced as well as other elements of a draft law that was sent to Parliament in March 2020 whereby depreciation would be limited to a certain extent and diminishing investment allowance. These effects are far-reaching for a company that is capital-intensive and with a Gateway program underway. Towards the end of the third quarter, the Government of Aruba announced not to introduce the Value Added Tax but instead would increase the Turnover Taxes ("BBO/BAZV/BAVP") with 1%. Based on the law that was passed in December 2022 besides the 1% increase in Turnover Taxes the 7% Turnover Taxes are also applicable to certain costs of the company if and when the supplier/vendor is an international company and other requirements are met based on a reverse charge rule. Furthermore, the law also has limitations on fiscal depreciation, and as of July 1, 2023, there will be an introduction of Turnover Taxes at the border. The financial impact of the latter still needs to be calculated on the Gateway program, and therefore AAA will be requesting the Minister to consider once again to provide AAA with an exemption status as would be applicable to other state-owned enterprises.

With the Tax Authorities, there remain several requests pending to be finalized, such as certain tax ruling requests but also the determination of the property tax ("grondbelasting") for a renewed time period 2022 – 2026. In agreement with the Tax Authorities, the airport was valued by internationally recognized appraisers Troostwijk in February 2022, and the corresponding valuation report was issued in May 2022 and subsequently provided to the Tax

Authorities. A meeting was held in October 2022 between AAA and the Tax Authorities whereby the last insights were provided with the intention to finalize prior to year-end. The renewed time period 2022 - 2026 was not finalized in 2022 and thus the increase in property taxes was estimated for 2022.

Besides the effects of new tax limitations and tax increases, the cost of doing business will continue to increase in 2023 due to the effects of an ongoing Ukraine/Russia war, the lingering effects of global procurement & logistical instabilities, (global) inflationary effects, a new 4-year collective and individual labor agreement(s), increased turnover taxes and other trickling down effects. As far as these were calculable, these were considered in the Budget for 2023 and AAA's Business Plan 2023 - 2027, which were approved by the BOSD in November 2022. Despite these, the financial projections show positive net results. The expected increase in cost of doing business in 2023 will become first visible in the latest estimate for Q1-2023.

Risk Management

Risk Management continued in 2022 on a periodical basis for both AAA's corporate risks and the Gateway 2030 Phase 1A (Gateway) risks. During the monthly Risk Committee meeting, AAA's top corporate risks and emerging risks are identified, assessed, and discussed, where also the mitigating measures are formulated and updated. The Risk Committee consists of the Risk Insurance & Compliance Specialist (in 2023 promoted to Risk Manager), the CEO, the COO, the CFO, the (Director) Internal Audit, the Director Development & Technology, and the Director Health, Safety and Sustainability. The Gateway Risk Management process is implemented via periodical Risk Assessments with the PMO and the ABC Contractor, where risks and mitigating measures are identified, updated, and assessed. The top Gateway risks are discussed and assessed monthly with the Senior Project Director and the Resident Engineer, of which the top five risks are reported in the Program Board dashboard and in the Risk Committee.

As of 2022, all risks have been included and are being updated and assessed in the Risk Challenger software tool. This created efficiency, user-friendliness, user access possibilities, and a better overview of the risks as opposed to the excel sheet used previously. One of the top corporate risks has been cyber risk which has been addressed as well by starting risk assessments in the third quarter, where the brainstorming and identification of the major IT risks were made, and which included process mapping of AAA's IT process.

Risk Management is an ongoing process that is done via different disciplines as well, such as through insurance risk management (risk transfer and risk reduction), compliance risk management (tax, reputational, KYC/AML), project risk management (on CAPEX projects), Cyber risk management (Risk Assessments, insurance recommendations, Business Impact Analyses), Fire & Life Safety (Fire and storm/hurricane, risk engineering recommendations, and Safety Management System reporting).

Some of the top corporate and Gateway 2030 risk management concerns that were addressed and mitigated in 2022 were the following:

Risk Management of the Corporate and the Gateway 2030 Project risks

Corporate and Gateway 2030 Phase 1A Risks	Risk Management governance: - 0.2 FTE dedicated Risk Management role included in the Program Management Organization (PMO) and responsibilities are defined in the Project Execution Plan and Risk Management Project Policy. - Risk management requirements have been included in the main contract of the general contractor (ABC PV).
	Quarterly internal (PMO) risk sessions and periodical risk sessions with the ABC PV contractor.
	The Risk Challenger software has been implemented and is being used by the PMO and ABC PV contractor to manage risks and has been implemented for AAA's Corporate risks.
	Cyber risk is being addressed in various different initiatives (IT Risk brainstorming sessions, Data Classification assessment, and Cyber insurance recommendations).
	Gateway 2030 PH1A top risks are reported to the Program Board via the dashboard and reported and discussed in the monthly Risk Committee meeting.

Tax Risk	All companies that are screened under the Client Due Diligence policy with an increased tax risk result (chain liability, sub-contracting liability, liability for use of external personnel) and companies that have tax requirements included in their contract or agreement, are monitored on their tax compliance. The monitoring is enforced by the contract owner with support from the Risk department and the Tax & Process Analyst.
	The tax reform introduced in 2023 with regard to fiscal depreciation limitations needs to be analyzed in detail in 2023. Turnover tax in 2023 will increase to 7%, and as from June 2023, will also be applied to import.
	A tax ruling was sought for the increase in PFC charges to be fiscally realized when the Gateway 2030 program is still (partially) finalized, whereby thus corporate income taxes are due on the PFC increase in the future. The moment of realization still needs to be agreed upon with the Tax Department to finalize the agreement in writing.
	As the Gateway 2030 program and the Development & Technology unit continue to develop, the selfbuilder ("zelfbouwer") risk needs to be monitored and reviewed, and if needed the organization will need to prepare the administration and compliance work that this would bring forth for the rest of the phases of the program and other projects.

Compliance & Insurance Risk	The Compliance process has been updated towards a more efficient, complete and digital process. The update included an increase in the screening threshold, a longer cycle in monitoring frequency, formalizing a company list that does not meet AAA requirements, a decrease in the UBO threshold, and light screening of sub-contractors and direct suppliers.
	Due to the difficult insurance market, there have been challenges for different policy renewals and combination with increases in premium, exclusions and deductibles. Insurers are more risk-averse and require more detailed information and controls in place. We have been successful in achieving all the renewals with acceptable conditions.
	In 2022 there was a successful International Fraud Awareness Week organized (the fourth time). The focus was on creating fraud awareness throughout the organization by providing informational sessions with different speakers, daily quizzes, movies with a fraud theme, and a fraud-themed escape room.

The current perceived top risks and opportunities for 2023 are:

STRATEGIC	• Execute Plateau 2 of multi-annual Corporate Strategy 2022-2026 • Formulation of master planning and execution of building blocks • Include strategic risks in the Corporate Strategy
OPERATIONAL	• Take over & safely operate of General Aviation Terminal • Start replacement of security fences around the airport • Implement multi-year preventive maintenance programs
FINANCIAL & REPORTING	• Financing strategy for GW2030 Phases 2 and 3 • Introduction of TOT at the border and further Fiscal Reforms on the horizon • Continue to optimize and digitalize financial and administrative processes
COMPLIANCE	• Compliance with the GW2030 loan requirements • Monitor insurance and tax compliance by contracted third parties • Implement Compliance digital portal for internal & external parties
INSURANCE	• Design and implement an insurance claim portal (digitalize claim process) • Ensure compliance with third-party contract insurance requirements • Monitor & mitigate risk engineering and cyber recommendations for AAA and GW2030
GW2030 PROJECT	• Create more risk awareness in risk monitoring • Increase Fire & Life Safety awareness • Identify risks before risks become issues • Preparations for the next phase (1B) of the Gateway 2030 project
OTHER	• Update Risk Management policies (Corporate & Gateway 2030) • Risk Assessment sessions on all AAA processes including process mapping • Dashboard reporting on Corporate risks

Financial Highlights 2022

Revenues

Aeronautical revenue

There was a significant recovery in passenger traffic in 2022, specifically in US passengers. Total passenger-related revenue increased with AWG 29.1 million or 36.2% compared to 2021 due to the increase in passenger flow.

The total aircraft-related revenue shows an increase of AWG 0.8 million or 19.4% compared to 2021. The landing charges increased by 16.2% mostly due to the 19.0% increase in aircraft movements.

General Aviation

Flight departures at General Aviation increased in 2022 by 9.9% compared to 2021.

Non-Aeronautical revenue

The Non-Aeronautical revenue overall has shown an increase of AWG 8.0 million or 24.5%. This is primarily due to Retail and Food & Beverage ("F&B"), which increased by 33.1% in concession revenues. Retail increased by 30.9% and F&B increased by 43.6%. The increase in passenger volumes resulted in this revenue increase.

The car rental revenue includes the fixed concession fee of the shuttle operators and showed an increase of 49.5% in concession fees.

Ground Handling and Airline Catering combined performed 18.5% above 2021 as a result of the increase in aircraft movements. For this same reason, the Fuel Concession reported an increase of 21.6%.

Expenses

Operating expenses

Total operating expenses, excluding depreciation, were AWG 15.4 million (or 25.4%) more in 2022 when compared to 2021. The major variances can be explained as follows:

Personnel Expenses increased with AWG 4.7 million or 19.8% mostly due to the following in 2022:

1. An increase in employees from 196 at the end of 2021 to 206 at the end of 2022, resulting in AWG 2.1 million more costs in salaries and the related components pension contributions and social security expenses.
2. In 2021, the company made use of the Salary Subsidy Program as offered by the Sociale Verzekeringsbank for four months. This program was not available in 2022, resulting in AWG 1.4 million fewer subsidies.
3. Due to the increased level of operations, Overtime increased in 2022, resulting in AWG 0.7 million more costs versus 2021.
4. More costs related to Bonuses for AWG 0.4 million due to a 2.5% Gratification Bonus paid in 2022.
5. Retirement Pay was AWG 0.1 million lower in 2022 when compared to 2021.
6. Other Personnel Expenses were AWG 0.1 million more in 2022 when compared to 2021.

Housing expenses increased with AWG 2.6 million or 27.0%. The cost increases are mostly due to the increase in passengers, which increased the need for cleaning by the contractor (AWG 0.9 million more costs), more water usage (AWG 0.1 million more costs) and more need for cooling the buildings. The increase in costs for Power Supply of AWG 1.1 million is due to both the increase in passengers as well as the rate increase as of August 2022. The Property Taxes / Leaseland fees are estimated to increase with AWG 0.6 million due to property values increasing as a result of the ongoing construction.

Administration and Marketing expenses increased with AWG 1.3 million or 44.5% mostly due to more costs for Legal (AWG 0.1 million), more costs for Insurance (AWG 0.2 million), more costs for Travel & Training (AWG 0.3 million), more costs for Exchange Taxes (AWG 0.3 million) and more costs for Marketing (AWG 0.3 million).

Operational expenses increased with AWG 5.3 million or 29.0% compared to the prior year. The significant fluctuations are:

- Transportation increased with AWG 0.1 million mostly due to more costs for fuel and more costs for repairs of Apron buses.
- Contracted Services increased with AWG 2.2 million, mostly due to costs for Management Development and costs for organizing strategy sessions. Furthermore, there were more costs related to outsourced services such as Ambassador Services, traffic attendants and some Apron staff, all as a result of the increase in passengers.
- The costs related to the contract with the Royal Schiphol group increased with AWG 0.7 million mostly due to (a) more costs for secondment fees for approx. AWG 0.4 million [mostly as a result of a

Business Developer and a Project Lead], and (b) more costs for incentive fee in 2022 for AWG 0.2 million due to the increase in EBITDA compared to the previous year.

- Maintenance costs increased with AWG 1.3 million mostly due to more costs related to maintaining the building, more costs for removing rubber from the runway, maintenance of the HVAC system, maintenance of the Security Equipment and costs for the Passenger Boarding Bridges.
- Automation increased with AWG 0.5 million due to more costs related to software and more costs for the CUTE/CUSS System.
- More costs for Turnover Taxes for AWG 0.4 million due to the increase in non-Aeronautical Revenues.

Other Expenses were AWG 0.3 million (or 21.1%) less in 2022 when compared to 2021 mostly due to:

- In 2022, there were more reversals of old accrued costs, resulting in more gains in 2022 for AWG 1.0 million.
- There were fewer costs in 2022 related to the addition to the provision for bad receivables resulting in AWG 0.9 million fewer costs.

These cost savings were partly compensated by the following:

- An increase in Administration fee for PFC with AWG 0.2 million due to the increase in passenger traffic.
- In 2022, there were more costs for community efforts, costs for the DCCA electric flying event and sponsorships totaling AWG 0.6 million in additional costs.
- In 2022, there were more costs related to Social Responsibility for AWG 0.1 million.
- Costs related to the takeover of the business at the General Aviation Terminal for AWG 0.5 million. These costs included the purchase of furniture and equipment, compensation for the termination of employees and the payment of a transition fee.
- In 2022, there were more Other Expenses for AWG 0.2 million.

The Government Concession Fee for 2022 increased with AWG 1.8 million or 37.7% compared to the previous year due to the increase in passengers.

Depreciation expense on fixed assets decreased in 2022 with AWG 2.7 million or 10.1% mostly due to (1) several assets reaching their end of useful life in 2022, and (2) a one-time correction for recording too much expenses in previous years. The depreciation expense on the right of use of assets increased with AWG 0.1 million.

Financing

In 2022 the company made use of the fifth drawdown from the Loan Facility in the amount of AWG 25.6 million and has not made any draws from the overdraft facility. The funds were sufficient to cover the construction activities for this year.

The net finance costs are approximately AWG 1.2 million or 61.3% less than in 2021. This is mostly due to (1) the whole year of 2022 there was construction ongoing for the Gateway 2030 Project, while in 2021 there were months without construction; in those months without construction, the interest cost for that period was expensed resulting in less expensed interest for AWG 1.4 million in 2022, and (2) incurring more costs on interest expenses for lease liabilities for AWG 0.1 million.

Profit tax

Profit taxes increased in 2022 with AWG 7.8 million, mostly due to the positive results of the company.

Consolidated Financial Statements

Consolidated Statement of Financial Position as at December 31, 2022

	Notes	December 31, 2022	As at December 31, 2021 Restated	As at January 1, 2021 Restated
(In Aruban florins)				
Current assets				
Cash and cash equivalents	(4)	69,511,796	66,257,648	54,652,314
Restricted cash balances	(5)	27,588,343	40,783,883	18,803,422
Trade receivables	(6)	22,760,040	17,723,250	9,551,524
Current tax receivable	(7)	1,669,875	1,669,875	1,669,875
Other receivables and prepayments	(8)	14,882,271	2,916,871	2,771,998
Inventories	(9)	2,490,218	2,393,342	2,028,562
Total current assets		**138,902,543**	**131,744,869**	**89,477,695**
Non-current Assets				
Prepayments	(10)	100,056	12,527,075	12,775,581
Property, plant and equipment	(11)	427,099,539	343,201,688	330,086,710
Right-of-use assets	(12)	18,331,609	15,844,739	18,340,203
Total non-current assets		**445,531,204**	**371,573,502**	**361,202,494**
Total Assets		**584,433,747**	**503,318,371**	**450,680,189**
Current liabilities				
Accounts payable		9,787,596	10,271,032	8,499,407
Accrued expenses and other payables	(13)	26,222,931	23,763,751	24,777,821
Current portion of long-term borrowings	(14)	11,560,000	7,323,058	3,709,286
Current lease liabilities	(12)	2,284,196	297,574	2,229,604
Total current liabilities		**49,854,723**	**41,655,415**	**39,216,118**
Non-current liabilities				
Long-term borrowings	(14)	134,484,514	113,145,991	87,820,943
Non-current lease liabilities	(12)	17,238,110	16,400,815	16,698,389
Provisions	(15)	6,472,707	2,897,594	2,971,703
Deferred tax liability (net)	(16)	15,462,776	5,854,822	4,074,502
Total non-current liabilities		**173,658,107**	**138,299,222**	**111,565,537**
Shareholder's Equity				
Issued and fully paid-in capital	(17)	72,071,000	72,071,000	72,071,000
Retained earnings		288,849,917	251,292,735	227,827,535
Total shareholder's equity		**360,920,917**	**323,363,735**	**299,898,535**
Total liabilities and shareholder's equity		**584,433,747**	**503,318,371**	**450,680,189**

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, 2022

	Notes	2022	2021
(*In Aruban florins*)			Restated
Continuing operations			
Operating revenues			
Aeronautical revenue	(18)	114,112,514	84,253,195
Non-aeronautical revenue	(19)	40,647,593	32,653,089
Total operating revenues		**154,760,107**	**116,906,284**
Expenses			
Personnel expenses	(20)	28,322,955	23,646,724
Housing expenses	(21)	12,314,085	9,694,514
Administration and Marketing	(22)	4,276,069	2,959,244
Operational expenses	(23)	23,561,596	18,258,498
Other expenses	(24)	1,082,987	1,373,413
Government concession fee expense	(25)	6,503,328	4,721,449
Depreciation & Losses on disposal of PPE	(26.1)	23,924,208	26,622,364
Depreciation right-of-use assets	(26.2)	2,492,408	2,403,685
Total expenses		**102,477,636**	**89,679,891**
Operating result		**52,282,471**	**27,226,393**
Finance income	(27)	391,935	400,444
Finance costs	(27)	(121,833)	(1,484,683)
Interest costs lease liabilities	(27)	(1,036,974)	(897,130)
Net financing costs		**(766,872)**	**(1,981,369)**
Result before profit tax		**51,515,599**	**25,245,024**
Profit tax	(28)	(9,608,417)	(1,779,824)
Net profit from continuing operations[1]		**41,907,182**	**23,465,200**
Other comprehensive income		-	-
Total comprehensive income for the year		**41,907,182**	**23,465,200**

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

[1] There are no discontinued operations

Consolidated Statement of Changes in Equity for the Year ended December 31, 2022 (restated)

(In Aruban florins)	Notes	Issued and fully paid in capital	Retained earnings	Total
		Attributable to owners of the parent		
Balance as at January 1, 2021		**72,071,000**	**230,507,746**	**302,578,746**
Adjustment on correction of error (net of tax)	(2.26)	-	(2,680,211)	(2,680,211)
Balance as at January 1, 2021 (restated)		**72,071,000**	**227,827,535**	**299,898,535**
Net profit from continuing operations		-	29,032,160	29,032,160
Adjustment on correction of error (net of tax)	(2.26)	-	(5,566,960)	(5,566,960)
Other comprehensive income due to actuarial gains		-	-	-
Comprehensive income		**-**	**23,465,200**	**23,465,200**
Dividend declared for the year 2020		-	-	-
Balance as at December 31, 2021 (restated)		**72,071,000**	**251,292,735**	**323,363,735**
Balance as at January 1, 2022 (restated)		72,071,000	251,292,735	323,363,735
Net profit from continuing operations		-	41,907,182	41,907,182
Comprehensive income		**-**	**41,907,182**	**41,907,182**
Dividend declared for the year 2021		-	(4,350,000)	(4,350,000)
Balance as at December 31, 2022		**72,071,000**	**288,849,917**	**360,920,917**

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

Dividend declared for the year 2021

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, in accordance with AAA's Reserve and Dividend Policy. 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.

One of the requirements of the Reserve and Dividend Policy is to be in compliance with loan requirements.

With regards to compliance with financial covenants agreed upon with the lenders of Gateway 2030 in the Facilities Agreement and the impact of COVID-19 on the airport's business, COVID-19 is considered to be an event that causes a Material Adverse Effect (MAE) on the business and therefore quarterly waivers have been requested in the year 2021. At the time of approving the Annual Report 2021 majority of the lenders of Gateway 2030 did not deem it necessary to request waivers for a Material Adverse Effect in 2022 due to the better-than-expected passenger recovery levels and compliance with the financial covenants.

Subject to an all-lenders decision on whether a waiver for Material Adverse Effect is not necessary for the year 2022 and complying with the other requirements in the Reserve and Dividend Policy, the Shareholder, Land Aruba, declared on April 29, 2022 a dividend in the amount of AWG 4,350,000. This represents dividends per share of AWG 60.36. On June 6, 2022, all lenders agreed that no waiver was necessary for 2022, and based hereon, a dividend withholding tax of AWG 435,000 was paid to the Aruba Tax Collector, and the remainder of AWG 3,915,000 was paid to the Shareholder. The remainder of the net profit of AWG 19,115,200 was added to the Company's Retained Earnings.

Dividend proposal for the year 2022

Based on the fact that all requirements within the Reserve & Dividend Policy are 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 have 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 entails 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 is added to the Company’s Retained Earnings.

Consolidated Statement of Cash Flows for the Year ended December 31, 2022

	Notes	2022	2021
(In Aruban Florins)			
Cash flows from/(used in) operating activities			
Result before profit tax		51,515,599	25,245,024
Adjusted for			
Depreciation	(11)	23,938,458	26,552,282
Depreciation right-of-use assets	(26.2)	2,492,408	2,403,685
Interest income	(27)	(391,935)	(400,444)
Interest expense	(14)	-	1,147,590
Interest costs lease liabilities	(27)	1,036,974	897,130
Change in provisions	(15)	3,575,113	(74,109)
		82,166,617	**55,771,158**
Changes in working capital:			
Change in trade receivables	(6)	(5,036,790)	(8,171,726)
Change in other receivables and prepayments	(8)	461,619	103,633
Change in inventories	(9)	(96,876)	(364,780)
Change in accounts payable		(483,436)	1,772,121
Change in accrued expenses and other payables	(13)	2,472,966	(1,015,658)
Cash flows from operating activities		**79,484,101**	**48,094,749**
Cash flows from/ (used in) investing activities			
Purchases of property, plant and equipment	(11)	(108,030,170)	(39,737,341)
Interest expense capitalized	(14)	5,898,631	2,827,498
Loss on disposal of tangible fixed assets	(11) and (26.1)	179,611	70,082
Interest received	(27)	391,935	400,444
Cash flows used in investment activities		**(101,559,993)**	**(36,439,317)**
Cash flows from / (used in) financing activities			
Dividend paid		(4,350,000)	-
Change in restricted funds	(5)	13,195,540	(21,980,461)
Withdrawal on loans	(14)	25,575,465	28,938,821
Interest paid	(14)	(5,898,631)	(3,975,088)
Repayment leasing	(12)	(3,192,334)	(3,033,370)
Cash flow used in financing activities		**25,330,040**	**(50,098)**
Net change in cash and cash equivalents		**3,254,147**	**11,605,334**
Cash and cash equivalents as at January 1	(4)	66,257,648	54,652,314
Cash and cash equivalents as at December 31	(4)	**69,511,796**	**66,257,648**

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2022

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. The Company is located in Sabana Berde, Oranjestad, Aruba.

The consolidated financial statements of AAA for the year ended December 31, 2022, comprises AAA as the parent company and its dormant subsidiary Aeronautical Training School of Aruba N.V. (together referred to as the "Company").

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 2.50 over the years 2014 - 2018 and USD 3.00 over the years 2019 - 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, 2022 on April 26, 2023.

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.

Based on its quarterly financial assessment update of the impact of the Coronavirus (COVID-19) for the year 2023 and beyond, and taking into account the uncertainties that exist as per the date of issuance of these consolidated financial statements due to the COVID-19 Pandemic, management concludes that it does not consider the financial impact on its cash flows to cast any significant doubt upon the Company's ability to continue as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at January 1, 2021 is presented in these consolidated financial statements due to the retrospective correction of an error. See Note 2.26.

2.2 New Standards, Interpretations and Amendments effective January 1, 2022

Title	Status	Issue date of original standard	Effective date (annual periods beginning on or after)
Effective for annual periods (and interim periods therein) ending December 31, 2022 and thereafter			
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	May adopt early	September 2014	See note 1 next page
Amendments to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (including *Amendments to IFRS 4 - Extension of the Temporary Exemption from Applying IFRS 9* issued in June 2020)	See note 2 below	September 2016	See note 2 next page
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)	May adopt early	May 2017	January 1, 2023 See note 2 next page
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	January 1, 2023 See note 3 next page
Amendments to IAS 37 - Onerous Contracts: Cost of Fulfilling a Contract	Mandatory	May 2020	January 1, 2022
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	Mandatory	May 2020	January 1, 2022
AIP (2018-2020 cycle): IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a First-time Adopter	Mandatory	May 2020	January 1, 2022
AIP (2018-2020 cycle): IFRS 9 Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	Mandatory	May 2020	January 1, 2022
AIP (2018-2020 cycle): IAS 41 Agriculture - Taxation in Fair Value Measurements	Mandatory	May 2020	January 1, 2022
Amendments to IFRS 3 - Reference to the Conceptual Framework	Mandatory	May 2020	January 1, 2022
Amendments to IAS 8 - Definition of Accounting Estimates	May adopt early	February 2021	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	May adopt early	February 2021	January 1, 2023
Amendments to IFRS 16 - Covid-19-related Rent Concessions beyond 30 June 2021	Mandatory	March 2021	April 1, 2021
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	May adopt early	May 2021	January 1, 2023

1) In December 2015, the IASB postponed the effective date of Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture indefinitely pending the outcome of its research project on the equity method of accounting.
2) In September 2016, the IASB issued Amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 Financial Instruments and the new insurance contracts standard IFRS 17 Insurance Contracts. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4 Insurance Contracts, notably the temporary exemption approach and the overlay approach. The temporary exemption approach enables eligible entities to defer the implementation date of IFRS 9 until the effective date of IFRS 17. The overlay approach allows an entity applying IFRS 9 from 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. In June 2020, the IASB issued Amendments to IFRS 17 to assist entities implementing IFRS 17. The amendments included the deferral of the effective date of IFRS 17 to January 1, 2023. The IASB also issued Amendments to IFRS 4 - Extension of the Temporary Exemption from Applying IFRS 9 and extended the expiry date for the temporary exemption from IFRS 9 to January 1, 2023, to maintain the alignment between the expiry date of the temporary exemption from IFRS 9 and the effective date of IFRS 17:
- For an entity applying the temporary exemption approach, both comparative periods and current period information follow the disclosure requirements of IFRS 7 Financial Instruments: Disclosures based on IAS 39 Financial Instruments: Recognition and Measurement, together with certain disclosures to enable users to compare insurers applying the temporary exemption with entities applying IFRS 9 required by IFRS 4.39B
- An insurer applying the temporary exemption from IFRS 9 is permitted to elect to apply only the requirements of IFRS 9 for the presentation in other comprehensive income (OCI) of gains and losses attributable to changes in an entity’s own credit risk on financial liabilities designated as at fair value through profit or loss (FVPL). If an insurer elects to apply those requirements, it should disclose the related disclosures set out in IFRS 7
3) In July 2020, the IASB issued Amendment to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the effective date of Amendments to IAS 1 - Classification of Liabilities as Current or Non-current from January 1, 2022 to January 1, 2023.

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, 2021, and 2022, 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 2022 as in 2021.

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 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, 2022: 50 and December 31, 2021: 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 2022 and required no changes compared to 2021. For mortality, the tables GBM0813 (for males) and GBV0813 (for females) have been used. The average Aruban government bond yield at the end of 2022 is estimated at

6.25% and the average of the past five years is 5.25%; management maintained a discount rate of 5.0%.

A sensitivity analysis performed by the Actuary based on a discount rate of 4.5% and 5.5% delivers a provision of AWG 1.0 million (2021: AWG 1.1 million) and AWG 1.0 million (2021: AWG 1.0 million), 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, 2022, an actuarial calculation was performed, taking into account discounted future cash flows and using the projected unit credit method. The actuarial assumptions used in 2022 for personnel turnover is 3.5% (2021: 3.4%) and the actuarial assumption used for the average annual salary increase remained at 2.0% (2021: 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 2022 is estimated at 6.25%, and the average of the past five years is 5.25%; management maintained a discount rate of 5.0% for calculating the provision for employment anniversary benefits.

A sensitivity analysis performed by the Actuary based on a discount rate of 4.5% and 5.5% delivers a provision of AWG 2.6 million (2021: AWG 2.6 million) and AWG 2.4 million (2021: AWG 2.4 million), 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, classi-fication 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: Before July 1, 2021, these were recognized based on the aircraft's maximum take-off weight in thousands of kilograms as per official certificate when the aircraft departs. As per July 1, 2021, these fees are based on the type of aircraft.
- Parking charges: Recognized based on the parking time of the aircraft on the main apron or the general aviation apron.
- 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.

Up till July 1, 2021, aircraft-related charges, such as landing and parking were based on a rate per kilogram tonne of Maximum Take Off Weight (MTOW) of the aircraft. These fees were then multiplied by the MTOW of the aircraft and charged to the airline. As per July 1, 2021, these fees are based on the type of aircraft.

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 airliners 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 2022, 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 Government Assistance in the form of Wage Subsidy

Previously the Company has not been eligible for government assistance, but as a result of the COVID-19 pandemic, the Company has received government assistance in the form of wage subsidies on a month-to-month basis from May 2020 up to and including April 2021. Management's accounting policy regarding government assistance is in line with the requirements of IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. The wage subsidies are recognized to the extent that there is reasonable assurance that the Company has complied with all the conditions and the monetary subsidy has been received. The subsidy is matched with the related personnel costs for which the subsidy was intended to compensate on a systematic basis. In case the actual revenue loss deviates from the estimate revenue loss upon which the granted subsidy was awarded, a net payable or receivable has been recognized for that portion and is not accounted for in the consolidated statement of profit and loss.

2.21 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 2021, there were borrowings in 2022 for which the interest and finance expenses have been capitalized as part of a qualifying asset. In 2022 an amount of AWG 5,898,631 (2021: AWG 2,827,498) of interest expense was capitalized as part of a qualifying asset. The effective capitalization rate in 2022 was 4.24% (2021: 2.49%). In 2022 all interest and finance expenses were capitalized due to the ongoing construction activities related to the Gateway 2030 projects.

2.22 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 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.

2.23 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.

2.24 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 2022 this amounted to AWG 149K (2021: AWG 543K).

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.

2.25 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).

2.26 Correction of an error

During the year 2022, management became aware of a misstatement in the 2021 and 2020 consolidated financial statements regarding deferred taxes. The effect for the year 2020 was processed as a correction to the 2020 results in the opening balance of the retained earnings of AWG 2,680,211, and the adjustment for 2021 results in a total comprehensive income of AWG 23,465,200 compared to a comprehensive income before the adjustment of AWG 29,032,160.

For these purposes the Consolidated Statement of Financial Position, the Consolidated Statement of Profit and Loss and Other Comprehensive Income, and the Consolidated Statement of Changes in Equity have been restated.

2.27 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 "Overgangsperiode 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 0.4 million of the trade receivables (which amounted to 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, 2022, the maximum credit risk on all receivables is approximately AWG 22.5 million (2021: AWG 24.7 million), and the remaining exposure to credit risk on trade receivables is adequately covered (2021: 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.

(In Aruban florins)	Notes	December 31, 2022	December 31, 2021
Less than 30 days		22,445,977	18,486,914
Between 31 days – 90 days		149,355	165,498
Between 91 days – 180 days		126,637	580,430
Older than 181 days		477,675	746,382
Bad debtors or bankruptcy debtors		321,905	290,204
		23,521,548	**20,269,428**
Less: provision for doubtful accounts	(6)	(1,203,324)	(2,090,837)
Less: reimbursable deposits	(13)	(6,216,674)	(5,013,611)
Less: prepayments from airlines and concessionaires	(13)	(489,198)	(531,928)
Less: off-balance sheet guarantees and letter of credits		(3,265,456)	(3,483,852)
		12,346,897	**9,149,200**

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, 2022, the remaining exposure to credit risk on the trade and other receivables due from the shareholder is approximately AWG 1.9 million (2021: AWG 1.7 million).

Other financial assets

With regard to the quality of other financial assets such as 'cash and cash equivalents' and 'other receivables and prepayments', the quality is considered optimal, despite the COVID-19 crisis. 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 2022, this was established at AWG 17.0 million (2021: AWG 11.9 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 2022, this minimum requirement was established at AWG 17.0 million (2021: AWG 10.3 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, 2022, 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-21	Carrying amount	Contr. Cash flow	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
(In thousands Aruban florins)							
Accounts payable	10,272	-	-	9,801	-	471	-
Government Concession fee payable	6,267	6,267	-	6,267	-	-	-
Interest-bearing financial liabilities	120,469	120,469	2,441	4,882	9,764	29,292	74,090
Estimated interest expense	26,494	26,494	866	1,706	3,211	8,252	12,459
	163,502	**153,230**	**3,307**	**22,656**	**12,975**	**38,015**	**86,549**

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
(In thousands Aruban florins)							
Accounts payable	9,788	-	-	9,255	-	-	-
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
Estimated interest expense	60,560	60,560	3,401	4,566	8,515	20,730	23,348
	220,732	**210,944**	**8,275**	**24,847**	**21,888**	**60,850**	**104,339**

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 2022 the market conditions for the EURO were in favor of the Company.

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, 2022 (2021: AWG 50.4 million) with a fixed interest rate of 4.5% per annum. 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 2022 (2021: between 0% and 1%). The investments and related yields are monitored monthly.

Furthermore, as of December 31, 2022, 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 3-month USD LIBOR plus 2.28%. As of the reporting date, the carrying amount of the Bridge loan facility B is 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 USD LIBOR interest rates of +/- 1% is as follows:

- An increase in the rate would have a negative impact of AWG 135,139 on net profit and equity.
- A decrease in the rate would have a positive impact of AWG 135,139 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.a. US airline debtors. Approximately 27% of all commercial passenger traffic is transported by the single largest airline (2021: 28%). The three largest airlines combined are responsible for approximately 60% of all passenger traffic (2021: 65%). Geographically, commercial passenger traffic is mostly from North America with 77% (2021: 82%), followed by Latin America and Caribbean with 11% (2021: 7%), Europe with 8% (2021: 8%), and regional traffic to the Dutch Caribbean with 4% (2021: 3%).

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 has recovered much better and faster than anticipated. Management's expectation in its Business Plan 2023-2027 is projecting a growth of approximately 7% in 2023, 9% in 2024, 12% in 2025, and 14% in 2026 compared to the 2019 RGP level.

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 downturns 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 2022, this amounts to AWG 50.4 million (2021: AWG 50.4 million).

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

	Required / Minimum	Actual balances	Difference 12/31/2022
(In Aruban florins)			
Unallocated revenue fund	-	11,165,204	11,165,204
Loan reserve fund	3,570,873	3,570,873	0
Operations and maintenance funds	26,249,607	19,589,388	(6,660,219)
Emergency Fund	10,295,641	14,187,917	3,892,276
General Purpose Fund	-	3,031,929	3,031,929
CAPEX Fund	17,289,730	17,995,939	706,209
Total	**57,405,851**	**69,541,250**	**12,135,399**
Other available cash and equivalents			(29,454)
Available overdraft facility			50,400,000
Overage / (shortage) of required/targeted minimum			**62,505,945**

Balances from the table above are for capital management purposes	2022
Loan Reserve Fund	3,570,873
Operations & Maintenance Fund	19,589,388
Capex Fund	17,995,939
Total	**41,156,200**

In Note 4 Cash and cash equivalents (based on actual balances in bank account)	2022
Operations & Maintenance Fund	33,866,336
Capex Fund	7,289,864
Total	**41,156,200**

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 2022 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, 2022 and 2021, the Company holds no financial assets carried at fair value.

4. Cash and cash equivalents

	December 31, 2022	December 31, 2021 (*)
(In Aruban florins)		
Revenue Fund	11,165,204	11,562,859
Loan reserve fund	3,570,873	3,570,873
Operations & Maintenance Fund	30,295,463	29,621,678
Emergency Fund	14,187,917	10,390,246
Capex Fund	7,289,864	10,571,238
General Purpose Fund	3,031,929	549,603
Other bank accounts and cash	5,313	13,521
Checks and deposits in transit	(34,767)	(22,370)
	69,511,796	**66,257,648**

(*) Adjusted for comparison purposes.

The Company has at its disposition an overdraft facility with the Caribbean Mercantile Bank N.V. As per December 31, 2022, this amounts to AWG 50.4 million (Dec. 31, 2021: 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, 2022, 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, 2022, there was AWG 3.6 million (Dec. 31, 2021: 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, 2022, 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 1% (2021: 1%) 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.

As per December 31, 2022, the Company maintained its Emergency Funds in a Money Market Account at Aruba Bank N.V. in AWG. This money market account yields 1% (2021: 1%) 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, 2022, 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, 2022, 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% (2021: 1%) per year.

5. Restricted cash balances

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Loan Incoming & Payment account - Aruba Bank N.V.	6,849,637	3,101,695
Escrow/Loan Reserve Fund - Aruba Bank N.V.	20,263,557	37,682,188
Collective Savings AAA Employees	475,149	-
	27,588,343	**40,783,883**

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

Mid-2021, AAA received a termination letter from Caribbean Mercantile Bank N.V. (CMB) for the fiscal savings plan for its employees. As of January 2022, AAA is providing a new savings fund program to its employees via Aruba Bank N.V. At CMB, the savings for each individual employee were registered on an individual bank account in their name, while at Aruba Bank, the collective savings are on one corporate savings bank account.

6. Trade receivables

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Trade receivables	14,984,207	12,113,106
Amounts to be invoiced	8,979,157	7,700,981
Subtotal	**23,963,364**	**19,814,087**
Less: provision for doubtful accounts	(1,203,324)	(2,090,837)
	22,760,040	**17,723,250**

The trade receivables can be further specified as follows:

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Airline carriers	12,859,035	10,052,959
Concessionaires	7,781,015	7,418,210
Other	3,323,314	2,342,918
	23,963,364	**19,814,087**

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:

	notes	2022	2021
(In Aruban florins)			
Balance as of January 1		(2,090,837)	(1,459,778)
(Addition)/Release to the provision	(24)	348,434	(631,059)
Written off during the year		539,079	-
Balance as of December 31		**(1,203,324)**	**(2,090,837)**

Due to the Covid crisis, for the year 2021 a revised MAG (Minimum Annual Guarantee) was agreed with all concessionaires and several payment agreements were offered for a maximum of six months without interest. If more than six months was requested, a maximum of 12 months repayment with legal interest was offered. The most debtors chose for the interest free payment agreement and for the most part complied with the payment schedule. For 2022, the MAGs were adjusted back to their normal amounts. If there were doubts for credit loss, these have been provided for.

7. Current tax receivable

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Profit tax net refund receivable	1,669,875	1,669,875
	1,669,875	**1,669,875**

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, 2022	December 31, 2021 (*)
Sickness insurance premium (net of benefits receivable)		63,918	-
Security deposits		650,302	486,496
Prepaid expenses		1,137,454	1,592,607
Prepaid to Baggage Handling Systems provider		12,427,019	248,505
Other receivables		355,398	490,822
Receivables Land Aruba (related party)	(29.3)	649,517	455,861
Less: Provision receivables Land Aruba	(29.3)	(401,337)	(357,421)
Total other receivables and prepayments		**14,882,271**	**2,916,871**

(*) Adjusted for comparison purposes.

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 (2021: AWG 249K) to the Baggage Handling System provider for the GW2030 project decreases as the invoices are paid. As per year-end 2022, the remaining balance of the advance payment is considered a long-term asset under Prepayments due to the revised 2023 construction time schedule of Phase 1A. Reference is made to note 10 Prepayments.

9. Inventories

(In Aruban florins)	December 31, 2022	December 31, 2021
Office supplies	8,568	7,939
Critical parts	1,321,731	1,195,483
ICT stock	33,280	83,124
PBB/BHS Stock	859,779	841,858
Airside Stock	266,860	264,938
Subtotal	**2,490,218**	**2,393,342**
Less: provision obsolete stock	-	-
	2,490,218	**2,393,342**

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

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Prepaid to Baggage Handling Systems provider	100,056	12,527,075
	100,056	**12,527,075**

Under ‘Prepayments’ there is an amount of approximately AWG 0.1 million (2021: AWG 12.5 million) as an advance payment to the Baggage Handling System provider for the GW2030 project.

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
Historical cost:						
Balance December 31, 2020	**196,672,548**	**206,650,108**	**35,290,967**	**176,744,376**	**76,501,813**	**691,859,812**
Investments during 2021	755,562	75,869	59,299	3,912,299	34,934,312	39,737,341
Transferred from fixed assets under construction	-	-	33,968	11,080,507	(11,114,475)	-
Disposals during 2021	-	(477,832)	-	(381,473)	-	(859,305)
Balance December 31, 2021	**197,428,110**	**206,248,145**	**35,384,234**	**191,355,709**	**100,321,650**	**730,737,848**
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)
Balance December 31, 2022	**206,977,832**	**206,519,286**	**35,422,262**	**198,510,565**	**189,291,682**	**836,721,628**
Accumulated depreciation:						
Balance on December 31, 2020	**(78,228,768)**	**(138,575,894)**	**(11,841,141)**	**(133,127,297)**	**-**	**(361,773,100)**
Depreciation expense 2021	(7,374,092)	(9,425,912)	(1,353,373)	(8,398,906)	-	(26,552,283)
Accumulated depreciation on disposals 2021	-	407,750	-	381,473	-	789,223
Balance on December 31, 2021	**(85,602,860)**	**(147,594,056)**	**(13,194,514)**	**(141,144,730)**	**-**	**(387,536,160)**
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
Balance on December 31, 2022	**(93,331,857)**	**(154,191,651)**	**(14,439,747)**	**(147,658,834)**	**-**	**(409,622,089)**
Book value:						
Balance December 31, 2021	**111,825,250**	**58,654,089**	**22,189,720**	**50,210,979**	**100,321,650**	**343,201,688**
Balance December 31, 2022	**113,645,975**	**52,327,635**	**20,982,515**	**50,851,731**	**189,291,682**	**427,099,539**

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:

Category	Historical cost
(In Aruban florins)	
Runway, Taxiway and Apron	36,267,555
Build & Rebuild	27,401,855
Landdevelopment & Roads	5,564,142
Furniture and Fixtures	11,346,620
Equipment	53,255,243
Airco and Electrical	43,744,064
Automation	10,222,527
Total	**187,802,006**

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, 2022, consist of the following:

Gross carrying amount	IT equipment	Administration equipment	Transport equipment	Land lease rights	Total
(in Aruban florins)					
Balance Jan. 1, 2022	**6,011,079**	**235,692**	**27,148**	**17,416,287**	**23,690,206**
Additions	4,764,468	145,265	69,544	-	4,979,277
Modifications	-	-	-	-	-
Disposals / expired contract	(6,011,079)	(235,692)	(27,148)	-	(6,273,919)
Balance Dec. 31, 2022	**4,764,468**	**145,265**	**69,544**	**17,416,287**	**22,395,564**

Depreciation and impairment	IT equipment	Administration equipment	Transport equipment	Land lease rights	Total
(in Aruban florins)					
Balance Jan. 1, 2022	**(6,011,079)**	**(235,692)**	**(27,148)**	**(1,571,548)**	**(7,845,467)**
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)
Balance Dec. 31, 2022	**(1,844,310)**	**(60,527)**	**(28,011)**	**(2,131,108)**	**(4,063,956)**
Carrying amount December 31, 2022	**2,920,158**	**84,738**	**41,533**	**15,285,179**	**18,331,609**

Details of the right-of-use assets as per December 31, 2021, consist of the following:

Gross carrying amount	IT equipment	Administration equipment	Transport equipment	Land lease rights	Total
(in Aruban florins)					
Balance Jan. 1, 2021	**6,011,079**	**235,692**	**27,148**	**17,416,287**	**23,690,206**
Additions	-	-	-	-	-
Modifications	(91,778)	-	-	-	(91,778)
Disposals / expired contract	-	-	-	-	-
Balance Dec. 31, 2021	**5,919,301**	**235,692**	**27,148**	**17,416,287**	**23,598,428**

Depreciation and impairment	IT equipment	Administration equipment	Transport equipment	Land lease rights	Total
(in Aruban florins)					
Balance Jan. 1, 2021	**(4,137,407)**	**(185,903)**	**(14,705)**	**(1,011,988)**	**(5,350,003)**
Disposals / expired contract	-	-	-	-	-
Depreciation	(1,781,894)	(49,789)	(12,443)	(559,560)	(2,403,686)
Balance Dec. 31, 2021	**(5,919,301)**	**(235,692)**	**(27,148)**	**(1,571,548)**	**(7,753,690)**
Carrying amount December 31, 2021	**-**	**-**	**-**	**15,844,739**	**15,844,739**

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

	Dec. 31, 2022	Dec. 31, 2021
(in Aruban florins)		
Current	2,284,196	297,574
Non-current	17,238,110	16,400,815
	19,522,306	**16,698,389**

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	1 yr. and 7 mths.	1 yr. and 7 mths.	1	0	1	1
Administration equipment	12	1 year	1 year	1	0	0	1
Transport equipment	3	1 year	1 year	3	0	0	0
Land lease rights	31	34 years	34 years	2	0	2	0

Total cash outflow for leases for the year ended December 31, 2022 was AWG 3,192,334 (2021: AWG 3,033,370). The lease liabilities are secured by the related underlying assets. Future minimum lease payments at December 31, 2022 were as follows:

	Minimum lease payments due within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	after 5 years	Total
December 31, 2022							
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	17,901,422
Net present values	**4,140,200**	**3,118,192**	**1,785,284**	**1,774,819**	**1,763,831**	**42,742,822**	**55,325,150**
December 31, 2021							
Lease payments	1,129,291	1,129,291	1,129,291	997,291	997,291	30,916,021	36,298,476
Finance charges	831,717	816,703	800,931	787,993	777,528	15,365,451	19,380,323
Net present values	**1,961,008**	**1,945,994**	**1,930,222**	**1,785,284**	**1,774,819**	**46,281,472**	**55,678,799**

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:

	2022	2021
(in Aruban florins)		
Short-term leases	31,213	54,089
Leases of low value assets	27,900	27,900
Total	**59,113**	**81,989**

At December 31, 2022, the Company was not committed to short-term leases and the total commitment at that date was therefore nil. At December 31, 2022, the Company had not committed to leases which had not yet commenced.

13. Accrued expenses and other payables

	notes	December 31, 2022	December 31, 2021 (*)
(In Aruban florins)			
Reimbursable deposits		6,216,674	5,013,611
Payable Land Aruba, related party	(29.3)	6,005,937	7,980,041
Payable on contracts		5,025,208	5,015,820
Personnel related accruals		2,189,920	1,739,925
Property taxes accruals		1,683,024	-
Capex related accruals and retention payables		1,526,590	342,591
Payable to Schiphol Group		1,081,087	1,001,782
Marketing fund		763,481	486,591
Prepayments from airlines and concessionaires		489,198	331,022
Due to pension insurers		296,966	266,166
Others		944,846	1,586,202
Total accrued expenses and other payables		**26,222,931**	**23,763,751**

(*) Adjusted for comparison purposes.

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 6.2 million (2021: AWG 5.0 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 3.5 million as per December 31, 2022 (December 31, 2021: AWG 3.5 million).

14. Long-term borrowings

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Long term portion		
- Bridge loan A	86,435,276	71,179,115
- Bridge loan B	48,049,238	41,966,876
Total long term portion	**134,484,514**	**113,145,991**
Current portion		
- Bridge loan A	5,440,000	4,606,869
- Bridge loan B	6,120,000	2,716,189
Total current portion	**11,560,000**	**7,323,058**
Grand total	**146,044,514**	**120,469,049**

The current portion on December 31, 2021 reflects the original facilities agreement during the two-year negotiation period. This prior year short term portion was management's best estimate. Due to circumstances, no repayments were made in 2022.

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:

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 3-month USD LIBOR plus 2.28%.
- The USD LIBOR will eventually cease to exist, it is for this reason that starting January 2023, the United States Commercial Prime rate (US Prime Rate) is being 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 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. Reference is made to the table below for a summary of the Bridge loans and the Term loans:

Bridge loan	A	B
Maximum amount	AWG 311,400,000 or USD 173,000,000	USD 102,000,000
Availability period	5 years	5 years
Interest rate	4.50%	USD LIBOR+2.28% (LIBOR≥0)
Tranches	3 tranches of AWG 103,800,000 or equivalent in USD	3 tranches of USD 34,000,000
Conversion terms	When 1/3 and 2/3 of the respective facility has been drawn and the remaining balance at expiry of the Availability Period or upon earlier completion of the project.	

Term loan	A	C	D	B
Maximum amount	AWG 30,000,000	AWG 206,400,000	USD 41,666,667	USD 102,000,000
Tranches	10,000,000 x 3	68,800,000 x 3	13,888,889 x 3	34,000,000 x 3
Term (years from conversion date)	10	15	15	10
Interest rate (first 5 years)	4.75%	5.00%	5.00%	USD LIBOR+2.00% (LIBOR≥0)

Note: With the amended facilities agreement, as of January 2023, the total accordion loan amount will remain the same at AWG 495 million. However, the bridge loan facility commitments will be reduced to AWG 330 million, from three to two tranches. The third tranche can be activated when AAA deems it necessary.

Until the reporting date, the Company has withdrawn AWG 91,875,276 from Bridge loan facility A, USD 30,094,021 (AWG 54,169,238) from Bridge loan facility B and AWG 0 (nil) from the overdraft facility.

(In Aruban florins)	2022	2021
January 1:	120,469,049	91,530,229
Withdrawn	25,575,465	28,938,820
Repaid	-	-
Capitalized interest	5,898,631	2,827,498
Interest expensed	-	1,147,590
Interest paid	(5,898,631)	(3,975,088)
December 31:	**146,044,514**	**120,469,049**

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%. The Overdraft facility has the same availability period as the Bridge loan facility and is available till October 2023.

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, 2022, is 61.8% (2021: 65.6%).
- Maintain a debt service coverage ratio equal to or exceeding 1.30. The debt service coverage ratio as per December 31, 2022, is 13.38 (2021: 14.24).
- The Funded Debt to EBITDA amounts to maximum 6:1. As per December 31, 2022, the funded debt to EBITDA amounts to 1.85 (2021: 2.14).

Based on quarterly waiver requests, the Lenders have agreed not to impose the default interest clauses starting in 2020, 2021 and the first half of 2022. All waiver requests have been approved. After the first half of 2022, waivers were no longer needed to be requested.

15. Provisions

	December 31, 2022	December 31, 2021
(In Aruban florins)		
Pension provision	367,138	377,835
Provision employment anniversary benefits	2,525,569	2,519,759
Claim with regards to Phase 1A	3,580,000	-
	6,472,707	**2,897,594**

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 66⅔% of the pension base, and the supplemental pension may bring that to a maximum of 70%. This pension supplement amounts to ⅓% 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, 2022, this amounts to AWG 367,138 (December 31, 2021: AWG 377,835).

The movements in the pension provision are as follows:

	2022	2021
(In Aruban florins)		
Balance as of January 1	377,835	405,330
Release from the provision	(12,952)	(12,725)
Actuarial loss/(gain)	2,255	(14,770)
Balance as of December 31	**367,138**	**377,835**

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 fifth anniversary of their employment.

	2022	2021
(In Aruban florins)		
Balance as of January 1	2,519,759	2,566,373
Addition to the provision	379,692	355,072
Actuarial gain	(113,838)	(80,304)
Paid during the year	(260,044)	(321,382)
Balance as of December 31	**2,525,569**	**2,519,759**

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.

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:

	Provisions - Duurte toeslag & Anniversary	Unearned Facility Charges	Total deferred tax liabilities	Right of Use Asset (ROA) - Lease liabilities -	Property, plant and equipment	Carryforward unused tax losses	Total deferred tax assets	2022 (net)	2021 (net)
(In Aruban florins)									
Carrying amount as at January 1 - as previously reported	-	(11,526,035)	(11,526,035)	213,412	460,731	13,244,240	13,918,383	2,392,348	(1,394,291)
Error - adjustment of beginning balance	-	(8,247,170)	(8,247,170)	-	-	-	-	(8,247,170)	(2,680,211)
Carrying amount as at January 1 - restated	-	**(19,773,205)**	**(19,773,205)**	**213,412**	**460,731**	**13,244,240**	**13,918,383**	**(5,854,822)**	**(4,074,502)**
Net change others	(155,488)	-	(155,488)	84,262	(316,640)	-	(232,378)	(387,866)	609,355
Deferral of Facility Charges	-	(7,519,927)	(7,519,927)	-	-	-	-	(7,519,927)	(5,566,960)
Loss over current year	-	-	-	-	-	-	-	-	3,177,284
Loss compensation in current year	-	-	-	-	-	(3,808,723)	(3,808,723)	(3,808,723)	-
Rate change from 25% to 22%	18,659	3,275,176	3,293,835	(35,721)	(17,291)	(1,132,262)	(1,185,274)	2,108,561	-
Total change	**(136,829)**	**(4,244,751)**	**(4,381,580)**	**48,541**	**(333,931)**	**(4,940,985)**	**(5,226,375)**	**(9,607,954)**	**(1,780,321)**
	-	-	-	-	-	-	-	-	-
Carrying amount as at December 31	(136,829)	(24,017,956)	(24,154,785)	261,953	126,800	8,303,256	8,692,009	(15,462,776)	(5,854,822)

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 2022 was the same as the number of shares outstanding at the end of 2022.

18. Aeronautical revenue

In December 2020 AAA announced that it would adapt the basis of calculation for landing and parking charges to the airlines and its representative IATA (International Air Transport Association). After various consultation rounds on July 1, 2021, the landing and parking charges were changed as follows:

Before July 1, 2021: **Landing charge:** US$ 2.74 per kilogram ton of MTOW (minimum charge of US$ 5.65).

Parking fee: First day (24 hours)
US$ 0.54 per kilogram ton of MTOW (no charge if less than 2 hours)
Additional days (24-hour periods)
US$ 0.27 per ton of MTOW per day

After July 1, 2021: The previous method of using the MTOW of an individual aircraft registration was changed to using a weight class system where aircraft are being classified based on the MTOW of a specific model.

MTOW class	Weight in kilograms	Charge per landing	Parking charge
1	Between 0 (zero) and 10,000	US$ 20.00	US$ 3.00 per hour after the first 30 minutes.
2	Between 10,000 and 40,000	US$ 60.00	US$ 10.00 per hour after the first 45 minutes.
3	Between 40,000 and 70,000	US$ 170.00	US$ 20.00 per hour after the first 60 minutes.
4	Between 70,000 and 100,000	US$ 225.00	US$ 35.00 per hour after the first 60 minutes.
5	Between 100,000 and 180,000	US$ 310.00	US$ 50.00 per hour after the first 90 minutes.
6	Over 180,000	US$ 650.00	US$ 65.00 per hour after the first 90 minutes.

During 2022 and 2021, 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 with end destination to Bonaire from Aruba	Enplaned passenger with end destination to Curacao and Sint Maarten	Passengers to all other destinations
Passenger Facility Charge	PFC	$ 23.00	$ 23.00				$ 23.00	$23.00
General Usage Charge	GUC	$ 21.25	$ 21.25					$21.25
Security Surcharge	SEC	$ 3.00	$ 3.00			$ 3.00	$ 3.00	$ 3.00
Special Facility Charge	SFC	$ 5.25	$ 5.25					
Transfer - US	TRSFR US	$ 32.50		$ 32.50				
Transfer - NONUS	TRSFR NONUS	$ 16.00			$ 16.00			
Passenger Facility Charge - BON	PFC-Bon	$ 8.75				$ 8.75		
General Usage Charge – CUR/BON	GUC – CUR/BON	$ 8.25				$ 8.25	$ 8.25	
Total per type of enplaned passenger			$ 52.50	$ 32.50	$ 16.00	$ 20.00	$ 34.25	$47.25

In 2022 1,211,008 passengers were eligible for the Passenger Facility Charge or the FBO Charge (2021: 879,227). The number of commercial aircraft movements for the year 2022 was 24,980 (2021: 20,747).

The Company has signed user agreements with almost all airlines with a scheduled service to Aruba.

Aeronautical revenues can be specified as follows:

(In Aruban florins)	2022	2021
Passenger facility charges	49,799,181	36,280,748
Special facility charges	8,489,438	6,695,719
General usage charges	44,678,176	32,668,894
Security surcharges	6,511,399	4,727,898
Total passenger charges	**109,478,194**	**80,373,259**
Landing charges	4,200,433	3,615,567
Parking charges	613,664	519,232
Derelict or Non Operational charge	5,012	65,335
Air Service Incentive Program	(184,789)	(320,198)
Total aircraft charges	**4,634,320**	**3,879,936**
	114,112,514	**84,253,195**

19. Non-aeronautical revenue

Non-aeronautical revenue can be specified as follows:

(In Aruban florins)	2022	2021
Concession fees	28,295,034	20,792,636
Rental income	8,986,905	9,011,582
Service reimbursements	1,237,026	1,025,380
Car parking fees	1,265,077	1,131,700
Prior year revenue	170,191	-
Other non-aeronautical revenue	693,360	691,791
	40,647,593	**32,653,089**

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 2022, approximately 70% (2021: 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 or concession fees 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 2022 may have to be adjusted in 2023. However, management, based on past experience, does not expect significant adjustments to the reported concession fee revenues. In 2022 there were favorable minimal adjustments amounting to AWG 147K with regards to the concession fee revenues of 2021 (reported under 'Prior year revenue').

Concession fee revenues can be further specified as follows:

(In Aruban florins)	2022	2021
Retail shops	12,844,926	9,813,265
Car rentals	5,688,117	3,803,892
Groundhandling	2,609,422	2,113,682
Food & beverage	2,953,031	2,057,042
Fuel concession	2,219,286	1,824,345
Advertising	504,505	270,382
Airline catering	330,331	367,901
Other concessions	1,145,416	542,127
	28,295,034	**20,792,636**

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)	2022	2021
Salaries and allowances (incl. vacation pay)	19,399,242	17,616,305
SVB salary subsidy program	-	(1,406,516)
Social security costs	3,269,690	3,094,935
Additional compensation	2,403,610	1,249,259
Pension contribution	1,995,817	1,871,582
Retirement pay	325,000	392,635
Other personnel expenses	929,596	828,524
	28,322,955	**23,646,724**

The number of employees at the end of the year 2022 was 206 (2021: 196), and FTEs 205.7.

SVB salary subsidy program

The monthly wage subsidy relief program from the Government of Aruba that had started in 2020 due to the Covid-19 crisis, was not needed nor applicable for 2022. For the year 2021, a total amount of AWG 1,417K was received, which covered approximately 16.8% of total personnel expenses for the months of January 2021 up to and including April 2021.

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 2021.
  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 2022 is 17.1% (2021: 16.8%), of which employees pay 5.0% less an annual franchise amount of AWG 17,616. As of December 31, 2022, the number of employees insured at APFA is 19 (2021: 20).

The total premium due to APFA for 2023 is expected to be approximately AWG 264,932. The total preliminary premium due to APFA in 2023 increased to 17.5%.

- 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, 2022, the number of employees insured at Guardian Holding is 194 (2021: 177). The total premium due to Guardian Holding for 2023 is expected to be approximately AWG 2,002,445.

21. Housing expenses

(In Aruban florins)	2022	2021
Water and electricity	7,655,170	6,515,084
Cleaning	2,974,207	2,077,568
Property taxes	1,684,708	1,101,862
	12,314,085	**9,694,514**

22. Administration and marketing

(In Aruban florins)	2022	2021
Insurance	1,988,863	1,749,727
Exchange taxes and -differences	594,420	280,016
Training/Conferences, travel and accomodation	481,275	190,354
Marketing	467,871	125,356
Legal advice	270,478	199,020
Advertisement and communication	212,257	185,698
Other administration expenses	260,905	229,073
	4,276,069	**2,959,244**

23. Operational expenses

(In Aruban florins)	2022	2021
Maintenance expense	9,183,125	7,818,830
Contracted services	4,608,462	2,432,414
Schiphol strategic cooperation Agreement	3,142,564	2,466,009
Automation	2,402,140	1,864,065
Sales tax (BBO) , health tax (BAZV) and BAVP	2,436,853	2,000,715
Professional services	450,923	592,271
Transport	408,505	307,031
Telephone and communication	336,554	320,729
Leases	93,604	76,790
Other	498,866	379,644
	23,561,596	**18,258,498**

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

	2022	2021
(In Aruban florins)		
Special events	807,124	179,094
Administration fee Passenger Facility Charges	462,399	309,090
Airport Social Committee	352,577	209,570
Corporate Social Responsibility	268,326	212,815
Donations	97,406	84,022
Crisis Management	11,886	(409)
Prior year (revenue)/expenses	(1,409,203)	(380,696)
Addition/ (release) to provision for doubtful receivables,	(304,518)	635,657
both Trade Receivables and Land Aruba (6) (29.3)		
Other	796,990	124,270
	1,082,987	**1,373,413**

25. Government Concession Fee expense

	2022	2021
(In Aruban florins)		
Government concession fee expense	6,503,328	4,721,449
	6,503,328	**4,721,449**

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 2022 which was the same as 2021. The expense is calculated based on 1,211,008 passengers for 2022.

26.1. Depreciation & losses on disposal of PPE

	2022	2021
(In Aruban florins)		
Depreciation expense	23,938,458	26,552,282
Net loss/(gain) on disposal of property, plant and equipment	(14,250)	70,082
	23,924,208	**26,622,364**

26.2. Depreciation right-of-use assets

(in Aruban florins)	2022	2021
Right-of-use depreciation - IT equipment	1,844,310	1,781,893
Right-of-use depreciation - Administration equipment	60,527	49,789
Right-of-use depreciation - Transport equipment	28,011	12,443
Right-of-use depreciation - Land lease rights	559,559	559,560
	2,492,408	**2,403,685**

27. Net financing costs

(*In Aruban florins)*	2022	2021
Finance income		
Interest income on fund/bank accounts	391,935	400,444
Finance costs		
Other interest and finance charges - commitment fees	(121,833)	(1,484,683)
Interest costs lease liabilities		
Related to IFRS 16 Lease liabilities	(1,036,974)	(897,130)
	(766,872)	**(1,981,369)**

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 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 2022 and 2021 with regard to the borrowing rates.

28. Profit tax

The profit tax charge for 2022 can be reconciled to the consolidated statement of profit or loss as follows:

	2022	2021
(In Aruban florins)		
Current year profit tax expense settled against tax loss carryforwards	3,808,855	-
Addition to tax asset due to loss - current year	-	(2,300,875)
Prior year profit tax correction	-	(876,408)
Change deferred tax liability - unearned Facility Charges	7,519,927	5,566,959
Change deferred tax liability - difference commercial - fiscal	316,640	(542,559)
Change deferred tax liability -Provision "duurte toeslag" & anniversary allowance	155,488	-
Change in deferred tax liability - Effect IFRS 16 on Right of Use Assets & Liabilities	(84,262)	(67,293)
Profit tax rate change from 25% to 22%	(2,108,231)	-
	9,608,417	**1,779,824**

The reconciliation between profit tax expense and result before profit tax multiplied by the applicable tax rate for the year 2022 is as follows:

	2022	Tax amount at 25%
(In Aruban florins)		
Result before profit tax	51,515,599	12,878,900
Effect IFRS 16 reversal on P&L	337,048	84,262
Result before profit tax	**51,852,647**	**12,963,162**
Deferred unrealized income facility charges	(30,079,709)	(7,519,927)
Difference commmercial and fiscal depreciation charge	(1,250,590)	(312,648)
Provision "duurte toeslag" & anniversary allowance	(37,558)	(9,390)
Difference in bookvalue disposals	(24,181)	(6,045)
Income for tax purposes	**20,460,609**	**5,115,152**
Non deductable 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)
Fiscal taxable profit for the year - profit +, loss (-)	**15,235,418**	**3,808,855**
Settle against tax losses previous years	(15,235,418)	(3,808,855)
Taxable amount (+) or net loss carryforward (-)	-	-

The applicable tax rate in 2022 was 25% which was the same as in 2021. The reconciliation between profit tax expense and result before profit tax multiplied by the applicable tax rate for the year 2021 is as follows:

	2021	Tax amount at 25%
(In Aruban florins)		
Result before profit tax	25,245,024	6,311,256
Effect IFRS 16 reversal on P&L	267,267	66,817
Result before profit tax	**25,512,291**	**6,378,073**
Deferred unrealized income facility charges	(22,267,838)	(5,566,960)
Difference commmercial and fiscal depreciation charge	2,183,868	545,967
Provision "duurte toeslag" & anniversary allowance	(19,514)	(4,879)
Difference in bookvalue disposals	(13,635)	(3,409)
Income for tax purposes	**5,395,172**	**1,348,793**
Non deductable amounts / donations	246,337	61,584
Investment allowance and desinvestments recapture	(14,457,601)	(3,614,400)
Investment recapture	-	-
Training expenses employees	(357,402)	(89,351)
Marketing and promotional cost	(30,000)	(7,500)
Fiscal taxable profit for the year - profit +, loss (-)	**(9,203,494)**	**(2,300,874)**
Settle against tax losses previous years	-	-
Taxable amount (+) or net loss carryforward (-)	**(9,203,494)**	**(2,300,874)**

The effective tax rate for 2022 is the following:

	2022	Tax amount	Effective tax rate
(In Aruban florins)			
Profit before tax	51,515,599	12,878,900	25%
Permanent difference:			
Non deductable amounts / donations	315,732	78,933	0%
Non deductable profit related perfomance bonus	-	-	
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	
Total	**46,290,408**	**11,716,648**	
Profit tax rate change from 25% to 22%		(2,108,231)	-4%
Proft tax expense		**9,608,417**	**18%**

The effective tax rate for 2021 is the following:

	2021	Tax amount	Effective tax rate
(In Aruban florins)			
Profit before tax	25,245,024	6,311,256	25%
Permanent difference:			
Non deductable amounts / donations	246,337	61,584	0%
Non deductable profit related perfomance bonus	-	-	0%
Investment allowance and desinvestments recapture	(14,469,065)	(3,617,266)	-14%
Investment recapture	11,464	2,866	0%
Training expenses employees	(357,402)	(89,351)	0%
Marketing and promotional cost	(30,000)	(7,500)	0%
Other		(881,766)	
Total	**10,646,358**	**1,779,824**	**11%**

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:

	2022	2021
(In Aruban florins)		
Short-term employee benefits	3,697,752	3,922,558
Post-employment benefits	148,361	151,426
Termination benefits	-	276,198
Total key mangement compensation	**3,846,113**	**4,350,182**

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. Due to COVID-19 and its impact, short-term employee benefits were lowered starting from May 2020 until May 2021.

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 year2014. 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 17.1% (2021: 16.8%), of which employees pay 5.0% taking into account an annual franchise amount of AWG 17,616. In December 2022, APFA announced that the total preliminary premium for the year 2023 would become 17.5%. As of December 31, 2022, the number of employees insured at APFA is 19 (2021: 20).

The amounts paid to APFA can be specified as follows:

	2022	2021
(In Aruban florins)		
Employer's contributions	149,742	180,617
Contribution from participating employees	43,724	54,191
	193,466	**234,808**

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 on the next page.

	notes	December 31, 2022	December 31, 2021 (*)
(In Aruban florins)			
Trade receivables		649,517	455,861
Less: provision on receivables	(7)	(401,337)	(357,421)
		248,180	**98,440**

(*) Adjusted for comparison purposes.

Trade receivables

All amounts charged to Government-related entities (Directie Luchtvaart, IASA, Inspectie der Invoerrechten & Accijnzen, Korps Politie Aruba, Meteorologische Dienst, Direktie 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:

	notes	2022	2021
(In Aruban florins)			
Balance as of January 1		(357,421)	(352,916)
Release / (Addition) to the provision	(24)	(43,916)	(4,505)
Written off during the year		-	-
Balance as of December 31		**(401,337)**	**(357,421)**

The amounts payable to Land Aruba can be specified as follows:

	notes	December 31, 2022	December 31, 2021
(In Aruban florins)			
Dividend payable (net of withholding tax)		346,421	346,421
Government Concession Fee		4,339,793	6,266,868
Due to Tax Collector		1,319,723	1,366,752
		6,005,937	**7,980,041**
Profit tax payable		-	-
	(12)	**6,005,937**	**7,980,041**

During the year 2022, Land Aruba requested to advance a portion of the Government Concession Fee realized in 2022 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.

Dividend payable (net of withholding tax)

The General Shareholder's Meeting declared dividends for the years 2005-2021 for a total amount net of dividend tax of AWG 62.6 million to be settled against receivables due from the sole shareholder Land Aruba and for some years also 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 2022 a dividend of AWG 4.4 million was declared for 2021.

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 2022, an amount of 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 2022 and 2021, 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)	2023	2024	2025	2026	2027
Operating leases for equipment	2,084,931	1,161,733	-	-	-
Maintenance	6,874,058	661,392	39,007	31,800	31,800
Property-related obligations	2,367,334	2,398,334	2,429,334	2,371,085	2,351,669
Management & consulting services	4,262,036	4,164,890	4,268,470	4,156,087	4,256,905
Insurances	2,305,136	3,285,269	2,788,416	-	-
Government concession fee	7,312,780	8,080,000	8,242,000	8,407,000	8,575,000
Gateway 2030 Expansion Project	127,605,121	4,838,483	-	-	-
	152,811,397	**24,590,102**	**17,767,227**	**14,965,972**	**15,215,375**

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 2022 is AWG 1.9 million (2021: 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. 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, 2022.

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 2022 and 2021, 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, the operator of the Fixed Base Operation, until the end of 2022 and insourced starting 2023, 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, which will start 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 starting 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 (2021: 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 and 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. 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 116.9 million (2021: AWG 170.0 million) in connection with capital expenditures projects. These commitments should mostly be fulfilled in 2023 or in the time horizon of Phase 1A of the Gateway 2030 project (2023 / 2024).

30.7 Guarantees

As per the end of 2022 there were no arranged guarantees in connection with purchase commitments (2021: 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, 2022 (2021: AWG 26.9 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 is claiming a total projected claim amount of AWG 12.2 million (USD 6.8 million) in price escalation and overhead costs. Management will perform its due diligence when substantiation for the claim amounts is received and has formed a reliable estimate of AWG 3.6 million (USD 2.0 million) as a provision, the remaining contingent liability is AWG 8.6 million (USD 4.8 million), nevertheless the final outcome of the discussions is uncertain and could deviate here from.

32. Events after balance sheet date

32.1 Fiscal Reforms

On November 29, 2022, the draft legislation for the 2023 Tax Reform was submitted to the Aruba Parliament and on December 13, 2022, there was an Amendment and on December 14, 2022, a second Amendment was submitted to the Aruba Parliament. From the approved legislation, the following changes affecting the Company as per January 1, 2023, are as follows:

- Increase of the total BBO/BAZV/BAVP ("turnover taxes"/"TOT") by 1% from 6.0% to 7.0% combined. This will result in an increase in the costs of doing business.
- A reverse charge rule (in Dutch: "verleggingsregeling") is introduced, whereby a non-resident entrepreneur providing specific services to a resident entrepreneur will lead to the resident entrepreneur, as the recipient of the service, to become the "tax payer" and liable for payment of the TOT. This also will result in an increase in the costs of doing business.
- Introduction of the 7.0% turnover taxes at the border on import of goods by entrepreneurs and non-entrepreneurs as per June 1, 2023.
- Investment allowance is maintained at 10.0% but is, as of 2023, limited again to investments in fixed assets purchased only from local suppliers. By excluding foreign purchases from investment allowance, this will increase the effective tax burden and will result in a higher increase of the effective tax burden.
- Tax deductibility of depreciation expenses on real estate is maximized on the difference between the book value and the registered value (in Dutch: "bodemwaarde") 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.
- Corporate income tax rate will be reduced from 25% to 22.0%. Despite the lowering of the general corporate income tax rate to 22%, due to further limitation of the deductibility of expenses will result in a higher increase in the effective tax burden.

The total financial effect of these changes in tax legislation on the Company, as well as increase in price indexes worldwide on goods and services, cannot be quantified as yet.

32.2 Amendments to the Facilities Agreement

The Company has 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 final amendments to the Facilities Agreement which required all-lenders approval:

- Decrease the current Term Loan Facilities Commitments to AFL 330MM but leave the maximum Total Commitments at AFL 495MM, which leaves room for future accordion loans totaling AFL 165MM.
- For B-lenders new wording included for the replacement of LIBOR, which will stop existing in July 2023. The replacement for the LIBOR will be the United States Commercial Prime rate (US Prime Rate).
- Revised text on the work to be performed by the Licensed Independent Construction Engineer to make the process more practical and manageable.

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.

AEROPUERTO INTERNACIONAL REINA BEATRIX

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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, 2022, and the consolidated statement of profit or loss, and 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 a summary of significant accounting policies.

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, 2022, 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 2022 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.

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, 2023
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for Ernst & Young

(Sgd.) Garrick de Cuba, MSC, RA