

QUARTERLY REPORT

For the quarterly period ending December 31, 2022

BINA ORMASEL, S.A.P.I. DE CV

Jalisco

State of incorporation

BOR-141001-QM8

Federal Tax Registration

Tecnológico 309, Olga Margarita, C.P. 34270, Durango, Durango

Main Office Address

2023-1

QUARTERLY REPORT

Number of common shares outstanding as of December 31, 2022:

Series A:	500
Series C:	3,114
Total:	3,614

Part I. Financial Information
Element I. Financial Statements
BINA ORMASEL, SAPI de CV
Consolidated Balance Sheet
(in mexican pesos)

	December 31, 2022	December 31, 2021
ASSETS		
Cash and equivalents – Note 3	14,765	1,001
Investments in shares – Note 4	192,616	240,241
Taxes receivable	543	339
Total Assets	207,924	241,581
LIABILITIES AND EQUITY		
Taxes payable	3,529	3,316
Total liabilities	3,529	3,316
Shareholders' Equity:		
Share premium	4,720	2,964
Contributions from partners	330,925	247,925
Retained earnings	27,807	27,318
Other comprehensive income	(159,057)	-
Shareholders' Equity	204,395	(39,942)
Book Value per Share	65	103

BINA ORMASEL, SAPI de CV
Consolidated Income Statement
(in mexican pesos)

	3 months	
	October to December 2022	October to December 2021
Operating Expenses		
Financial expenses	(812)	(1,087)
Financial products	77	273
Earnings Before Taxes and Gains from Sale of Capital Assets	(735)	(814)
Gains from Sale of Capital Assets	-	30,142
Earnings Before Taxes	(735)	29,328
Taxes on Earnings	(33)	(3,085)
Net Income (Loss) for the Year	(767)	26,243
Change in Revaluation of Shares	12,091	(33,279)
Comprehensive Income of the Year	11,324	(7,036)
Shares outstanding	3,614	2,311

BINA ORMASEL, SAPI de CV
Consolidated Cash Flow Statement
(in mexican pesos)

	3 months	
	October to December 2022	October to December 2021
Cash from Operating Activities:		
Net Income (Loss) for the Year	(767)	26,243
Taxes Payable	18	3,085
Taxes Receivable	(111)	(174)
Gains from Sale of Capital Assets	-	(30,142)
Interest Receivable	77	273
Net Cash Flows from Operating Activities	(783)	(715)
Cash from Investing Activities:		
Purchase of Investments in Stocks	(61,037)	(239,982)
Sale of Investments in Stocks	-	194,251
Dividends Received	17	77
Net Cash Flows from Investing Activities	(61,020)	(45,554)
Cash from Financing Activities:		
Contribution from Previous Operating Surplus		
Stock Subscriptions	47,360	7,208
Cash Flow from Financing Activities	47,360	7,208
Net Change in Cash for the Period	(14,443)	(39,061)
Cash and Cash Equivalents at the Beginning of the Period	14,765	40,062
Cash and Cash Equivalents at the End of the Period	321	1,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2022

Note 1. General

The unaudited consolidated financial statements presented in this document include the accounts of Bina Ormasel, SAPI de CV (“Bina” or “Company”) where Bina has a controlling financial interest as of the date of the financial statement. In these notes, the terms “we,” “our,” and “us” refer to Bina and its consolidated subsidiaries.

In 2022, the decision was made to align Bina's investment operations with the natural calendar: the winter season runs from October 1 to March 31, and the summer season from April 1 to September 30.

Therefore, starting with this report, the period from October to December 2022 is considered the first quarter of 2023.

Note 2. Accounting procedures

We are currently evaluating the effects of adopting the accounting standards of International Financial Reporting Standards (IFRS) for our Consolidated Financial Statements.

Nota 3. Immediately Available Fixed Income Instruments

Investments in fixed-income instruments are shown in our Consolidated Balance Sheet in pesos:

	December 31, 2022
Cash	50.55
Immediately available fixed income instruments	270.77

Bina's liquid resources are automatically invested in an instrument where the majority is invested in demand deposits. A portion of the portfolio is invested in AAA-rated debt from high-quality corporate, bank, and government sources.

Nota 4. Investments in shares

The capital stock investments as of December 31, 2022, are summarized below, based on the main industry of the business.

	Cost	Unrealized Gains	Unrealized Losses	Market Value
Banks, Insurance, and Finance	6,962	-	(721)	6,240
Commercial, Industrial, and Others**	24,428	-	(19,750)	4,679
Consumer Products	383,670	-	(128,924)	254,746
Total	415,060	-	(149,396)	265,665

**** Note:** This includes a leftover from the "pilot" operation, which consists of 9,000 shares of the previous company ICA acquired at a cost of \$15,316.96, as well as 300 shares of the company Convertidora Industrial acquired at a cost of \$1,507.00.

It is important to mention that Bina believes it has no unrealized losses that are not temporary because of: (a) our ability and intention to hold the shares we bought until they recover, (b) our assessment that the underlying businesses and financial conditions of our investment targets support our decisions, (c) our opinion that the price declines are not significant, and (d) our belief that market prices will increase and exceed our costs.

Our business acquisition strategy is to participate in a business at sensible prices, with consistent purchasing power, good returns on invested capital, and strong management.

Note 5. Common Shares

The changes in the number of issued shares, treasury shares, and shares outstanding during the first 3 months of 2022 are shown below:

	Series A, \$100 Par Value (500 authorized shares)			Series C, \$100 Par Value (2,000,000 authorized shares)		
	Issued	Treasury	Outstanding	Issued	Treasury	Outstanding
Balance as of September 30, 2022	500	-	500	2,000,000	1,997,359	2,641
Shares sent to treasury	-	-	-	-	-	-
Shares issued	-	-	-	-	(473)	473
Balance as of December 31, 2022	500	-	500	2,000,000	1,996,886	3,114

Each Series A common share has one vote per share. Series C shares have dividend and distribution rights equivalent to 1:1 of Series A shares. Series C common shares do not have voting rights in the company's management decisions.

Note 6. Contingencies and Commitments

Currently, there are no situations that affect the normal operations of Bina Ormasel.