SECOND QUARTER RESULTS 2023

ConsorcioARA®

(All figures in millions of pesos)

Mexico City, July 19, 2023 – Consorcio ARA, S.A.B. de C.V. ("ARA" – BMV: ARA*) reports its results for 2Q23.

I. Remarks by the Chief Executive Officer

Germán Ahumada Russek remarks: The results for the **second quarter of 2023** included a **double-digit growth at the bottom line**, which was reflected in **stronger profitability**, and a **positive generation of Free Cash Flow to the Firm.**

Housing revenues totaled P$1.77 billion, a **4.9% growth** over the same period of last year. These revenues came from the **sale of 1,511 homes**, with an **average price of $1,173,000 pesos, a 10.8% increase** compared to the average price recorded in the second quarter of 2022.

By housing segment, in the second quarter of the year **Middle-Income home sales were once again very strong, totaling P$684.7 million, a 9.5% growth** over the same period of the previous year; **Residential home sales reached P$550.3 million pesos, a 5.8% growth**; and **Affordable Entry-Level sales reached P$537.4 million, a slight reduction of 1.3%** from the year-earlier period, **but a solid recovery of 19.3% compared to the first quarter of the year.**

In the **second quarter of 2023**, **operating income totaled P$212.7 million and rose 29.5%** over the same quarter of last year. **Net income was P$180.8 million, a 13.4% increase**; and E**BITDA was P$277 million, a growth of 12.2%**.

These double-digit growth rates, attributable to a higher gross margin and the absence of the non-recurring expenses we had reported throughout 2022, allowed for stronger profitability during the quarter. The **operating margin was 11.6%, 230bp higher** than in the second quarter of last year; the **net margin was 9.8%, a recovery of 80bp**, and the **EBITDA margin was 15.1%, rising 110bp year-over-year.**

Free Cash Flow to the Firm was positive by P$268.4 million i**n the second quarter of the year**, which compares very well against the $81.6 million pesos reported in the same period of last year.

As of **June 30, 2023,** our main **leverage ratios remained at healthy levels: cost-bearing debt to EBITDA stood at 2.33 times, and net debt to EBITDA was -0.82 times**; once again, this ratio was negative because the balance of cash and equivalents exceeded the balance of cost-bearing debt.

On May 19 of this year, **S&P Global Ratings confirmed Consorcio ARA's long-term issuer rating of "mxAA-" with a stable outlook.** In its report, which can be viewed on our corporate web page, the Agency cited **ARA's key strengths as one of Mexico's largest housing developers, the business model flexibility that comes from its diversification of housing segments, and its substantial land bank; as well as its low debt levels and high cash flow generation.**

The **P$200 million dividend** approved by shareholders in Consorcio ARA's Ordinary Annual Meeting on April 20 **will be paid out on August 9 of this year**. An Extraordinary Meeting was also held on the same date, in which a resolution was passed to cancel **23,918,976 shares** that had been held in the share repurchase reserve, representing **1.9% of the company's total capital stock**.

Generally speaking, housing demand remains constant, with a steady supply of mortgage loans, inflation has slowed, and the benchmark interest rate has been unchanged since March.

In the second half of the year, we will continue to invest strategically in current projects and in the openings we announced at the start of the year, so we project higher revenues in the remaining six months than in the first half of the year.

II. Overview

2Q23 vs. 2Q22

- Revenues rose to P$1.84 billion, a growth of 3.9%.
- A total of 1,511 homes were sold, and the average price was P$1,173,000, a 10.8% increase.
- Operating income was P$212.7 million, 29.5% higher, and the operating margin was 11.6%.
- EBITDA came to P$277.0 million, a growth of 12.2%, and the EBITDA margin was 15.1%.
- Net income was P$180.8 million, an increase of 13.4%, and the net margin was 9.8%.
- Free Cash Flow to the Firm was positive by P$268.4 million.

1H23 vs. 1H22

- Revenues rose to P$3.49 billion, a growth of 2.3%.
- A total of 2,835 homes were sold, and the average price was P$1,187,500, a 13.1% increase.
- Operating income was P$384.4 million, 21.2% higher, and the operating margin was 11.0%.
- EBITDA came to P$506.8 million, a growth of 8.9%, and the EBITDA margin was 14.5%.
- Net income was P$340.8 million, an increase of 14.3%, and the net margin was 9.8%.
- Free Cash Flow to the Firm was positive by P$224.9 million.

Results

(Millions of pesos)

	2Q23	2Q22	Chge. %	1H23	1H22	Chge. %
Revenues	1,836.1	1,767.7	3.9	3,490.6	3,410.9	2.3
Sales (homes)	1,511	1,596	-5.3	2,835	3,126	-9.3
Average price (thousands of pesos)	1,173.0	1,058.8	10.8	1,187.5	1,050.2	13.1
Gross profit	486.9	454.3	7.2	911.9	879.8	3.7
Income from operations	212.7	164.3	29.5	384.4	317.1	21.2
Net income	180.8	159.4	13.4	340.8	298.3	14.3
EBITDA (1)	277.0	246.9	12.2	506.8	465.5	8.9
Gross margin	26.5%	25.7%		26.1%	25.8%	
Operating margin	11.6%	9.3%		11.0%	9.3%	
Net margin	9.8%	9.0%		9.8%	8.7%	
EBITDA margin	15.1%	14.0%		14.5%	13.6%	
Free Cash Flow to the Firm	268.4	81.6		224.9	176.4	

(1) EBITDA: Income from operations excluding depreciation, capitalized interest expense that was transferred to cost, and other income (expense) - net.

Financial Position

(Millions of pesos)

	As of Jun'23	As of Dec'22	Chge. %
Cash and cash equivalents	3,114.1	3,146.4	-1.0
Cost bearing liabilities	2,302.1	2,320.3	-0.8
Net debt	-811.9	-826.2	-1.7

(Times)

		As of Jun'23	As of Dec'22	Change
Cost bearing liabilities	/ Stockholders' equity	0.16	0.16	0.00
	/ Total assets	0.10	0.10	0.00
	/ EBITDA (12m)	2.33	2.45	-0.12
Net debt / EBITDA (12m)		-0.82	-0.87	0.05
Net debt / Stockholders' equity		-0.06	-0.06	0.00

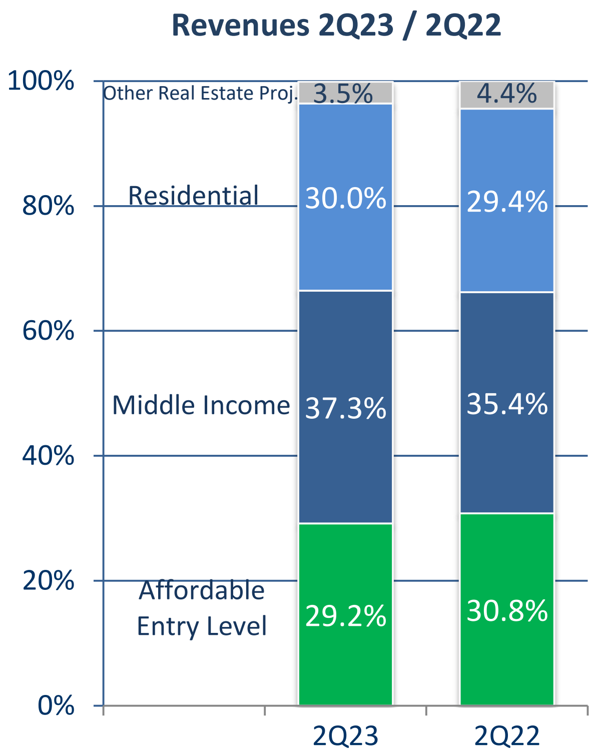
	LTM Jun'23	LTM Dec'22	Chge.
Interest coverage:			
EBITDA / Interest expense	3.60	4.36	-0.76
EBITDA / Interest expense less interest income	-371.14	3,201.59	-3,572.73

Land Bank

As of June 30, 2023, ARA's land bank had a book value of P$4.30 billion and included 30.7 million m^2, enough to build 119,607 master-plan homes. This land bank includes 2 million m^2 set aside for non-housing development, such as the retail properties, tourist resorts and industrial zones.

III. Second Quarter Results 2023 / 2022 (2Q23 / 2Q22)

Revenues

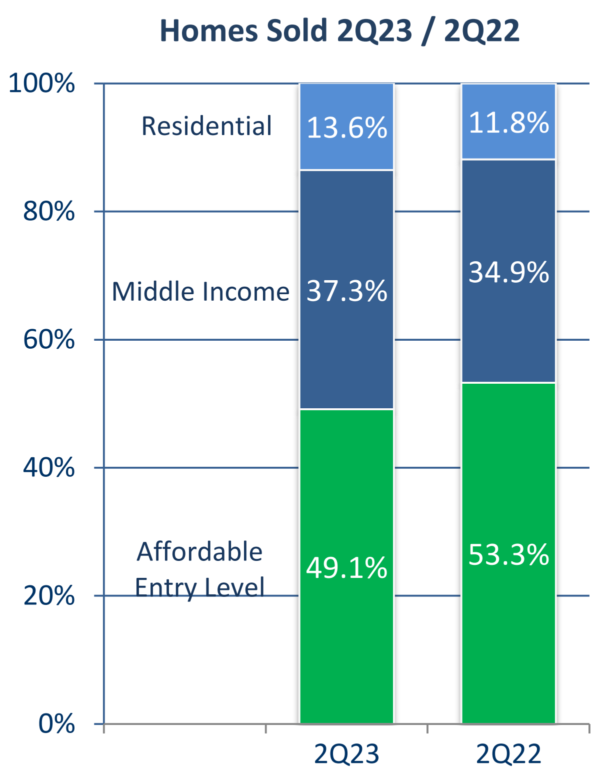


In 2Q23, revenues totaled P$1.84 billion pesos, which is 3.9% more than in the same quarter of last year. Housing revenues came to P$1.77 billion, 4.9% above their year-earlier level.

Revenues by segment broke down as follows:

	2Q23			2Q22			Chge. 2Q 23/22	
	Units	Mill. $	Rev%	Units	Mill. $	Rev%	Mill. $	%
Affordable Entry Level	741	537.4	29.2	850	544.6	30.8	-7.2	-1.3
Middle Income	564	684.7	37.3	557	625.2	35.4	59.5	9.5
Residential	206	550.3	30.0	189	520.1	29.4	30.3	5.8
Total as Home Builder	**1,511**	**1,772.5**	**96.5**	**1,596**	**1,689.9**	**95.6**	**82.5**	**4.9**
Other Real Estate Projects		63.7	3.5		77.8	4.4	-14.1	-18.2
Total	**1,511**	**1,836.1**	**100**	**1,596**	**1,767.7**	**100**	**68.4**	**3.9**

Revenues in the Middle-Income and Residential categories grew by 9.5% and 5.8%, respectively, while revenues in the Affordable Entry-Level segment declined by a slight 1.3% compared to 2Q22, although they recovered strongly by 19.3% compared to the first quarter of this year.

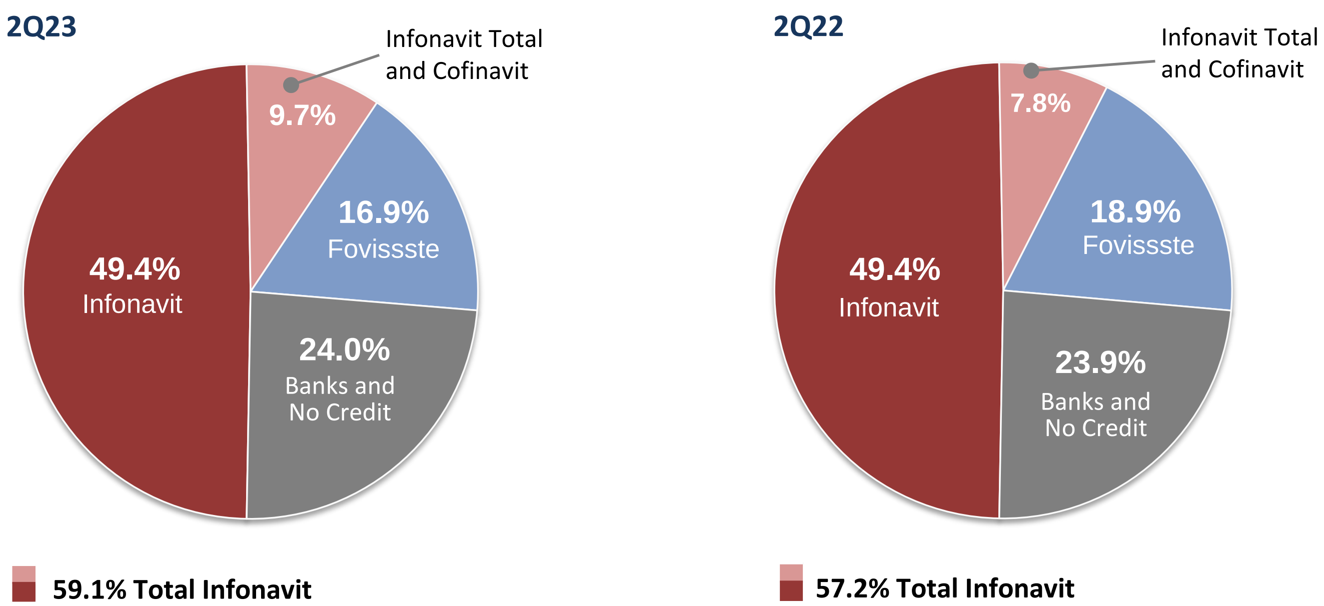


Our company sold a total of 1,511 homes in 2Q23, 5.3% fewer than in 2Q22. Home sales in the Middle-Income and Residential segments grew 1.3% and 9.0%, respectively, while Affordable Entry-Level sales dropped by 12.8% mainly because of the completion of two developments.

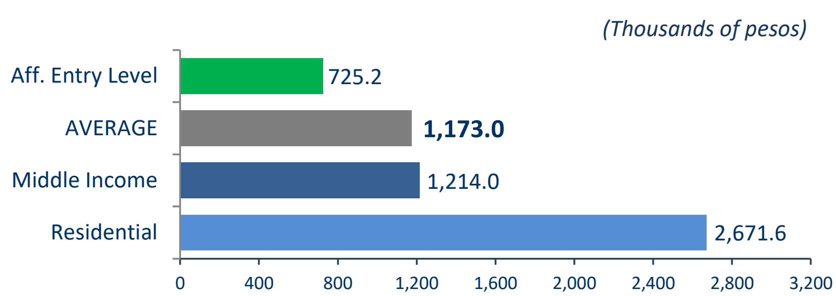
Meanwhile, homes in vertical developments accounted for 60.6% of the total number sold in 2Q23, and 52.2% in 2Q22.

Revenues from "Other Real-Estate Projects", primarily from the sale of commercial land and revenues from shopping center leases, accounted for 3.5% of total revenues in 2Q23, compared to 4.4% in 2Q22. This line was 18.2% lower in 2Q23 than in 2Q22, due to lower sales of commercial land.

Percentage of titled homes by type of financing 2Q23 / 2Q22



Average sales prices by type of housing unit 2Q23



The average sale price of an ARA home in 2Q23 was P$1,173,000, an increase of 10.8% over the same period of last year. Average prices in the Affordable Entry-Level and Middle-Income segments rose by 13.2% and 8.2%, respectively, and the average price of Residential homes dropped by 2.9%.

Costs

In 2Q23, costs totaled P$1.35 billion, which was 2.7% more than the P$1.31 billion reported in 2Q22. Costs in 2Q23 were equivalent to 73.5% of total revenues, 80bp lower than in 2Q22.

Gross profit

At the close of 2Q23, gross profit totaled P$486.9 million, growing 7.2% over the same period of last year, due primarily to higher revenues and lower costs. The gross margin was 26.5%, 80bp higher than in 2Q22.

General expenses

In 2Q23, general expenses, which include wages and compensation for administrative and sales personnel as well as sales expense, came to P$272.9 million, 1.1% lower than in 2Q22, when we entered non-recurring expenses. In proportion to revenues, general expenses were 14.9% in 2Q23, 70pb lower than in 2Q22.

Operating income

Operating income for 2Q23 was P$212.7 million, a 29.5% growth over 2Q22. The operating margin in 2Q23 was 11.6%, broadening by 230pb on a year-over-year basis.

Financial income - net

	2Q23 Mill $	2Q22 Mill $	Change Mill $	Change %
Net interest expense	30.0	15.9	14.1	88.5
Interest income	-71.4	-50.5	-20.9	41.4
Exchange loss (gain)	3.1	-0.7	3.8	-537.7
Loss (gain) on derivatives	2.0	-3.3	5.3	-160.2
Financial income - net	**-36.3**	**-38.6**	**2.3**	**-6.0**

	2Q23 Mill $	2Q22 Mill $	Change Mill $	Change %
Interest expense	84.3	50.4	34.0	67.5
Capitalized interest expense	-54.4	-34.5	-19.9	57.8
Net interest expense	**30.0**	**15.9**	**14.1**	**88.5**

Interest income - net in 2Q23 was P$36.3 million, primarily due to interest income.

We reported a foreign-exchange loss of P$3.1 million in 2Q23, largely due to the valuation of our dollar investments (cash equivalents); as well as a loss of P$2.0 million on our derivatives positions--corresponding to instruments acquired for the purpose of hedging certain loans (see the Debt section).

Capitalized interest expense is based on the weighted average acquisition of inventories (which includes land and work in process). The interest is capitalized into inventories and transferred to costs as revenues from the corresponding developments are entered.

In 2Q23 and 2Q22, capitalized interest expense included in inventories was P$54.4 million and P$34.5 million, respectively. At the same time, capitalized interest expense of P$44.1 million was transferred from inventories to costs in 2Q23, compared to P$50.2million in 2Q22.

Income tax

ARA's tax bill for 2Q23 totaled P$82.1 million, corresponding to an Income Tax rate of 30% of net fiscal earnings and deferred taxes.

Net income

Net income in 2Q23 was P$180.8 million, a 13.4% growth over 2Q22, attributable to higher revenues and improved profitability. The net margin was 9.8% in 2Q23, 80bp higher than in 2Q22.

EBITDA

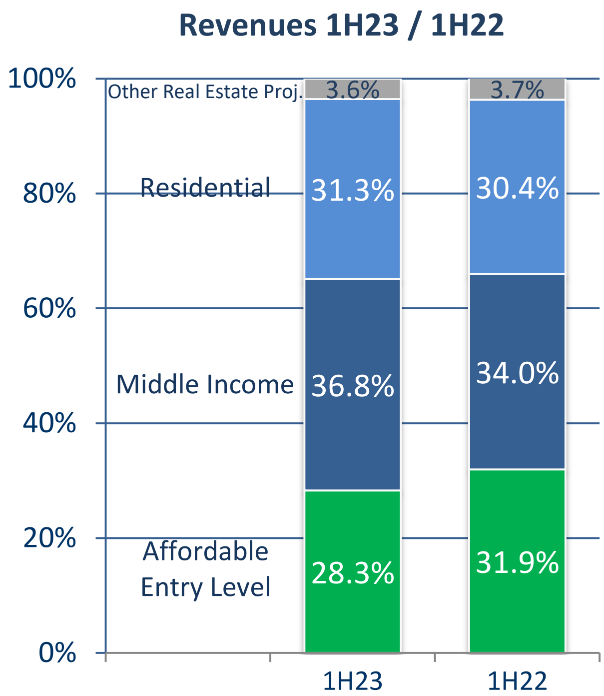
Reconciliation of net income with EBITDA

	2Q23 Mill $	2Q22 Mill $	Change Mill $	Change %
Net income	**180.8**	**159.4**	**21.4**	**13.4**
Depreciation	18.8	18.4	0.3	1.8
Capitalized interest paid transferred to costs	44.1	50.2	-6.0	-12.0
Income taxes	82.1	69.2	12.9	18.7
Equity method in joint ventures	-13.8	-25.6	11.7	-46.0
Other expenses - net	1.4	14.0	-12.6	-90.3
Financial income - net	-36.3	-38.6	2.3	-6.0
EBITDA	**277.0**	**246.9**	**30.1**	**12.2**

In 2Q23, ARA generated P$277.0 million in EBITDA, a 12.2% increase over the same period of the previous year. The EBITDA margin was 15.1%, 110pb higher.

IV. First Half Results 2023 / 2022 (1H23 / 1H22)

Revenues

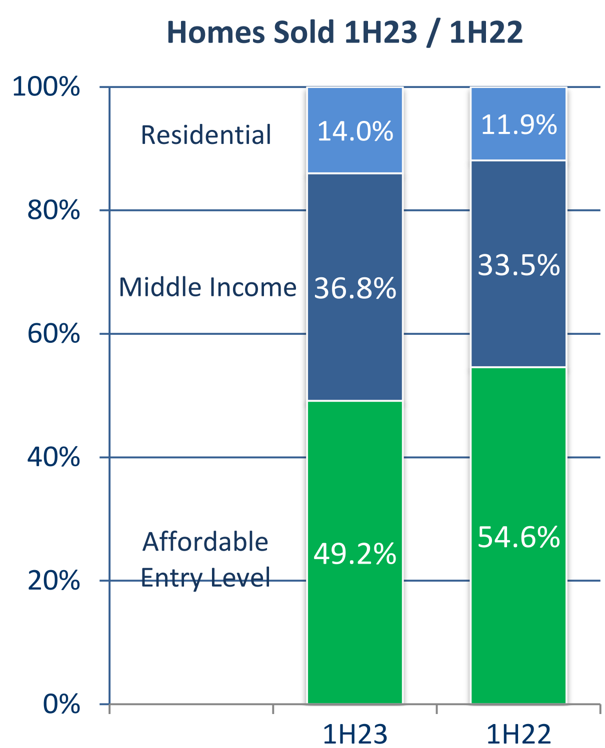


In the 1H23, total revenues amounted to P$3.49 billion, a 2.3% growth over the same period of last year. Housing revenues came to P$3.37 billion, a 2.5% increase over 1H22.

Revenues by segment broke down as follows:

	Jan-Jun'23			Jan-Jun'22			Chge. 1H 23/22	
	Units	Mill. $	Rev%	Units	Mill. $	Rev%	Mill. $	%
Affordable Entry Level	1,394	987.8	28.3	1,706	1,086.1	31.9	-98.3	-9.1
Middle Income	1,044	1,285.1	36.8	1,048	1,161.4	34.0	123.7	10.7
Residential	397	1,093.6	31.3	372	1,035.5	30.4	58.1	5.6
Total as Home Builder	**2,835**	**3,366.5**	**96.4**	**3,126**	**3,283.0**	**96.3**	**83.5**	**2.5**
Other Real Estate Projects		124.1	3.6		127.9	3.7	-3.8	-3.0
Total	**2,835**	**3,490.6**	**100**	**3,126**	**3,410.9**	**100**	**79.7**	**2.3**

Revenues in the Middle-Income and Residential segments in January-June 2023 grew by 10.7% and 5.6%, respectively. In the Affordable Entry-Level segment, revenues declined y 9.1% compared to Jan-Jun '22, due primarily to the completion of two developments.

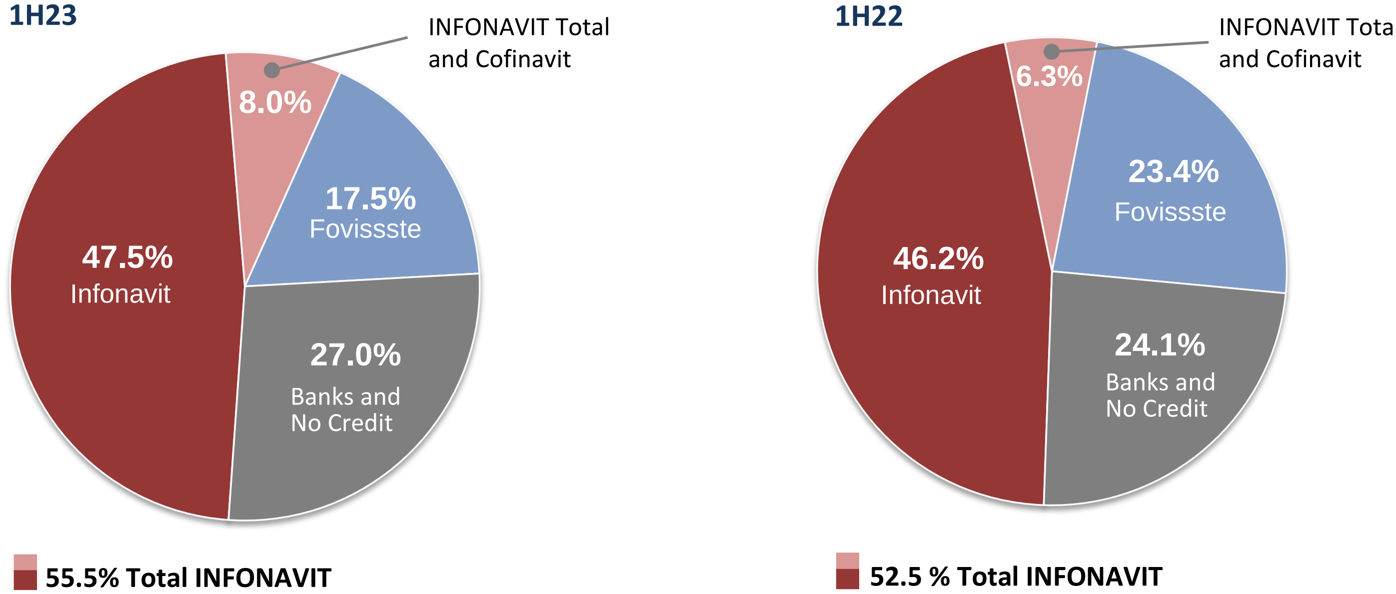


In the first six months of the year a total of 2,835 homes were sold, a 9.3% reduction from the same period of last year. By housing segment, Residential segment sales volume grew 6.7%, Middle-Income homes were basically stable, and Affordable Entry-Level home sales dropped 18.3%, for the same reason mentioned in the previous paragraph.

Homes in vertical developments between January and June 2023 accounted for 61.1% of the total number sold in 1H23, and 53.1% in 1H22.

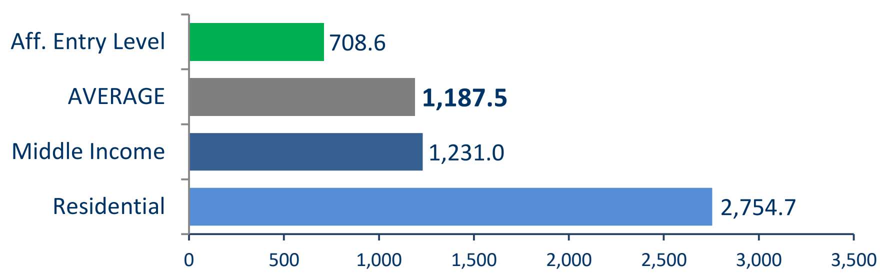
Revenues from "Other Real-estate Projects" in 1H23 and 1H22 accounted for 3.6% and 3.7% of total revenues, respectively. This line declined by 3.0% from Jan-Jun '23 to the same period of 2022, due to lower sales of commercial land.

Percentage of titled homes by type of financing 1H23 / 1H22



Average sales prices by type housing unit 1H23

(Thousands of pesos)



The average price of the homes sold in 1H23 was P$1,187,500, an increase of 13.1% over the same period of last year. Average prices in the Affordable Entry-Level and Middle-Income segments rose by 11.3% and 11.1%, respectively, while the average price in the Residential segment remained stable.

V. Financial position, liquidity and capital resources

Cash and Cash equivalents

As of June 30, 2023, cash and cash equivalents totaled P$3.11 billion, a slight 1% decline compared to the balance at the close of the previous year.

Accounts receivable

Accounts receivable showed a balance of P$658.3 million at the close of 2Q23, quite stable compared to the balance as of December 31, 2022. Accounts receivable turnover was 1.1 months.

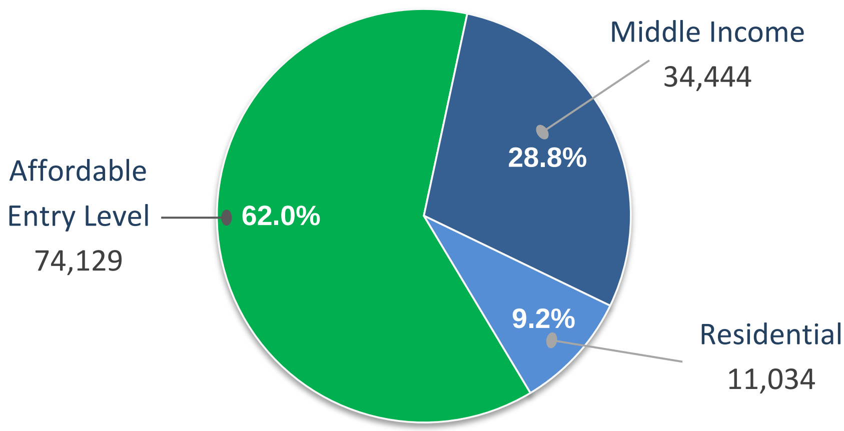
Inventories

As of June 30, 2023, total inventories amounted to P$15.88 billion, which includes: i) P$4.30 billion in land currently under development and for future development, and ii) P$11.58 billion in works in progress (building, urbanization, infrastructure, equipment, licenses and capitalized interest expense), and construction materials storage.

The table and map below show the geographic distribution of ARA's land bank:

State	Units	%
State of Mexico	34,669	29.0
Quintana Roo	32,802	27.4
Guanajuato	7,009	5.9
Nayarit	6,782	5.7
Guerrero	6,576	5.5
Jalisco	6,463	5.4
Veracruz	5,311	4.4
Puebla	5,018	4.2
Hidalgo	3,269	2.7
Nuevo León	2,122	1.8
Baja California	1,647	1.4
Baja California Sur	1,600	1.3
Morelos	874	0.7
Sonora	807	0.7
Subtotal	114,949	96.1
Various (4 states)	4,658	3.9
Total	**119,607**	**100**

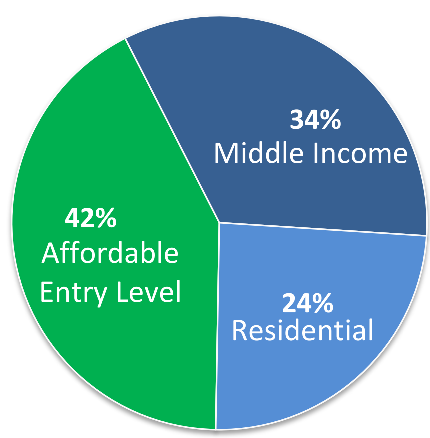
Land bank by type of housing unit as of June 2023



119,607 master – plan homes

Land Bank / Revenues by housing type

Percentage obtained by multiplying units per LTM average price.



Debt and Net debt

As of June 30, 2023, cost-bearing debt (securities market debt, bank loans and lease liabilities) totaled P$2.30 billion, basically unchanged against the balance at the close of 2022.

As of 2Q23, the breakdown of our cost-bearing debt is 9.9% short-term (due in the next 15 months) and 90.1% long-term.

The P$1.5 billion in sustainability-linked notes issued in October 2021 accounted for 64.7% of our cost-bearing debt (P$1.48 billion net of placement expenses pending accrual). The sustainability-linked notes identified with ticker symbol “ARA 21X” were placed a term of three years, the amount of P$1 billion and at a gross annual interest rate of 1.40 percentage points above the Interbank Equilibrium Interest Rate (TIIE) at up to 29 days; and the “ARA 21-2X” issue had a term of seven years, with a total of P$500 million and a gross annual interest rate of 9.63%, referenced to the MBono rate at book closing date, which was 7.33%, plus a spread of 2.30 percentage points. These issues have an irrevocable and unconditional guarantee of prompt payment to bondholders from Sociedad Hipotecaria Federal, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo. As of the placement date, the notes were assigned a credit rating of “HR AA+” from HR Ratings and “AA-” from Fitch. In December, 2021, HR Ratings upgraded the rating to “HR AAA” and modified the outlook from positive to stable, which was ratified on October 11 of the previous year.

At the close of the year’s second quarter, the balance of our simple unsecured bank loan was P$250.0 million (P$248.5 million net of commissions payable), and accounted for 10.8% of our cost-bearing debt. This loan was taken out in 4Q22 at an interest rate of 200pb over the TIIE, at a term of three years, with quarterly payments of principal and monthly interest payments.

As of June 30, 2023, the balance of the simple loans secured by real property, collection rights, partnership shares and stock in the two shopping malls that are 100% owned by ARA, was P$419.8 million, and accounted for 18.1% of the cost bearing debt. To hedge the cost of servicing these loans, we have taken out two interest-rate swaps, which set fixed rates of 8.035% and 7.430%, expiring in 2023 and 2024, respectively; and six interest-rate caps, three set at 7%, two at 8% and on at 9%, all expiring in 2027.

With regard to lease liabilities, primarily for corporate offices as well as the acquisition of machinery and equipment, the balance as of June 30, 2023 stood at P$148.1 million, and accounted for 6.4% of cost-bearing debt.

Net debt as of June 30, 2023 was negative by -P$811.9 million because the balance of Cash and Cash Equivalents was higher than the balance of cost-bearing debt.

				(Times)
		As of Jun'23	As of Dec'22	Change
Cost bearing liabilities	/ Stockholders’ equity	0.16	0.16	0.00
	/ Total assets	0.10	0.10	0.00
	/ EBITDA (12m)	2.33	2.45	-0.12
Net debt / EBITDA (12m)		-0.82	-0.87	0.05
Net debt / Stockholders’ equity		-0.06	-0.06	0.00
Total Liabilities / Total Assets		35.2%	34.7%	50 bp
Total Liabilities[(a)] / Total Assets		19.7%	19.2%	50 bp
Total Liabilities / Stockholders’ equity		54.4%	53.2%	120 bp

[(a)] *Deferred income tax not included.*

For seventeen years in a row, ARA has maintained the highest credit ratings in the Mexican homebuilding sector, from Standard and Poor’s “mxAA-” (CaVal National Scale). Starting in 2017, the Company also obtained a credit rating from HR Ratings, currently at “HR AA”, also the highest among Mexico’s publicly traded housing developers. Also, in 2021, Fitch Ratings assigned ARA a long-term national-scale rating of “A+(mex)”.

Other financial ratios

In addition to the debt ratios presented above, the following table contains further indicators of this firm's solid financial structure.

	As of Jun'23	As of Dec'22
Liabilities in Foreign Currency / Total Liabilities	0.5%	0.5%
Cash and Investments / Current Liabilities	133.3%	148.1%
Current Assets / Current Liabilities	6.53 times	7.12 times
Current Assets (-) Inventories / Current Liabilities	1.90 times	2.11 times

Deferred income tax

The deferred income tax liability is produced basically by the deductibility of land acquisitions. The balance as of June 30, 2023 was P$3.50 billion, a 1.8% increase over the amount reported at the close of 2022.

Stockholders' equity

Consorcio ARA's stockholders' equity totaled P$14.59 billion as of June 30, 2023. Of this amount, 92.8% corresponded to accumulated earnings, which totaled P$13.54 billion.

Earnings Per Share (EPS)

For the twelve months ended in June 2023, EPS was P$0.556, a 21.4% increase compared to the P$0.458 reported for the twelve months leading up to June 2022.

VI. Shopping malls

ARA has a unit devoted to developing, managing and marketing shopping malls. These shopping malls are strategically located in areas of high demographic growth potential, typically inside or close to ARA's housing developments, serving as a major source of added value for those developments. The following table shows the geographic location of the developments and their Gross Leasable Area (GLA), as of June 30, 2023:

Shopping center	State	GLA* (m	%
Centro Las Américas	State of Mexico	81,966	41.5%
Paseo Ventura	State of Mexico	26,100	13.2%
Centro San Miguel	State of Mexico	38,891	19.7%
Plaza Centella	State of Mexico	18,349	9.2%
Centro San Buenaventura	State of Mexico	11,474	5.8%
Plaza Carey	Veracruz	20,917	10.6%
	Total	**197,697**	**100%**

* Gross Leasable Area

ARA also has 7,578m² in “uni” and “mini” shopping mall formats, bringing the full total of Gross Leasable Area to 205,275 m². The occupancy rate as of June 30, 2023 was 94%, a very competitive level.

In 2Q23, shopping-center revenues totaled P$106.9 million, a 4.9% growth over the same period of last year; while Net Operating Income was P$71.9 million, 4.0% higher. Revenues in 1H23 totaled P$206.5 million, a growth of 6.5% over the first half of 2022; NOI came to P$140.9 million, rising 7.4%.

These results correspond to shopping centers that are 100% owned by ARA and are consolidated into our financial statements--Centro San Miguel, Plaza Centella, Centro San Buenaventura and Plaza Carey, “uni” and “mini” malls—as well as 50% of Centro las Américas and Paseo Ventura, according to our stake in those properties, which are entered under the equity method.

VII. Closing Remarks

- **Dividend payment**

On August 9 a dividend of P$200 million will be paid out, having been approved at our Ordinary General Shareholders’ Meeting held April 20, 2023. The dividend amounts to P$0.1626 per share, a yield of 5.08% based on the 2022 closing price of P$3.20.

- **Credit Rating**

On May 19 of this year, S&P Global Ratings confirmed Consorcio ARA’s long-term issuer rating of “mxAA-” with a stable outlook. In its report, which can be viewed on our corporate web page https://consorcioara.com.mx/financieros/calificaciones, the agency cited ARA’s key strengths as one of Mexico’s largest housing developers, the business model flexibility that comes from its diversification of housing segments, and its substantial land bank; as well as its low debt levels and high cash flow generation.

- **Consorcio ARA announces extension of its maket marker contract with BTG**

On June 27, we announced the extension of a contract for the provision of market maker services, which we signed on June 10, 2019 with BTG Pactual Casa de Bolsa. This contract will help continue supporting the market liquidity of ARA’s shares.

The contract extension began on June 29, 2023, and it will remain in effect for twelve months following that date.

Conference Call and Webcast

ARA will hold its conference call to discuss the Company's 2Q23 results on Thursday, July 20, 2023 at 10:00 a.m. (Mexico City Time). In order to connect to the call, please dial up ten minutes before the conference is scheduled to begin, at one the following numbers:

United States	**+1.800.981.3960**
International	**+1.917.672.7372**
Identification code	**2954**

The Conference Call and presentation will also be transmitted live over the Internet. For access, go to: https://consorcioara.transmision.com.mx/

A recording of the full Conference Call will be available for replay beginning at 12:00p.m. on July 20, 2023 until July 27, 2023 at 10:59 p.m. To listen to the replay please dial one of the following numbers:

Mexico City	**+52.55.4123.2122**
Identification code	**6590**

Company Profile

Consorcio ARA has 46 years of experience in the building and marketing of Affordable Entry Level, Middle Income and Residential housing, as well as building and leasing shopping centers in Mexico. So far, Consorcio ARA has sold around 387,700 homes and today approximately 1,551,000 people live in ARA homes. It currently has a presence in 15 states, with 38 developments in operation. Since 1996, when ARA became a publicly traded company, it has been characterized by a diversified product offering and a long-term vision, with a solid financial structure that is reflected in the efficient use of our working capital, liquidity and a moderate level of debt.

Disclaimer

The information provided herein by Consorcio ARA may contain forward-looking statements about future events and financial results. The reader should understand that the results obtained may differ from the projections contained in this document, because past results in no way offer any guarantee of future performance. For this reason, the Company assumes no responsibility for any indirect factors or elements beyond its control that might occur inside Mexico or abroad and which might affect the outcome of these projections

VIII. Financial Statements

Statements of Profit or Loss and other Comprehensive Income

	Second Quarter 2023 / 2022				Change 2Q23 / 2Q22		January-June 2023 / 2022				Change 1H23 / 1H22	
	2Q23	%	2Q22	%	$	%	1H23	%	1H22	%	$	%
Revenues	1,836.1	100	1,767.7	100	68.4	3.9	3,490.6	100	3,410.9	100	79.7	2.3
Costs	1,349.2	73.5	1,313.3	74.3	35.8	2.7	2,578.7	73.9	2,531.2	74.2	47.5	1.9
Gross profit	**486.9**	**26.5**	**454.3**	**25.7**	**32.6**	**7.2**	**911.9**	**26.1**	**879.8**	**25.8**	**32.2**	**3.7**
General expenses	272.9	14.9	276.0	15.6	(3.2)	(1.1)	522.3	15.0	547.2	16.0	(24.9)	(4.6)
Other income - net	(1.4)	-0.1	(14.0)	-0.8	12.6	(90.3)	(5.2)	-0.2	(15.5)	-0.5	10.2	(66)
Income from operations	**212.7**	**11.6**	**164.3**	**9.3**	**48.4**	**29.5**	**384.4**	**11.0**	**317.1**	**9.3**	**67.3**	**21.2**
Financial income - net:												
Interest expense	84.3	4.6	50.4	2.8	34.0	67.5	156.7	4.5	99.8	2.9	56.9	57.0
Capitalized interest expense	(54.4)	-3.0	(34.5)	-1.9	(19.9)	57.8	(106.6)	-3.1	(66.8)	-2.0	(39.8)	59.6
Interest income	(71.4)	-3.9	(50.5)	-2.9	(20.9)	41.4	(152.9)	-4.4	(93.1)	-2.7	(59.8)	64.3
Exchange loss (gain)	3.1	0.2	(0.7)	0.0	3.8	(537.7)	7.8	0.2	0.6	0.0	7.2	1,216.8
Loss (gain) on derivatives	2.0	0.1	(3.3)	-0.2	5.3	(160.2)	2.9	0.1	(8.3)	-0.2	11.2	(134.4)
	(36.3)	**-2.0**	**(38.6)**	**-2.2**	**2.3**	**(6.0)**	**(92.2)**	**-2.6**	**(67.8)**	**-2.0**	**(24.4)**	**36.0**
Equity method in join ventures	13.8	0.8	25.6	1.4	(11.7)	(46.0)	24.7	0.7	49.3	1.4	(24.6)	(50.0)
Income before Income taxes	**262.9**	**14.3**	**228.5**	**12.9**	**34.3**	**15.0**	**501.2**	**14.4**	**434.2**	**12.7**	**67.0**	**15.4**
Taxes:												
ISR deferred	6.9	0.4	(14.7)	-0.8	21.6	(147.0)	54.5	1.6	(8.4)	-0.2	62.9	(746.9)
ISR current	75.2	4.1	83.9	4.7	(8.7)	(10.4)	105.9	3.0	144.3	4.2	(38.4)	(26.6)
	82.1	4.5	69.2	3.9	12.9	18.7	160.4	4.6	135.9	4.0	24.5	18.0
Net Income	**180.8**	**9.8**	**159.4**	**9.0**	**21.4**	**13.4**	**340.8**	**9.8**	**298.3**	**8.7**	**42.5**	**14.3**
Other comprehensive income	-	0.0	-	0.0	-	-	-	0.0	-	0.0	-	-
Comprehensive income	**180.8**	**9.8**	**159.4**	**9.0**	**21.4**	**13.4**	**340.8**	**9.8**	**298.3**	**8.7**	**42.5**	**14.3**
Depreciation	18.8	1.0	18.4	1.0	0.3	1.8	36.9	1.1	35.3	1.0	1.6	4.5
NCFR recognized in costs	44.1	2.4	50.2	2.8	(6.0)	(12.0)	80.2	2.3	97.6	2.9	(17.4)	(17.8)
EBITDA	**277.0**	**15.1**	**246.9**	**14.0**	**30.1**	**12.2**	**506.8**	**14.5**	**465.5**	**13.6**	**41.2**	**8.9**

Statements of financial position

	As of Jun'23	As of Dec'22	Change Amount	Change %
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	3,114.1	3,146.4	-32.3	(1.0)
Accounts receivable	658.3	659.7	-1.4	(0.2)
Land for development	1,308.1	1,373.6	-65.5	(4.8)
Real estate inventories and land for development	9,504.1	9,269.7	234.4	2.5
Total Inventories	10,812.2	10,643.3	168.9	1.6
Other current assets	670.3	684.8	-14.5	(2.1)
	15,254.8	**15,134.2**	**120.6**	**0.8**
NON-CURRENT ASSETS:				
Golf Club memberships available for sale	173.8	173.8	0.0	-
Investment properties	1,058.5	1,065.6	-7.1	(0.7)
Land for development	2,990.6	2,990.6	0.0	-
Long-term real estate inventories	2,073.7	1,923.2	150.5	7.8
Property, machinery and equipment – Net	172.3	151.4	20.9	13.8
Investments in joint venture	309.8	294.6	15.2	5.2
Deferred tax asset	260.0	253.3	6.7	2.7
Derivative financial instrument	2.1	5.0	-2.9	(57.2)
Asset for use right	163.6	110.7	52.9	47.8
Other non-current assets	67.8	67.9	-0.1	(0.2)
	7,272.3	7,036.1	236.2	3.4
TOTAL ASSETS	**22,527.1**	**22,170.2**	**356.9**	**1.6**
CURRENT LIABILITIES:				
Bank Loans	171.4	167.3	4.2	2.5
Liability for leasing	57.0	42.8	14.2	33.2
Suppliers	720.0	791.2	-71.2	(9.0)
Other current liabilities	1,388.3	1,123.5	264.8	23.6
	2,336.8	**2,124.8**	**212.0**	**10.0**
NON-CURRENT LIABILITIES:				
Bank Loans	496.9	566.2	-69.3	(12.2)
Unsecured Securities Certificate	1,485.7	1,482.2	3.5	0.2
Liability for leasing	91.1	61.9	29.2	47.3
Deferred income tax	3,501.4	3,440.2	61.2	1.8
Other Long Term Liabilities	23.9	19.4	4.5	23.4
	5,599.0	**5,569.8**	**29.3**	**0.5**
TOTAL LIABILITIES	**7,935.8**	**7,694.5**	**241.3**	**3.1**
STOCKHOLDERS' EQUITY	14,591.3	14,475.7	115.6	0.8
LIABILITIES AND STOCKHOLDERS' EQUITY	**22,527.1**	**22,170.2**	**356.9**	**1.6**

Statements of changes in stockholders' equity

	Common stock	Additional paid-in capital (A)	Reserve for acquisition of own stock	Retained earnings	Non-controlling interest	Total stockholders' equity
Balances as of January 1, 2022	629.5	351.5	17.3	13,164.6	33.5	14,196.4
Cancellation of repurchased shares			52.2	-52.2		0.0
Net repurchase of own stock	-7.7		-76.7			-84.4
Dividends				-290.0		-290.0
Others					-0.8	-0.8
Net comprehensive income				297.8	0.5	298.3
Balances as of June 30, 2022	**621.8**	**351.5**	**-7.2**	**13,120.2**	**33.2**	14,119.5
Balances as of January 1, 2023	621.2	351.5	-12.4	13,481.8	33.5	14,475.7
Cancellation of repurchased shares			78.1	-78.1		0.0
Net repurchase of own stock	-2.18		-22.94			-25.1
Dividends				-200.0		-200.0
Others					-0.1	-0.1
Net comprehensive income				340.0	0.8	340.8
Balances as of June 30, 2023	**619.0**	**351.5**	**42.8**	**13,543.8**	**34.2**	**14,591.3**

(A) Includes Premium on sale of repurchased stock.

Statements of cash flow

	Jan-Jun'23	Jan-Jun'22
Operating activities:		
Income before taxes	501.2	434.2
Items related to investing activities:		
Depreciation	36.9	35.3
Amortization of expenses for debt placement	3.8	4.7
Equity in earnings of equity method investees	-24.7	-49.3
Other	2.9	-8.3
	18.9	**-17.6**
Items related to financing activities:		
Interest expense	50.1	33.0
	570.2	**449.6**
(Increase) decrease in:		
Trade accounts receivable - Net	1.4	-44.9
Inventories	-208.3	-133.5
Other assets	24.1	-31.8
Increase (decrease) in:		
Suppliers	-71.2	199.6
Other liabilities	17.4	-34.8
Income taxes paid	-69.8	-174.3
Net cash provided by operating activities	**263.8**	**229.9**
Investing activities:		
Purchasing of property, machinery and equipment	-36.0	-16.1
Investment property	-2.9	-37.4
Cash excess to apply to financing activities	**224.9**	**176.4**
Proceeds from debt	0.0	61.3
Payment for debt	-65.4	-129.8
Interest paid lease contract payments	-5.8	-0.9
Liability for leasing	-19.9	-10.3
Interest paid	-141.0	-76.6
Repurchase of own stock - net	-25.1	-84.4
Financing activities	**-257.2**	**-240.7**
Net increase in cash and cash equivalents	-32.3	-64.3
Cash and cash equivalents at beginning of year	3,146.4	3,391.3
Cash and cash equivalents at end of the period	**3,114.1**	**3,327.0**