

THIRD QUARTER RESULTS 2023



ConsorcioARA®

CONSORCIO ARA, S. A. B. DE C. V. (ARA*)

RESULTS FOR THE THIRD QUARTER OF 2023 (3Q23)

(All figures in millions of pesos)

Mexico City, October 19, 2023 – Consorcio ARA, S.A.B. de C.V. (“ARA” – BMV: ARA*) reports its results for 3Q23.

I. Remarks by the Chief Executive Officer

Germán Ahumada Russek remarks: We feel **satisfied with our third-quarter results**, first because **our revenues continued to grow while earnings advanced at double-digit rates, with stronger profitability**, and second because **we positioned ourselves for a good close to the year** and are within sight of our goals for 2023.

Housing revenues totaled \$1.67 billion pesos in the third quarter of the year, 5.1% higher than in the same quarter of last year. These revenues came from the **sale of 1,490 homes, at an average price of \$1,120,800 pesos, an 8% increase** over the average price for the same period of 2022.

In the third quarter of this year, **revenues totaled \$1.75 billion pesos, an increase of 3.5%** compared to the same quarter of last year, **operating income was \$200.5 million pesos, a 29.6% advance, net income totaled \$184.5 million pesos, 20.3% higher, and EBITDA came to \$275.2 million pesos, rising 23.3%**. These solid double-digit growths were due primarily to a stronger gross margin and the absence of the one-off expenses we reported throughout 2022.

With all of this, **our profitability saw a marked improvement**: in the third quarter of 2023 our **operating margin was 11.5%, 230bp higher** than in the same period of last year; the **net margin was 10.5 %, a 140bp increase**, and the **EBITDA margin was 15.7%, recovering 250bp**.

Although **Free Cash Flow to the Firm** was slightly negative in the third quarter, it **remained positive for the first nine months of the year at \$144.9 million**, and we are expecting stronger cash flow generation in the last quarter of the year.

Our basic leverage levels remain at fairly health levels. Cost-bearing debt to EBITDA shrank from 2.45 times at the close of 2022 **to 2.18 times** as of September 30 of this year. **Net debt remained negative at -\$426.2 million pesos**, which put the **net debt to EBITDA ratio at -0.41 times** as of the third quarter of 2023.

On October 16, **HR Ratings upgraded its credit rating on Consorcio ARA from HR AA to HR AA+**, reiterating its stable outlook. At the same time, it **confirmed its HR AAA rating with a stable outlook on the ARA 21X and ARA 21-2X issues and HR1 on Consorcio ARA**. In its report, the agency said the rating upgrade was based on the company's cash coverage of debt service, maturity profile, and our negative net debt.

Of significant note this quarter is that **we have increased our share of homes titled under Infonavit's Line 3 credits**. These are called **“Build with Infonavit loans”** and allow enrolled workers to build their own homes individually or through a developer in an authorized housing complex (comprehensive mode). This type of loan **offers a number of benefits to the borrower, including a qualification score of just 880, which is lower than what they need for a traditional loan, plus they can choose from one of our prototypes and we will deliver their home in a maximum of six months**. During the construction period, the developer receives installments as the work progresses, under the supervision of a managing financial entity.



As of September 30, 2023, **we had \$85.3 million pesos worth of titled homes under Infonavit's Line 3 program** pending recognition in our revenues. This is because, according to IFRS standards, the revenues can only be entered at the time the home is delivered, and this takes place in a maximum of six months, when construction is completed. **I should mention that these homes are primarily Affordable Entry-Level units**, a segment where we have seen a contraction in recent years.

We are currently in the process of issuing unsecured notes on the Mexican market for up to \$1.2 billion pesos. We plan to use the proceeds for investing in or financing real-estate construction projects aligned with the Sustainable Bond Principles, as we did with the last two sustainable issues. With this, ARA reiterates its commitment to sustainability as an essential condition for ensuring our presence in the long term. As I have mentioned on other occasions, we are convinced that we cannot speak of good economic performance without also speaking of good social and environmental results.

To keep our debt at moderate levels and maintain a cost-bearing debt to EBITDA ratio of less than 3 times, which has been our financial policy for a number of years, **we will be paying down \$1 billion pesos on the ARA 21X issue, which expires in October 2024, using our own cash on hand.**

This new issue of notes will help improve our debt maturity profile.

A year ago, we announced that we have received preliminary EDGE certification (EDGE stands for Excellence in Design for Greater Efficiency) for 4,104 homes located in three developments in Mexico State and one in Hidalgo. To obtain this certification, the builder must prove that the homes' design allows for minimum savings of 20% in energy, 20% in water, and 20% in energy embedded in materials, against a local baseline.

Early in 2023 we also received preliminary certification on 776 homes in a development in Cancún.

In 2023 we completed the final certification of 722 homes in two developments in México State, 658 of which were awarded EDGE Advanced certification for incorporating energy savings of more than 40%.

We are proud to let you know that the International Finance Corporation, the private arm of the World Bank, recognized ARA as an EDGE Champion, citing its commitment to the design and construction of projects that make efficient use of our planet's resources, and for having built more than 200,000 m² of EDGE-certified space. ARA's team will formally accept this distinction next week at the international IFC headquarters in Washington, DC.

As we reported in the second quarter, housing demand is holding steady, there is a continuing supply of mortgage loans, inflation has slowed, and interest rates are unchanged since March of this year. ARA has everything needed to close out the year on a strong note: experience, financial solidity, operating developments that meet the needs of various market segments, geographic diversification, and above all, a great team of employees committed to achieving our goals.



II. Overview

3Q23 vs. 3Q22

- Revenues rose to P\$1.75 billion, a growth of 3.5%
- A total of 1,490 homes were sold, and the average price was P\$1,120,800, an 8.0% increase.
- Operating income was P\$200.5 million, 29.6% higher, and the operating margin was 11.5%.
- EBITDA came to P\$275.2 million, a growth of 23.3%, and the EBITDA margin was 15.7%
- Net income was P\$184.5 million, an increase of 20.3%, and the net margin was 10.5%.
- Free Cash Flow to the Firm was negative by -P\$80 million.

9M23 vs. 9M22

- Revenues rose to P\$5.24 billion, a growth of 2.7%.
- A total of 4,325 homes were sold, and the average price was P\$1,164,500, an 11.3% increase.
- Operating income was P\$584.9 million, 24.0% higher, and the operating margin was 11.2%.
- EBITDA came to P\$782.0 million, a growth of 13.5%, and the EBITDA margin was 14.9%.
- Net income was P\$525.3 million, an increase of 16.3%, and the net margin was 10.0%.
- Free Cash Flow to the Firm was positive by P\$144.9 million.

Results

(Millions of pesos)

	3Q23	3Q22	Chge. %	9M23	9M22	Chge. %
Revenues	1,749.3	1,689.8	3.5	5,239.9	5,100.8	2.7
Sales (homes)	1,490	1,532	-2.7	4,325	4,658	-7.1
Average price (thousands of pesos)	1,120.8	1,037.4	8.0	1,164.5	1,046.0	11.3
Gross profit	470.9	441.0	6.8	1,382.9	1,320.7	4.7
Income from operations	200.5	154.8	29.6	584.9	471.9	24.0
Net income	184.5	153.3	20.3	525.3	451.6	16.3
EBITDA ⁽¹⁾	275.2	223.1	23.3	782.0	688.7	13.5
Gross margin	26.9%	26.1%		26.4%	25.9%	
Operating margin	11.5%	9.2%		11.2%	9.3%	
Net margin	10.5%	9.1%		10.0%	8.9%	
EBITDA margin	15.7%	13.2%		14.9%	13.5%	
Free Cash Flow to the Firm	-80.0	-21.5		144.9	155.0	

(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 Sep'23	As of Dec'22	Chge. %
Cash and cash equivalents	2,694.8	3,146.4	-14.4
Cost bearing liabilities	2,268.7	2,320.3	-2.2
Net debt	-426.2	-826.2	-48.4

(Times)

As of Sep'23					As of Dec'22	Change	
Cost bearing liabilities	/ Stockholders' equity	0.15	0.16	-0.01			
	/ Total assets	0.10	0.10	0.00			
	/ EBITDA (12m)	2.18	2.45	-0.27			
Net debt / EBITDA (12m)					-0.41	-0.87	0.46
Net debt / Stockholders' equity					-0.03	-0.06	0.03

	LTM Sep'23	LTM Dec'22	Chge.
Interest coverage:			
EBITDA / Interest expense	3.53	4.36	-0.83
EBITDA / Interest expense less interest income	104.91	3,201.59	-3,096.68

Land Bank

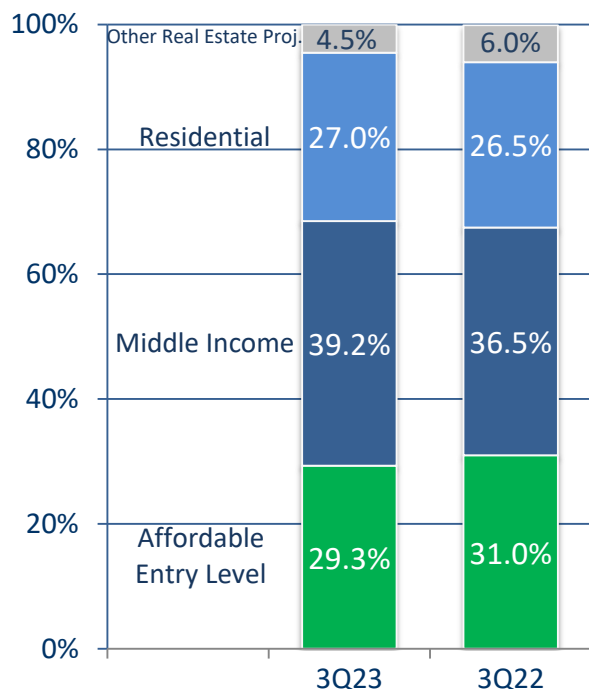
As of September 30, 2023, ARA's land bank had a book value of P\$4.25 billion and included 30.5 million m², enough to build 118,221 master-plan homes. This land bank includes 2 million m² set aside for non-housing development, such as the retail properties, tourist resorts and industrial zones.



III. Third Quarter Results 2023/ 2022 (3Q23 / 3Q22)

Revenues

Revenues 3Q23 / 3Q22



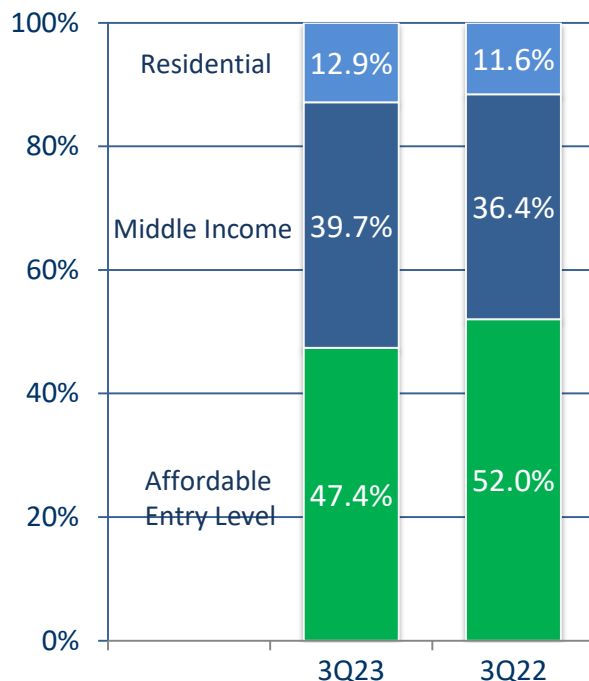
In 3Q23, revenues totaled P\$1.75 billion pesos, which is 3.5% more than in the same quarter of last year. Housing revenues came to P\$1.67 billion, 5.1% above their year-earlier level.

Revenues by segment broke down as follows:

	3Q23			3Q22			Chge. 3Q 23/22	
	Units	Mill. \$	Rev%	Units	Mill. \$	Rev%	Mill. \$	%
Affordable Entry Level	706	513.0	29.3	797	525.2	31.0	-12.2	-2.3
Middle Income	592	685.0	39.2	558	616.6	36.5	68.3	11.1
Residential	192	472.0	27.0	177	447.4	26.5	24.6	5.5
Total as Home Builder	1,490	1,670.0	95.5	1,532	1,589.2	94.0	80.8	5.1
Other Real Estate Projects		79.3	4.5		100.6	6.0	-21.4	-21.2
Total	1,490	1,749.3	100	1,532	1,689.8	100	59.4	3.5

Revenues in the Middle-Income and Residential categories grew by 11.1% and 5.5%, respectively, while revenues in the Affordable Entry-Level segment declined by a slight 2.3% compared to 3Q22.

Units 3Q23 / 3Q22



Our company sold a total of 1,490 homes in 3Q23, 2.7% fewer than in 3Q22. Home sales in the Middle-Income and Residential segments grew 6.1% and 8.5%, respectively, while Affordable Entry-Level sales dropped by 11.4%, primarily due to the completion of two developments, along with a delay in titling of about 80 homes in one of our largest developments, which had already been sold and will be titled in the fourth quarter.

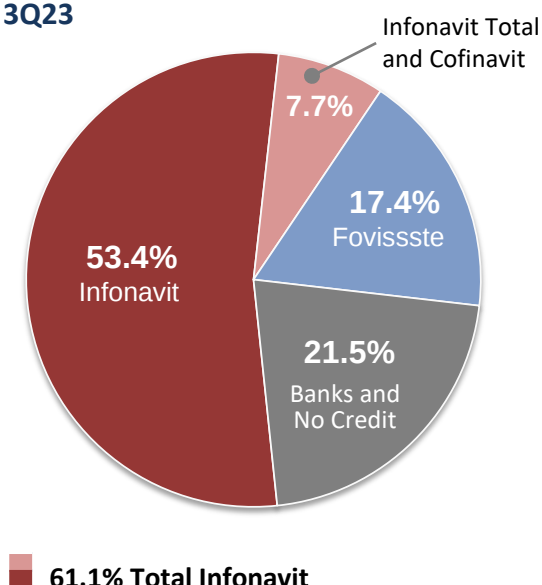
Meanwhile, homes in vertical developments accounted for 57.9% of the total number sold in 3Q23, and 52.3% in 3Q22.

Revenues from "Other Real-Estate Projects", primarily from the sale of commercial land and revenues from shopping center leases, accounted for 4.5% of total revenues in 3Q23, compared to 6.0% in 3Q22. This line was 21.2% lower in 3Q23 than in 3Q22, due to lower sales of commercial land.

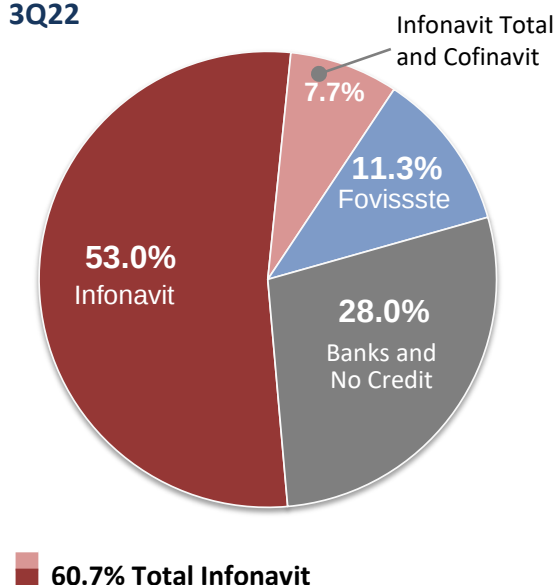


Percentage of homes titled by type of financing 3Q23 / 3Q22

3Q23

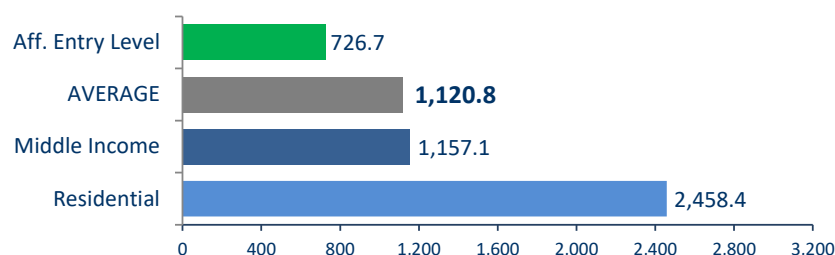


3Q22



Average sale prices by type of housing unit 3Q23

(Thousands of pesos)



The average sale price of an ARA home in 3Q23 was P\$1,120,800, an increase of 8.0% over the same period of last year. Average prices in the Affordable Entry-Level and Middle-Income segments rose by 10.3% and 4.7%, respectively, and the average price of Residential homes dropped by 2.7%.

Costs

In 3Q23, costs totaled P\$1.28 billion, which was 2.4% more than the P\$1.25 billion reported in 3Q22. Costs in 3Q23 were equivalent to 73.1% of total revenues, 80bp lower than in 3Q22.

Gross profit

At the close of 3Q23, gross profit totaled P\$470.9 million, growing 6.8% over the same period of last year, due primarily to higher revenues and lower costs. The gross margin was 26.9%, 80bp higher than in 3Q22.

General expenses

In 3Q23, general expenses, which include wages and compensation for administrative and sales personnel as well as sales expense, came to P\$261.9 million, 6.0% lower than in 3Q22, when we entered non-recurring expenses. In proportion to revenues, general expenses were 15.0% in 3Q23, 150pb lower than in 3Q22.

Operating income

Operating income for 3Q23 was P\$200.5 million, a 29.6% growth over 3Q22. The operating margin in 3Q23 was 11.5%, broadening by 230pb on a year-over-year basis.



Financial income-net

	3Q23	3Q22	Change	
	Mill \$	Mill \$	Mill \$	%
Net interest expense	20.2	16.3	3.9	24.0
Interest income	-72.7	-64.8	-7.9	12.2
Exchange loss (gain)	-0.7	0.3	-1.0	-333.5
Loss (gain) on derivatives	0.9	-1.2	2.0	-171.7
Financial income - net	-52.3	-49.3	-2.9	6.0

Interest income - net in 3Q23 was P\$52.3 million, primarily due to interest income.

We reported a foreign-exchange gain of P\$0.7 million in 3Q23, largely due to the valuation of our dollar investments (cash equivalents); as well as a loss of P\$0.9 million on our derivatives positions--corresponding to instruments acquired for the purpose of hedging certain loans (see the Debt section).

	3Q23	3Q22	Change	
	Mill \$	Mill \$	Mill \$	%
Interest expense	74.1	53.7	20.5	38.1
Capitalized interest expense	-53.9	-37.4	-16.5	44.3
Net interest expense	20.2	16.3	3.9	24.0

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 3Q23 and 3Q22, capitalized interest expense included in inventories was P\$53.9 million and P\$37.4 million, respectively. At the same time, capitalized interest expense of P\$43.6 million was transferred from inventories to costs in 3Q23, compared to P\$43.1 million in 3Q22.

Income Tax

ARA's tax bill for 3Q23 totaled P\$87.6 million, corresponding to an Income Tax rate of 30% of net fiscal earnings and deferred taxes.

Net income

Net income in 3Q23 was P\$184.5 million, a 20.3% growth over 3Q22, attributable to higher revenues and improved profitability. The net margin was 10.5% in 3Q23, 140bp higher than in 3Q22.

EBITDA

Reconciliation of net income with EBITDA

	3Q23	3Q22	Change	
	Mill \$	Mill \$	Mill \$	%
Net income	184.5	153.3	31.2	20.3
Depreciation	22.6	17.7	4.9	27.4
Capitalized interest paid transferred to costs	43.6	43.1	0.5	1.2
Income taxes	87.6	76.7	10.9	14.2
Equity method in joint ventures	-19.3	-26.0	6.6	-25.5
Other income - net	8.5	7.6	1.0	12.7
Financial income - net	-52.3	-49.3	-2.9	6.0
EBITDA	275.2	223.1	52.1	23.3

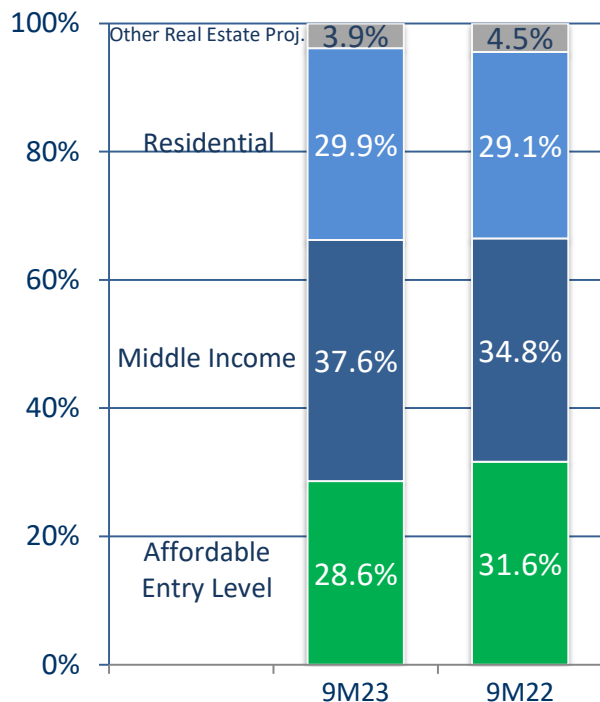
In 3Q23, ARA generated P\$275.2 million in EBITDA, a 23.3% increase over the same period of the previous year. The EBITDA margin was 15.7%, 250bp higher.



IV. Results January-September 2023 / 2022 (9M23 / 9M22)

Revenues

Revenues 9M23 / 9M22



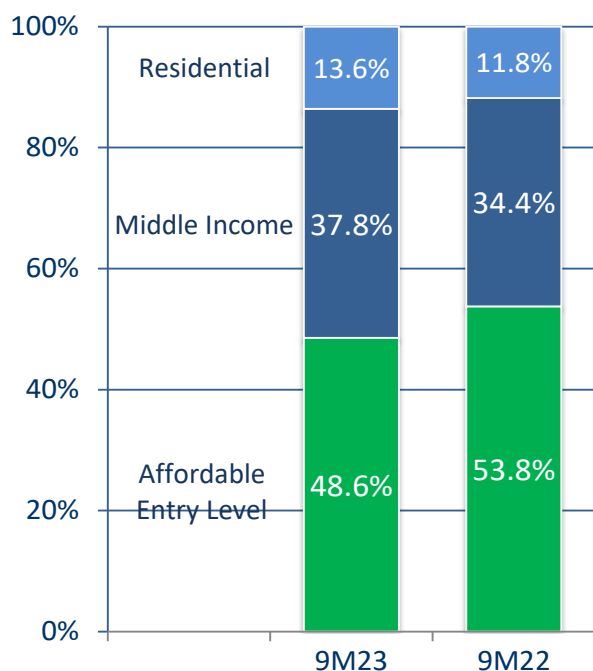
In Jan-Sep'23, total revenues amounted to P\$5.24 billion, a 2.7% growth over the same period of last year. Housing revenues came to P\$5.04 billion, a 3.4% increase over in Jan-Sep'22.

Revenues by segment broke down as follows:

	Jan-Sep'23			Jan-Sep'22			Chge. 9M 23/22	
	Units	Mill. \$	Rev%	Units	Mill. \$	Rev%	Mill. \$	%
Affordable Entry Level	2,100	1,500.8	28.6	2,505	1,612.9	31.6	-112.1	-7.0
Middle Income	1,636	1,970.1	37.6	1,604	1,776.4	34.8	193.7	10.9
Residential	589	1,565.6	29.9	549	1,482.9	29.1	82.7	5.6
Total as Home Builder	4,325	5,036.6	96.1	4,658	4,872.3	95.5	164.3	3.4
Other Real Estate Projects		203.3	3.9		228.5	4.5	-25.2	-11.0
Total	4,325	5,239.9	100	4,658	5,100.8	100	139.1	2.7

Revenues in the Middle-Income and Residential segments in Jan-Sep'23 grew by 10.9% and 5.6%, respectively. In the Affordable Entry-Level segment, revenues declined y 7.0% compared to Jan-Sep '22, due primarily to the completion of two developments.

Units 9M23 / 9M22



In the first nine months of the year a total of 4,325 homes were sold, a 7.1% reduction from the same period of last year. Middle-Income and Residential category home sales volume rose by 2.0% and 7.3%, respectively, and Affordable Entry-level housing declined by 16.2%, also mainly because of the completion of two developments.

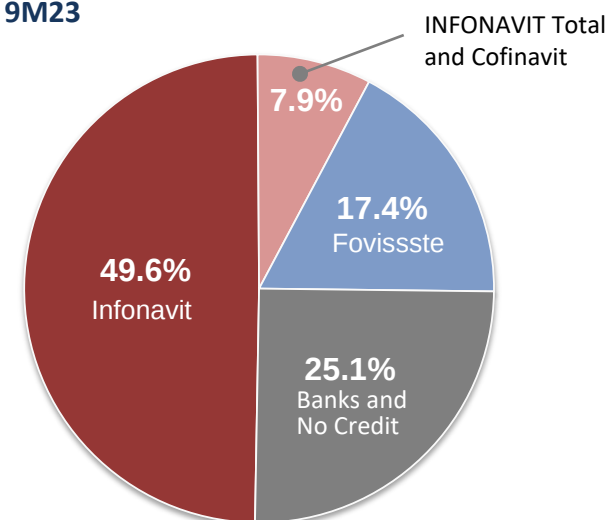
Homes in vertical developments accounted for 60.0% of the total number sold in Jan-Sep '23, and 52.9% in the same period of last year.

Revenues from "Other Real-estate Projects" in Jan-Sep'23 and Jan-Sep'22 accounted for 3.9% and 4.5% of total revenues, respectively. This line declined by 11.0% from Jan-Sep'23 to the same period of 2022, due to lower sales of commercial land.



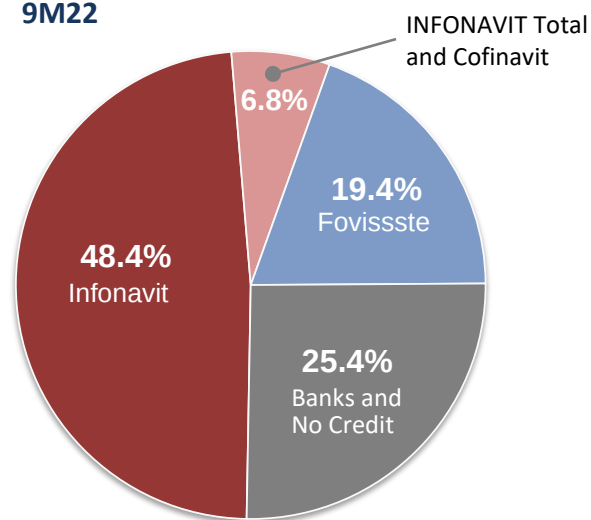
Percentage of titled homes by type of financing 9M23 / 9M22

9M23



■ 57.5% Total INFONAVIT

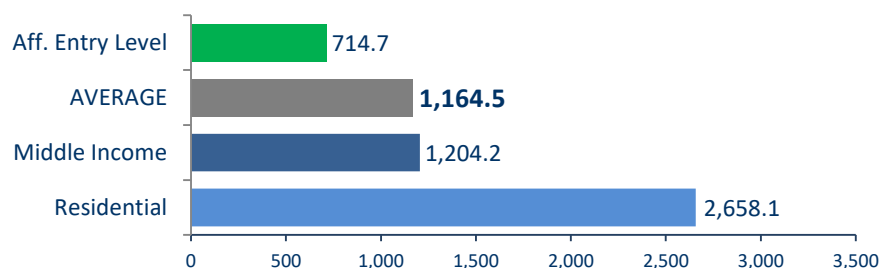
9M22



■ 55.2 % Total INFONAVIT

Average sale price by type of housing unit 9M23

(Thousands of pesos)



The average price of the homes sold in Jan-Sep'23 was P\$1,164,500, an increase of 11.3% over the same period of last year. Average prices in the Affordable EntryLevel and Middle-Income segments rose by 11.0% and 8.7%, respectively, and the average price of Residential homes dropped by 1.6%.

V. Financial position, liquidity and capital resources

Cash and cash equivalents

As of September 30, 2023, cash and cash equivalents totaled P\$2.69 billion, a slight 14.4% decline compared to the balance at the close of the previous year, due largely to dividend payments totaling \$200 million.

Accounts receivable

Accounts receivable showed a balance of P\$704.2 million at the close of 3Q23, a 6.8% increase against the close of last year, the result of a higher volume of titling in the last weeks of the quarter. Accounts receivable turnover remained fairly healthy, however, at 1.2 times.

Inventories

As of September 30, 2023, total inventories amounted to P\$16.26 billion, which includes: i) P\$4.25 billion in land currently under development and for future development, and ii) P\$12.01 billion in works in progress (building, urbanization, infrastructure, equipment, licenses and capitalized interest expense), and construction materials in storage.

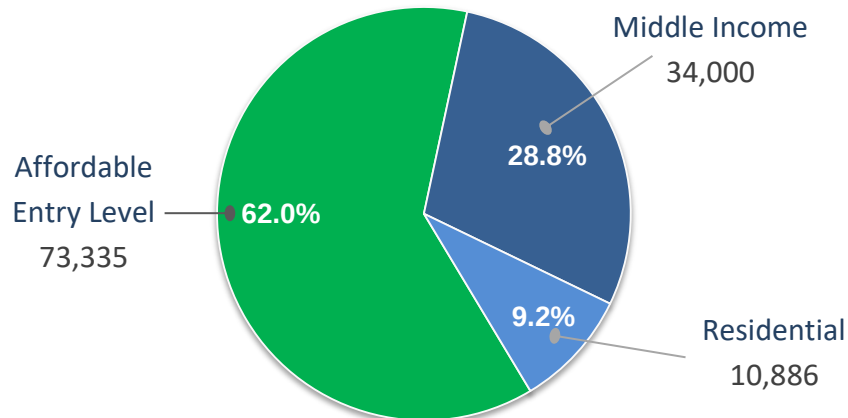


The table and map below show the geographic distribution of ARA's land bank:

State	Units	%
State of Mexico	34,258	29.0
Quintana Roo	32,649	27.6
Guanajuato	6,982	5.9
Guerrero	6,495	5.5
Nayarit	6,470	5.5
Jalisco	6,446	5.5
Veracruz	5,241	4.4
Puebla	4,961	4.2
Hidalgo	3,158	2.7
Nuevo León	2,080	1.8
Baja California Sur	1,600	1.4
Baja California	1,570	1.3
Morelos	868	0.7
Sonora	800	0.7
Subtotal	113,578	96.1
Various (4 states)	4,643	3.9
Total	118,221	100



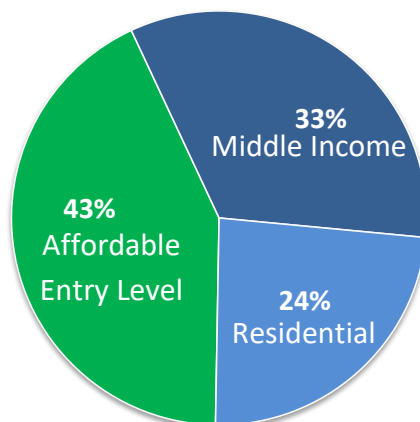
Land bank by type housing unit as of September 30, 2023



118,221 master-plan homes

Land Bank / Revenues by housing type

Percentage obtained by multiplying units per LTM average price.





Debt and Net Debt

As of September 30, 2023, cost-bearing debt (securities market debt, bank loans and lease liabilities) totaled P\$2.27 billion, a 2.2% reduction from December 31, 2022.

As of 3Q23, the breakdown of our cost-bearing debt is 54.2% short-term (due in the next 15 months) and 45.8% long-term.

The P\$1.5 billion in sustainability-linked notes issued in October 2021 accounted for 65.7% of our cost-bearing debt (P\$1.49 billion net of placement expenses pending accrual). The sustainability-linked notes identified with ticker symbol “ARA 21X” were placed a term of three years, in an 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 16.

At the close of the year’s second quarter, the balance of our simple unsecured bank loan was P\$225.0 million (P\$223.7 million net of commissions payable), and accounted for 9.9% 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 September 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\$410.8 million, and accounted for 18.0% of the cost-bearing debt. For these loans, we have hedged interest-rate risks through derivatives: six interest rate caps (three at 7%, two at 8% and one at 9%), all expiring in 2027, and one fixed-rate swap of 7.43% expiring in 2024. The fixed-rate swap at 8.035% expired in July 2023.

With regard to lease liabilities, primarily for corporate offices as well as the acquisition of machinery and equipment, the balance as of September 30, 2023 stood at P\$146.6 million, and accounted for 6.4% of cost-bearing debt.

Net debt as of September 30, 2023 was negative by -P\$426.2 million because the balance of Cash and Cash Equivalents was higher than the balance of cost-bearing debt.

		(Times)		
		As of Sep'23	As of Dec'22	Change
Cost bearing liabilities	/ Stockholders' equity	0.15	0.16	-0.01
	/ Total assets	0.10	0.10	0.00
	/ EBITDA (12m)	2.18	2.45	-0.27
Net debt / EBITDA (12m)		-0.41	-0.87	0.46
Net debt / Stockholders' equity		-0.03	-0.06	0.03
Total Liabilities / Total Assets		34.8%	34.7%	10 bp
Total Liabilities ^(a) / Total Assets		18.9%	19.2%	-30 bp
Total Liabilities / Stockholders' equity		53.4%	53.2%	20 bp

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)”.

^(a) Deferred income tax not included.



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 Sep'23	As of Dec'22
Liabilities in Foreign Currency / Total Liabilities	0.4%	0.5%
Cash and Investments / Current Liabilities	84.1%	148.1%
Current Assets / Current Liabilities	4.75 times	7.12 times
Current Assets (-) Inventories / Current Liabilities	1.29 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 September 30, 2023 was P\$3.60 billion, a 4.6% increase over the amount reported at the close of 2022.

Stockholders' equity

Consortio ARA's stockholders' equity totaled P\$14.75 billion as of September 30, 2023. Of this amount, 93.1% corresponded to accumulated earnings, which totaled P\$13.73 billion.

Earnings Per Share (EPS)

For the twelve months ended in September 2023, EPS was P\$0.583, a 24.6% increase compared to the P\$0.468 reported for the twelve months leading up to September 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 September 30, 2023:

Shopping center	State	GLA* (m	%
Centro Las Américas	State of Mexico	82,100	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		197,831	100%

* Gross Leasable Area

ARA has 7,578m² in "uni" and "mini" shopping mall formats, bringing the full total of Gross Leasable Area to 205,409 m². The occupancy rate as of September 30, 2023 was 95%, a very competitive level.



In 3Q23, shopping-center revenues totaled P\$110.4 million, a 7.8% growth over the same period of last year; while Net Operating Income was P\$78.3 million, 11.0% higher. Revenues in Jan-Sep'23 totaled P\$316.9 million, a growth of 7% over the same period of last year; NOI came to P\$219.2 million, rising 8.7%.

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, we paid a dividend of P\$200 million, which was approved in the General Ordinary Shareholders' Meeting held on April 20, 2023. The dividend amounted to P\$0.1634 pesos per share, a yield of 5.11% based on the stock price of P\$3.20 as of the payment date.



Conference Call and Webcast

ARA will hold its conference call to discuss the Company's 3Q23 results on Friday, October 20, 2023 at 10:00 a.m. (Central Standard Time) 11:00 a.m. (Eastern Standard 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	0192

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 October 20, 2023 until October 27, 2023 at 10:59 p.m. To listen to the replay please dial:

Mexico City	+52.55.4123.2122
Identification code	2938

Company Profile

Consortio ARA is engaged in the design, promotion, construction and sale of Affordable Entry Level, Middle Income and Residential housing developments, as well as building and leasing shopping centers in Mexico. So far, ARA has sold more than 389,200 homes and today approximately 1,557,000 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 Consortio 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

	Third Quarter 2023 / 2022				Change 3Q23 / 3Q22		January-September 2023 / 2022				Change 9M23 / 9M22	
	3Q23	%	3Q22	%	\$	%	9M23	%	9M22	%	\$	%
Revenues	1,749.3	100	1,689.8	100	59.4	3.5	5,239.9	100	5,100.8	100	139.1	2.7
Costs	1,278.3	73.1	1,248.9	73.9	29.5	2.4	3,857.0	73.6	3,780.1	74.1	77.0	2.0
Gross profit	470.9	26.9	441.0	26.1	30.0	6.8	1,382.9	26.4	1,320.7	25.9	62.1	4.7
General expenses	261.9	15.0	278.6	16.5	(16.7)	(6.0)	784.2	15.0	825.8	16.2	(41.6)	(5.0)
Other income - net	(8.5)	-0.5	(7.6)	-0.4	(1.0)	12.7	(13.8)	-0.3	(23.0)	-0.5	9.3	(40)
Income from operations	200.5	11.5	154.8	9.2	45.8	29.6	584.9	11.2	471.9	9.3	113.0	24.0
Financial income - net:												
Interest expense	74.1	4.2	53.7	3.2	20.5	38.1	230.9	4.4	153.5	3.0	77.3	50.4
Capitalized interest expense	(53.9)	-3.1	(37.4)	-2.2	(16.5)	44.3	(160.5)	-3.1	(104.2)	-2.0	(56.3)	54.1
Interest income	(72.7)	-4.2	(64.8)	-3.8	(7.9)	12.2	(225.6)	-4.3	(157.9)	-3.1	(67.7)	42.9
Exchange loss (gain)	(0.7)	0.0	0.3	0.0	(1.0)	(333.5)	7.1	0.1	0.9	0.0	6.2	698.2
Loss (gain) on derivatives	0.9	0.0	(1.2)	-0.1	2.0	(171.7)	3.7	0.1	(9.5)	-0.2	13.2	(139.1)
	(52.3)	-3.0	(49.3)	-2.9	(2.9)	6.0	(144.4)	-2.8	(117.1)	-2.3	(27.3)	23.3
Equity method in join ventures	19.3	1.1	26.0	1.5	(6.6)	(25.5)	44.0	0.8	75.3	1.5	(31.3)	(41.6)
Income before income taxes	272.1	15.6	230.1	13.6	42.1	18.3	773.3	14.8	664.3	13.0	109.1	16.4
Taxes:												
ISR deferred	90.6	5.2	36.8	2.2	53.7	146.0	145.0	2.8	28.4	0.6	116.7	411.1
ISR current	(2.9)	-0.2	39.9	2.4	(42.8)	(107.3)	103.0	2.0	184.3	3.6	(81.3)	(44.1)
	87.6	5.0	76.7	4.5	10.9	14.2	248.0	4.7	212.6	4.2	35.4	16.6
Net Income	184.5	10.5	153.3	9.1	31.2	20.3	525.3	10.0	451.6	8.9	73.7	16.3
Other comprehensive income	-	0.0	-	0.0	-	-	-	0.0	-	0.0	-	-
Comprehensive income	184.5	10.5	153.3	9.1	31.2	20.3	525.3	10.0	451.6	8.9	73.7	16.3
Depreciation	22.6	1.3	17.7	1.0	4.9	27.4	59.5	1.1	53.0	1.0	6.4	12.1
NCFR recognized in costs	43.6	2.5	43.1	2.5	0.5	1.2	123.8	2.4	140.7	2.8	(16.9)	(12.0)
EBITDA	275.2	15.7	223.1	13.2	52.1	23.3	782.0	14.9	688.7	13.5	93.3	13.5



Statements of financial position

	As of Sep'23	As of Dec'22	Change	
			Amount	%
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	2,694.8	3,146.4	-451.6	(14.4)
Accounts receivable	704.2	659.7	44.6	6.8
Land for development	1,165.1	1,373.6	-208.5	(15.2)
Real estate inventories and land for development	9,935.5	9,269.7	665.8	7.2
Total Inventories	11,100.6	10,643.3	457.3	4.3
Other current assets	727.0	684.8	42.2	6.2
	15,226.6	15,134.2	92.5	0.6
NON-CURRENT ASSETS:				
Golf Club memberships available for sale	173.8	173.8	0.0	-
Investment properties	1,053.5	1,065.6	-12.1	(1.1)
Land for development	3,088.7	2,990.6	98.1	3.3
Long-term real estate inventories	2,073.7	1,923.2	150.5	7.8
Property, machinery and equipment – Net	176.6	151.4	25.2	16.6
Investments in joint venture	322.3	294.6	27.7	9.4
Deferred tax asset	267.9	253.3	14.6	5.8
Derivative financial instrument	1.3	5.0	-3.7	(74.2)
Asset for use right	164.5	110.7	53.8	48.5
Other non-current assets	67.6	67.9	-0.2	(0.3)
	7,389.9	7,036.1	353.8	5.0
TOTAL ASSETS	22,616.5	22,170.2	446.3	2.0
CURRENT LIABILITIES:				
Current portion of unsecured securities certificates	993.8	-	993.8	
Bank Loans	172.4	167.3	5.1	3.0
Liability for leasing	63.6	42.8	20.8	48.5
Suppliers	798.0	791.2	6.8	0.9
Other current liabilities	1,175.8	1,123.5	52.3	4.7
	3,203.6	2,124.8	1,078.8	50.8
NON-CURRENT LIABILITIES:				
Bank Loans	462.1	566.2	-104.0	(18.4)
Unsecured Securities Certificate	493.7	1,482.2	-988.5	(66.7)
Liability for leasing	83.1	61.9	21.2	34.3
Deferred income tax	3,599.9	3,440.2	159.7	4.6
Other Long Term Liabilities	26.3	19.4	7.0	35.9
	4,665.1	5,569.8	-904.7	(16.2)
TOTAL LIABILITIES	7,868.7	7,694.5	174.2	2.3
STOCKHOLDERS' EQUITY	14,747.8	14,475.7	272.2	1.9
LIABILITIES AND STOCKHOLDERS' EQUITY	22,616.5	22,170.2	446.3	2.0



Statements of changes in stockholder's 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
Dividends				-290.0		-290.0
Net repurchase of own stock	-8.0		-78.8			-86.8
Other					-1.5	-1.5
Net comprehensive income				450.7	1.0	451.6
Balances as of September 30, 2022	621.5	351.5	-9.3	13,273.1	32.9	14,269.8
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	-4.8		-47.6			-52.4
Dividends				-200.0		-200.0
Others					-0.8	-0.8
Net comprehensive income				524.1	1.2	525.3
Balances as of September 30, 2023	616.4	351.5	18.1	13,727.8	33.9	14,747.8

(A) Includes Premium on sale of repurchased stock.



Statements of cash flow

	Jan-Sep'23	Jan-Sep'22
Operating activities:		
Income before taxes	773.3	664.3
Items related to investing activities:		
Depreciation	59.5	53.0
Amortization of expenses for debt placement	5.8	5.7
Equity in earnings of equity method investees	-44.0	-75.3
Other	3.7	-9.5
	25.0	-26.0
Items related to financing activities:		
Interest expense	70.3	49.3
	868.6	687.6
(Increase) decrease in:		
Trade accounts receivable - Net	-44.6	36.3
Inventories	-537.9	-345.4
Other assets	-25.7	-79.2
Increase (decrease) in:		
Suppliers	6.8	223.7
Other liabilities	24.2	-33.3
Income taxes paid	-91.9	-250.2
Net cash provided by operating activities	199.6	239.5
Investing activities:		
Purchasing of property, machinery and equipment	-51.3	-38.0
Investment property	-3.4	-46.6
Cash excess to apply to financing activities	144.9	155.0
Proceeds from debt	0.0	65.0
Payment for debt	-99.4	-149.3
Interest paid lease contract payments	-9.1	-1.4
Liability for leasing	-28.0	-14.5
Dividends	-200.0	-290.0
Interest paid	-207.7	-119.8
Repurchase of own stock - net	-52.4	-86.7
Financing activities	-596.5	-596.7
Net increase in cash and cash equivalents	-451.6	-441.7
Cash and cash equivalents at beginning of year	3,146.4	3,391.3
Cash and cash equivalents at end of the period	2,694.8	2,949.5